

Statement of Basis

**Permit to Construct No. P-2012.0048
Project ID 61093**

**McFarland Cascade Pole & Lumber Company
Sandpoint, Idaho**

Facility ID 017-00004

Final

October 1, 2012

**Harbi Elshafei
Permit Writer**

HE,

The purpose of this Statement of Basis is to satisfy the requirements of IDAPA 58.01.01. et seq, Rules for the Control of Air Pollution in Idaho, for issuing air permits.

ACRONYMS, UNITS, AND CHEMICAL NOMENCLATURE3

FACILITY INFORMATION.....4

 Description.....4

 Permitting History4

 Application Scope.....4

 Application Chronology4

TECHNICAL ANALYSIS5

 Emissions Units and Control Equipment.....5

 Emissions Inventories6

 Ambient Air Quality Impact Analyses6

REGULATORY ANALYSIS6

 Attainment Designation (40 CFR 81.313).....6

 Facility Classification6

 Permit to Construct (IDAPA 58.01.01.201)6

 Tier II Operating Permit (IDAPA 58.01.01.401).....6

 Visible Emissions (IDAPA 58.01.01.625).....6

 Standards for New Sources (IDAPA 58.01.01.676).....7

 Title V Classification (IDAPA 58.01.01.300, 40 CFR Part 70)7

 PSD Classification (40 CFR 52.21).....7

 NSPS Applicability (40 CFR 60).....7

 NESHAP Applicability (40 CFR 61).....7

 MACT Applicability (40 CFR 63).....7

 Permit Conditions Review7

PUBLIC REVIEW9

 Public Comment Opportunity.....9

ACRONYMS, UNITS, AND CHEMICAL NOMENCLATURE

AAC	acceptable ambient concentrations
AACC	acceptable ambient concentrations for carcinogens
ASTM	American Society for Testing and Materials
BMP	best management practices
Btu	British thermal units
CAA	Clean Air Act
CEMS	continuous emission monitoring systems
CFR	Code of Federal Regulations
CO	carbon monoxide
CO ₂	carbon dioxide
CO ₂ e	CO ₂ equivalent emissions
COMS	continuous opacity monitoring systems
DEQ	Department of Environmental Quality
dscf	dry standard cubic feet
EPA	U.S. Environmental Protection Agency
GHG	greenhouse gases
HAP	hazardous air pollutants
hrs/day	hours per day
IDAPA	a numbering designation for all administrative rules in Idaho promulgated in accordance with the Idaho Administrative Procedures Act
km	kilometers
lb/hr	pounds per hour
m	meters
MMBtu	million British thermal units
NAAQS	National Ambient Air Quality Standard
NESHAP	National Emission Standards for Hazardous Air Pollutants
NO _x	nitrogen oxides
NSPS	New Source Performance Standards
PM	particulate matter
PM _{2.5}	particulate matter with an aerodynamic diameter less than or equal to a nominal 2.5 micrometers
PM ₁₀	particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers
PTC	permit to construct
PTE	potential to emit
<i>Rules</i>	<i>Rules for the Control of Air Pollution in Idaho</i>
scf	standard cubic feet
SCL	significant contribution limits
SIP	State Implementation Plan
SM	synthetic minor
SO ₂	sulfur dioxide
T/yr	tons per consecutive 12 calendar month period
TAP	toxic air pollutants
U.S.C.	United States Code
VOC	volatile organic compounds

FACILITY INFORMATION

Description

McFarland Cascade Pole & Lumber Company operates a log peeling operation within the boundaries of the Sandpoint PM₁₀ Non-attainment area.

Permitting History

This is a permit to construct (PTC) revision to convert the existing Tier II operating permit (T2) No. T2-060130, issued November 30, 2006 to facility-wide PTC.

The following 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).

