STATE OF MISSISSIPPI AIR POLLUTION CONTROL PERMIT

TO CONSTRUCT AIR EMISSIONS EQUIPMENT

THIS CERTIFIES THAT

Hankins Inc 15881 Highway 4 East Ripley, Mississippi Tippah County

has been granted permission to construct air emissions equipment to comply with the emission limitations, monitoring requirements and other conditions set forth herein. This permit is issued in accordance with the provisions of the Mississippi Air and Water Pollution Control Law (Section 49-17-1 et. seq., Mississippi Code of 1972), and the regulations and standards adopted and promulgated thereunder.

MISSISSIPPI ENVIRONMENTAL QUALITY PERMIT BOARD

AUTHORIZED SIGNATURE MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

Issued: ____ JAN 2 3 2017

Permit No.: 2620-00005

1640 PER20160001

SECTION 1

A. GENERAL CONDITIONS

- 1. This permit is for air pollution control purposes only. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.1.D.)
- 2. Any activities not identified in the application are not authorized by this permit. (Ref.: Miss. Code Ann. 49-17-29 1.b)
- 3. The knowing submittal of a permit application with false information may serve as the basis for the Permit Board to void the permit issued pursuant thereto or subject the applicant to penalties for operating without a valid permit pursuant to State Law. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(5).)
- 4. It is the responsibility of the applicant/permittee to obtain all other approvals, permits, clearances, easements, agreements, etc., which may be required including, but not limited to, all required local government zoning approvals or permits. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.1.D(6).)
- 5. The issuance of a permit does not release the permittee from liability for constructing or operating air emissions equipment in violation of any applicable statute, rule, or regulation of state or federal environmental authorities. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(7).)
- 6. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit, unless halting or reducing activity would create an imminent and substantial endangerment threatening the public health and safety of the lives and property of the people of this state. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(a).)
- 7. The permit and/or any part thereof may be modified, revoked, reopened, and reissued, or terminated for cause. Sufficient cause for a permit to be reopened shall exist when an air emissions stationary source becomes subject to Title V. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(b).)
- 8. The permit does not convey any property rights of any sort, or any exclusive privilege. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(c).)
- 9. The permittee shall furnish to the DEQ within a reasonable time any information the DEQ may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the DEQ copies of records required to be kept by the permit or, for information claimed to be confidential, the permittee shall furnish such records to the DEQ along with a claim of confidentiality. The permittee may furnish such

records directly to the Administrator along with a claim of confidentiality. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(d).)

- 10. Design and Construction Requirements: The stationary source shall be designed and constructed so as to operate without causing a violation of an Applicable Rules and Regulations, without interfering with the attainment and maintenance of State and National Ambient Air Quality Standards, and such that the emission of air toxics does not result in an ambient concentration sufficient to adversely affect human health and well-being or unreasonably and adversely affect plant or animal life beyond the stationary source boundaries. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.A.)
- 11. Solids Removal: The necessary facilities shall be constructed so that solids removed in the course of control of air emissions may be disposed of in a manner such as to prevent the solids from becoming windborne and to prevent the materials from entering State waters without the proper environmental permits. (Ref.: Miss. Code Ann. 49-17-29)
- 12. Diversion and Bypass of Air Pollution Controls: The air pollution control facilities shall be constructed such that diversion from or bypass of collection and control facilities is not needed except as provided for in 11 Miss. Admin. Code Pt. 2, R. 1.10., "Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants." (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.10.)
- 13. Fugitive Dust Emissions from Construction Activities: The construction of the stationary source shall be performed in such a manner so asto reduce fugitive dust emissions from construction activities to a minimum. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.A(4).)
- 14. Right of Entry: The permittee shall allow the Mississippi Department of Environmental Quality Office of Pollution Control and the Mississippi Environmental Quality Permit Board and/or their representatives upon presentation of credentials:
 - a) To enter upon the permittee's premises where an air emission source is located or in which any records are required to be kept under the terms and conditions of this permit; and
 - b) At reasonable times to have access to and copy any records required to be kept under the terms and conditions of this permit; to inspect any monitoring equipment or monitoring method required in this permit; and to sample any air emissions. (Ref.: Miss. Code Ann. 49-17-21)
- 15. Permit Modification or Revocation: After notice and opportunity for a hearing, the Permit Board may modify the permit or revoke it in whole or in part for good cause shown including, but not limited to:
 - a) Persistent violation of any of the terms or conditions of this permit;

- b) Obtaining this permit by misrepresentation or failure to disclose fully all relevant facts; or
- c) A change in federal, state, or local laws or regulations that require either a temporary or permanent reduction or elimination of previously authorized air emission.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.C.)