November 30, 2006	T2-060130, This was the second renewal of the facility's T2 initially issued under the requirements of the <i>Sandpoint Area Particulate Matter (PM₁₀) Air Quality Improvement Plan</i> , Permit status: (A, but will become S upon issuance of this permit).
December 29, 2000	T2 renewal, Permit status: (S).
December 30, 1997	Permit No. 017-00004, T2 modification. Permit status: (S)
July 7, 1995	Initial T2 No. 017-00004, issued under the requirements of the <i>Sandpoint Area Particulate Matter (PM₁₀) Air Quality Improvement Plan</i> . Permit status: (S).

Application Scope

This project is to renew the facility's existing T2 permit No. T2-060130, issued November 30, 2006 and to convert the T2 permit to PTC.

Application Chronology

July 20, 2012	DEQ received an application.
July 23, 2012	DEQ received the application fees.
August 22, 2012	DEQ determined that the application was complete.
August 31, 2012	DEQ made available the draft permit and statement of basis for peer and regional office review.
September 6, 2012	DEQ made available the draft permit and statement of basis for applicant review.
September 24, 2012	DEQ received the permit processing fee.
October 2, 2012	DEQ issued the final permit and statement of basis.

TECHNICAL ANALYSIS

Emissions Units and Control Equipment

Table Error! No text of specified style in document. **EMISSION UNITS AND CONTROL DEVICE INFORMATION**

Source Description	Control Equipment
<u>Log Peeling Operation:</u> Pole/log peeler with hood and with maximum throughput of 8.9 tons per hour of logs; Bark conveyor system; Montgomery 34 HD punch and die bark hog; and Two Peerless 14-unit storage bins	None
Vehicle Traffic on Paved and unpaved Road	Reasonable Control

Emissions Inventories

Since this proposed project is only for a renewal of the existing T2 permit that is expiring and it is also to convert the permit to PTC, emissions will not change as a result of issuance of this permit. The emission inventory existed in the permit No. T2-060130, issued November 30, 2006 is used for this permitting action. All emission rates in the existing permit are carried over to the revised permit with no change in emissions rates as a result of this permitting action.

There are no emission inventory for the greenhouse gases from the facility since there are no combustion sources existing at the facility. Thus, the carbon dioxide gas emissions and its equivalent (CO₂e) are equal to zero.

Ambient Air Quality Impact Analyses

Since emissions will not increase as a result of this permitting action, the ambient impact analysis is not required.

REGULATORY ANALYSIS

Attainment Designation (40 CFR 81.313)

The facility is located in Bonner County, which is designated as attainment or unclassifiable for PM_{2.5}, PM₁₀, SO₂, NO₂, CO, and Ozone. Refer to 40 CFR 81.313 for additional information.

Facility Classification

The facility’s Aerometric Information Retrieval System (AIRS) remains as “B” and is not changed by this permitting action.

Permit to Construct (IDAPA 58.01.01.201)

IDAPA 58.01.01.201 Permit to Construct Required

The permittee has requested that a PTC be issued to the facility to renew the existing Tier II operating permit that is expiring. Therefore, a permit to construct is required to be issued in accordance with IDAPA 58.01.01.220. This permitting action was processed in accordance with the procedures of IDAPA 58.01.01.200-228.

Tier II Operating Permit (IDAPA 58.01.01.401)

IDAPA 58.01.01.401 Tier II Operating Permit

At the recommendation of Idaho DEQ the applicant did not apply for a Tier II operating permit in accordance with IDAPA 58.01.01.401. Instead the applicant requested, in writing, that the existing/expiring Tier II operating permit be replaced by a PTC to avoid recurring renewals and fees. This request is consistent with current permitting practice. Therefore, the requirements under IDAPA 58.01.01.400-410 do not apply and a PTC will be issued instead.

Visible Emissions (IDAPA 58.01.01.625)

IDAPA 58.01.01.625 Visible Emissions

The sources of PM₁₀ emissions at this facility are subject to the State of Idaho visible emissions standard of 20% opacity. This requirement is assured by Permit Condition 2.3.

Standards for New Sources (IDAPA 58.01.01.676)

IDAPA 58.01.01.676 Standards for New Sources

There are no boilers existing at the facility; therefore, the fuel burning equipment rules are not applicable to the facility.