- 16. Public Record and Confidential Information: Except for data determined to be confidential under the Mississippi Air & Water Pollution Control Law, all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Mississippi Department of Environmental Quality, Office of Pollution Control. (Ref.: Miss. Code Ann. 49-17-39)
- 17. Permit Transfer: This permit shall not be transferred except upon approval of the Permit Board. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.16.B)
- 18. Severability: The provisions of this permit are severable. If any provision of the permit, or the application of any provision of the permit to any circumstances, is challenged or held invalid, the validity of the remaining permit provisions and/or portions thereof or their application to other persons or sets of circumstances, shall not be affected thereby. (Ref. 11 Miss. Admin. Code Pt. 2, R. 2.1.D(7).)
- 19. Permit Expiration: The permit to construct will expire if construction does not begin within eighteen (18) months from the date of issuance or if construction is suspended for eighteen (18) months or more. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.C(1).)
- 20. Certification of Construction: A new stationary source issued a Permit to Construct cannot begin operation until certification of construction by the permittee. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(3).)
- 21. Beginning Operation: Except as prohibited in Section 1, Condition 24 of this permit, after certification of construction by the permittee, the Permit to Construct shall be deemed to satisfy the requirement for a permit to operate until the date the application for issuance or modification of the Title V Permit or the application for issuance or modification of the State Permit to Operate, whichever is applicable, is due. This provision is not applicable to a source excluded from the requirement for a permit to operate as provided by 11 Miss. Admin. Code Pt. 2, R. 2.13.G. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(4).)
- 22. Application for a Permit to Operate: Except as otherwise specified in Section 1, Condition 24 of this permit, the application for issuance or modification of the State Permit to Operate or the Title V Permit, whichever is applicable, is due twelve (12) months after beginning operation or such earlier date or time as specified in the Permit to Construct. The Permit Board may specify an earlier date or time for submittal of the application. Beginning operation will be assumed to occur upon certification of construction, unless the permittee specifies differently in writing. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(5).)

- 23. Operating Under a Permit to Construct: Except as otherwise specified in Section 1, Condition 24 of this permit, upon submittal of a timely and complete application for issuance or modification of a State Permit to Operate or a Title V Permit, whichever is applicable, the applicant may continue to operate under the terms and conditions of the Permit to Construct and in compliance with the submitted application until the Permit Board issues, modifies, or denies the Permit to Operate. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(6).)
- 24. Application Requirements for a Permit to Operate for Moderate Modifications: For moderate modifications that require contemporaneous enforceable emissions reductions from more than one emission point in order to "net" out of PSD/NSR, the applicable Title V Permit to Operate or State Permit to Operate must be modified prior to beginning operation of the modified facilities. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(7).)
- 25. General Duty: All air emission equipment shall be operated as efficiently as possible to provide the maximum reduction of air contaminants. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10).)
- 26. Deviation Reporting: Except as otherwise specified herein, the permittee shall report all deviations from permit requirements, including those attributable to upsets, the probable cause of such deviations, and any corrective actions or preventive measures taken. Said report shall be made within five (5) working days of the time the deviation began. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10).)
- 27. Compliance Testing: Regarding compliance testing:
 - a) The results of any emissions sampling and analysis shall be expressed both in units consistent with the standards set forth in any Applicable Rules and Regulations or this permit and in units of mass per time.
 - b) Compliance testing will be performed at the expense of the permittee.
 - c) Each emission sampling and analysis report shall include but not be limited to the following:
 - (1) detailed description of testing procedures;
 - (2) sample calculation(s);
 - (3) results; and
 - (4) comparison of results to all Applicable Rules and Regulations and to emission limitations in the permit.
 - (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.6.B(3), (4), and (6).)

B. GENERAL NOTIFICATION REQUIREMENTS

- 1. Within fifteen (15) days of beginning actual construction, the permittee must notify DEQ in writing that construction has begun. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.C(2).)
- The permittee must notify DEQ in writing when construction does not begin within eighteen (18) months of issuance or if construction is suspended for eighteen (18) months or more. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.C(3).)
- 3. Upon the completion of construction or installation of an approved stationary source or modification, and prior to commencing operation, the applicant shall notify the Permit Board that construction or installation was performed in accordance with the approved plans and specifications on file with the Permit Board. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(1) and (3).)
- 4. The Permit Board shall be promptly notified in writing of any change in construction from the previously approved plans and specifications or permit. If the Permit Board determines the changes are substantial, it may require the submission of a new application to construct with "as built" plans and specifications. Notwithstanding any provision herein to the contrary, the acceptance of an "as built" application shall not constitute a waiver of the right to seek compliance penalties pursuant to State Law. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(2).)