Title V Classification (IDAPA 58.01.01.300, 40 CFR Part 70)

IDAPA 58.01.01.301 Requirement to Obtain Tier I Operating Permit

Facility-wide emissions from this facility do not have a potential to emit greater than 100 tons per year for criteria pollutants (i.e., PM₁₀, SO₂, NO_x, CO, VOC, and HAP) or 10 tons per year for any one HAP or 25 tons per year for all HAPs combined as demonstrated for previously issued permits. Therefore, the facility is not a Tier I source in accordance with IDAPA 58.01.01.006 and the requirements of IDAPA 58.01.01.301 do not apply. To see a list of previously issued permits, refer to the Permit History section above.

PSD Classification (40 CFR 52.21)

40 CFR 52.21 Prevention of Significant Deterioration of Air Quality

The facility is not a major stationary source as defined in 40 CFR 52.21(b)(1), nor is it undergoing any physical change at a stationary source not otherwise qualifying under paragraph 40 CFR 52.21(b)(1) as a major stationary source, that would constitute a major stationary source by itself as defined in 40 CFR 52. Therefore in accordance with 40 CFR 52.21(a)(2), PSD requirements are not applicable to this permitting action. The facility is not a designated facility as defined in 40 CFR 52.21(b)(1)(i)(a), and does not have facility-wide emissions of any criteria pollutant that exceed 250 T/yr.

NSPS Applicability (40 CFR 60)

The facility is not subject to any NSPS requirements 40 CFR Part 60.

NESHAP Applicability (40 CFR 61)

The facility is not subject to any National Emission Standards for Hazardous Air Pollutants (NESHAP) requirements in 40 CFR 61.

MACT Applicability (40 CFR 63)

The sources at this facility are not affected sources subject to NESHAP in 40 CFR Part 63, and this permitting action does not alter the applicability status of existing affected sources at the facility.

Permit Conditions Review

This section describes the permit conditions for this revised permit issued to renew an existing Tier II operating permit. Note that some minor editing may have been done on the existing permit conditions, but the substantive meaning of those conditions has not been changed.

Existing Permit Conditions:

None of the existing permit conditions were changed as a result of issuance of this renewal permit and its subsequent conversion to PTC. The most recent information regarding DEQ PTC template and General Provisions is provided also.

Log Peeling Operation:

- Visible emissions (opacity) limits standard apply to any stack, vent or other equivalent opening at the facility in accordance with Permit Condition 2.3 and IDAPA 58.01.01.625. Compliance with the opacity limits under Permit Condition 2.3 is assured by following the monitoring and recordkeeping requirements listed in Permit Condition 2.12. The requirements in condition 2.12 were updated to match the latest version being used in air permits template.
- Permit Condition 2.4 sets limit requirements for fugitive visible emissions at property boundary. This permit condition is required to be determined by Method 22, as described in 40 CFR Part 60, Appendix A, or a DEQ-approved alternative method. Compliance with this permit condition is determined by observing fugitive emissions and not let it leave the property boundary for a period or periods aggregating more than three minutes in any 60-minute period. This can be accomplished by the operating requirements of Permit Condition 2.5.
- All reasonable precautions shall be taken to prevent PM from becoming airborne in accordance with the fugitive dust requirements of Permit Condition 2.5 and IDAPA 58.01.01.650-651. Compliance with the fugitive dust requirements under Permit Condition 2.5 is assured by following the operating, monitoring and recordkeeping requirements listed in Permit Conditions 2.9, 2.10, and 2.11.
- New Permit Condition 2.6 (Odors). The permittee shall not allow, suffer, cause, or permit the emission of odorous gases, liquids, or solids to the atmosphere in such quantities as to cause air pollution in accordance with the odor requirements of Permit Condition 2.6 and IDAPA 58.01.01.775-776. Compliance with the odor requirements under Permit Condition 2.6 is assured by following the operating, monitoring and recordkeeping requirements in Permit Condition 2.6. The requirements in condition 2.6 were updated to match the latest version being used in air permits template.
- New Permit Condition 2.7 (Open Burning). If open burning is conducted at the facility, the open burning requirements apply per Permit Condition 2.7 and IDAPA 58.01.01.600-624. The requirement in condition 2.7 was updated to match the latest version being used in air permits template.
- Permit Conditions 2.8 sets limit for hours of operation from the log peeler not to exceed 16 hours per day, as existed in the Tier II Operating Permit No. T2-060130, issued November 30, 2006. This permit condition was carried over to this PTC from the previous T2 permit. Compliance with this permit condition is determined by Permit Condition 2.13 (Monitoring Hours of Operation).
- New Permit Condition 2.14 (Reports and Certifications) is included in this PTC to match the latest version being used in air permits template.