SECTION 2 EMISSION POINT DESCRIPTION

The permittee is authorized to construct/modify and operate, upon certification of construction, air emissions equipment, as described in the following table.

Emission Point	Description
AA-010	30 MMBTU/hr Direct-Fired Kiln permitted to burn sawdust, planer shavings, and natural gas
AA-040	30 MMTU/hr Direct-Fired Kiln permitted to burn sawdust, planer shavings, and natural gas
AA-050	30 MMBTU/hr Direct-Fired Kiln permitted to burn sawdust, planer shavings, and natural gas
AA-051	Dry Fuel Storage Cyclone used to convey planer shavings and sawdust to Dry Kiln AA-050

Emission Point	Applicable Requirement	Condition Number(s)	Pollutant/ Parameter	Limitation/Standard
AA-010 AA-040 AA-050	Federally Enforceable Permit to Construct issued January 23, 2017	3.1	VOC	346 tons per year of VOCs based upon maximum green lumber throughput of 156,774,000 board feet per year and an emission factor of 4.41 lbs VOC as VOC per thousand board feet
	11 Miss. Admin. Code Pt. 2, Ch. 2. R. 2.2.B(10)	3.2	Fuel Restriction	Woodwaste is defined as sawdust, bark, green chips, dry chips, ends, plywood trim, and planer shavings
	11 Miss Admin Code Pt. 2, R.1.4.B(1).	3.3	SO_2	500 ppm by volume
	11 Miss Admin Code Pt. 2, R.1.3.D(1)(b)	3.4	РМ	$E = 0.8808 * \Gamma^{0.1667}$
	40 CFR Part 63 Subpart DDDD	3.5	HAPs	General Applicability
AA-051	11 Miss Admin Code Pt. 2 R. 1.3.F(1)	3.6	РМ	$E = 4.1 p^{-0.67}$
AA-010 AA-040 AA-050 AA-051	11 Miss. Admin. Code Pt. 2, Ch. 1. R. 1.3	3.7	Opacity	≤ 40% except during startup

SECTION 3 EMISSION LIMITATIONS AND STANDARDS

- 3.1 For the three dry kilns (AA-010, AA-040, and AA-050) the permittee shall comply with the Federally Enforceable Permit to Construct issued January 23, 2017 to meet the limit of 346 tons per year of VOCs as VOCs by limiting green lumber throughput to 156,774,000 board feet per year calculated as a 12-month rolling total and based upon an emission factor of 4.41 lbs VOC as VOC per thousand board feet. (Ref.: Federally Enforceable Permit to Construct issued January 23, 2017)
- 3.2 For Emission Points AA-010, AA-040 and AA-050, the permittee is authorized to burn as fuel only uncontaminated wood waste. For purposes of this permit, wood residue is defined as sawdust, bark, green chips, and planer shavings generated from the processing of harvested timber and may be purchased from outside sources. Additionally, the permittee is authorized to use up to 10 gallons of diesel to ignite the fuel bed during startup. (Ref.: 11 Miss. Admin. Code Pt. 2, Ch. 2. R. 2.2.B(10))
- 3.3 For Emission Points AA-010, AA-040 and AA-050, except as otherwise provided herein, no person shall cause or permit the emission of gas containing sulfur oxides (measured as sulfur dioxide) in excess of 500 ppm by volume from any process equipment (Ref.:11 Miss Admin Code Pt. 2, R.1.4.B(1))

3.4 For Emission Points AA-010, AA-040, and AA-050, emissions of ash and/or particulate matter shall not exceed an emission rate as determined by the relationship:

$$E = 0.8808 * I^{-0.1667}$$

where E is the emission rate in pounds per million BTU per hour input and I is heat input in millions of BTU per hour. (Ref.:11 Miss Admin Code Pt. 2, R.1.3.D(1)(b))

- 3.5 Emission Points AA-010, AA-040, and AA-050 are subject to the National Emission Standards for Hazardous Air Pollutant's for the source category: Plywood and Composite Wood Products, 40 CFR Subpart 63 DDDD. These units are affected sources per 40 CFR 63.2231(a) of the rule, however, the only applicable requirement is initial notification. There are no applicable monitoring, recordkeeping, or reporting requirements in Subpart DDDD. (Ref.: 40 CFR 63.2231).
- 3.6 Except as otherwise specified, no person shall cause, permit, or allow the emission of particulate matter in total quantities in any one hour from any manufacturing process, which includes any associated stacks, vents, outlets, or combination thereof, to exceed the amount determined by the relationship:

$$E = 4.1 p^{0.67}$$

Where E is the emission rate in pounds per hour and p is the process weight input rate in tons per hour. (Ref.: 11 Miss Admin Code Pt. 2, R.1.3.F(1)).

3.7 For Emission Points AA-010, AA-040, AA-050 and AA-051, the permittee shall have emissions of Opacity ≤ 40 % as determined by EPA Test Method 9 as found in 40 CFR Part 60 Appendix A. The permittee shall limit emissions during startup which exceed 40% opacity to fifteen minutes per startup in any one hour and not to exceed three startups per stack in any twenty-four-hour period.

Except as otherwise specified or limited herein, the permittee shall not cause, allow, or permit the discharge into the ambient air from any point source or emissions, any air contaminant of such opacity as to obscure an observer's view to a degree in excess of 40% opacity. This shall not apply to vision obscuration caused by uncombined water droplets. (Ref.: 11 Miss. Admin. Code Pt. 2, Ch. 1. R. 1.3)

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SECTION 4 WORK PRACTICES

THIS SECTION WAS INTENTIONALLY LEFT BLANK SINCE NO WORK PRACTICE STANDARDS APPLY TO THIS PERMIT ACTION.

Emission Point	Applicable Requirement	Condition Number(s)	Pollutant/ Parameter	Monitoring/Recordkeeping Requirement
AA-010 AA-040 AA-050	11 Miss. Admin. Code Pt. 2, Ch. 2. R.2.2.B(10)	5.1	VOC	Record Monthly Dry Lumber Production
AA-051	11 Miss. Admin. Code Pt. 2, Ch. 2. R.2.2.B(10)	5.2	Opacity	Weekly opacity observations
AA-010 AA-040 AA-050 AA-051	11 Miss. Admin. Code Pt. 2, Ch. 2. R.2.2.B(10)	5.3	Maintenance Inspections	Weekly maintenance inspections

SECTION 5 MONITORING AND RECORDKEEPING REQUIREMENTS

- 5.1 For Emission Points AA-010, AA-040 and AA-050, the permittee shall record the amount of lumber dried in each kiln per month expressed in MMBF/month and the annual total combined throughput for the three kilns expressed in MMBF/year as a rolling 12-month total. These records shall be maintained on site for at least five (5) years and shall be made available upon request to Office of Pollution Control personnel. (Ref.: 11 Miss. Admin. Code Pt. 2, Ch. 2. R. 2.2.B(10))
- 5.2 For Emission Point AA-051, the permittee shall assure compliance with opacity limitations by weekly opacity observations from the exhaust stacks. If any visible emissions are detected, EPA Reference Method 9 shall be performed. If conditions are such that opacity readings cannot be taken using observations of Method 9, the permittee shall note these conditions in the record and provide an explanation of why it was not possible to perform opacity readings/observations. (Ref. 11 Miss. Admin. Code Pt.2. R.6.3.A(3)(a)).
- 5.3 For Emission Points AA-010, AA-040, AA-050 and AA-051, the permittee shall perform weekly inspections of the air pollution control equipment. Maintenance shall be performed as necessary to maintain proper operation of the pollution control equipment. Records of weekly inspections and any maintenance performed shall be kept in log form and made available for review upon request by Office of Pollution Control personnel. The permittee shall have access at all times to sufficient equipment as is necessary to repair and/or replace the pollution control equipment. (Ref.: 11 Miss. Admin. Code Pt. 2, Ch. 2. R. 2.2.B(10))

SECTION 6 REPORTING REQUIREMENTS

Emission Point	Applicable Requirement	Condition Number(s)	Reporting Requirement
All Emission Points	11Miss. Admin. Code Pt. 2, Ch. 2. R.2.B(10)	Submit semi-annual report	Opacity, Dry Lumber Production

6.1 The permittee shall submit a semi-annual report summarizing:

- a) the opacity observations for Emission Point AA-051
- b) the total amount of lumber dried each month and the total for each rolling twelve (12) month period for Emission Points AA-010, AA-040 and AA-050 combined.

The semi-annual reporting period shall be from January 1 to June 30 and July 1 to December 31. The report shall be submitted no later than January 31 and July 31 for the previous six-month period. All instances of deviations from permit requirements must be clearly identified in such reports and all required reports must be certified by a responsible official consistent with 11 Miss. Admin. Code Pt. 2, R.6.2.E. (Ref.: 11Miss. Admin. Code Pt. 2, Ch. 2. R.2.B(10))