Vehicle Traffic on Paved and Unpaved Roads:

All permit conditions existed in the previous Tier II Operating Permit No. T2-060130, issued November 30, 2006 are carried over to this PTC.

PTC General Provisions:

The most current version of PTC General Provisions is used in this permit, as described below:

The duty to comply general compliance provision requires that the permittee comply with all of the permit terms and conditions pursuant to Idaho Code §39-101.

The maintenance and operation general compliance provision requires that the permittee maintain and operate all treatment and control facilities at the facility in accordance with IDAPA 58.01.01.211.

The obligation to comply general compliance provision specifies that no permit condition is intended to relieve or exempt the permittee from compliance with applicable state and federal requirements, in accordance with IDAPA 58.01.01.212.01.

The inspection and entry provision requires that the permittee allow DEQ inspection and entry pursuant to Idaho Code §39-108.

The requirement in Permit Condition 40 that "this permit shall expire if construction has not begun within two years of its issue date, or if construction is suspended for one year" does not apply to this renewal permit. This is because the sources described in the application for this permit qualified for a PTC exemption instead of being required to obtain a PTC.

The construction and operation notification provision in Permit Condition 41 requires that the permittee notify DEQ of the dates of construction and operation, in accordance with IDAPA 58.01.01.211. For this renewal permit, the notification requirements in Permit Condition 41 do not apply. This is because the sources described in the application for this permit qualify for a PTC exemption instead of being required to obtain a PTC.

The performance testing notification of intent provision requires that the permittee notify DEQ at least 15 days prior to any performance test to provide DEQ the option to have an observer present, in accordance with IDAPA 58.01.01.157.03.

The performance test protocol provision requires that any performance testing be conducted in accordance with the procedures of IDAPA 58.01.01.157, and encourages the permittee to submit a protocol to DEQ for approval prior to testing.

The performance test report provision requires that the permittee report any performance test results to DEQ within 30 days of completion, in accordance with IDAPA 58.01.01.157.04-05.

The monitoring and recordkeeping provision requires that the permittee maintain sufficient records to ensure compliance with permit conditions, in accordance with IDAPA 58.01.01.211.

The excess emissions provision requires that the permittee follow the procedures required for excess emissions events, in accordance with IDAPA 58.01.01.130. If a reportable excess emission event occurs, send the notifications to the DEQ Coeur d'Alene Regional Office as described in the rule.

The certification provision requires that a responsible official certify all documents submitted to DEQ, in accordance with IDAPA 58.01.01.123.

The false statement provision requires that no person make false statements, representations, or certifications, in accordance with IDAPA 58.01.01.125.

The tampering provision requires that no person render inaccurate any required monitoring device or method, in accordance with IDAPA 58.01.01.126.

The transferability provision specifies that this permit to construct is transferable, in accordance with the procedures of IDAPA 58.01.01.209.06.

The severability provision specifies that permit conditions are severable, in accordance with IDAPA 58.01.01.211.

PUBLIC REVIEW

Public Comment Opportunity

Because this permitting action does not authorize an increase in emissions, an opportunity for public comment period was not required or provided in accordance with IDAPA 58.01.01.209.04 or IDAPA 58.01.01.40