

STATE OF MISSISSIPPI AIR POLLUTION CONTROL PERMIT

**AND PREVENTION OF SIGNIFICANT
DETERIORATION AUTHORITY
TO CONSTRUCT AIR EMISSIONS EQUIPMENT
THIS CERTIFIES THAT**

Rex Lumber Brookhaven LLC
810 W L Behan Road
Brookhaven, Mississippi
Lincoln County

has been granted permission to construct air emissions equipment to comply with 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 and under authority granted by the Environmental Protection Agency under 40 CFR 52.01 and 52.21.

MISSISSIPPI ENVIRONMENTAL QUALITY PERMIT BOARD



AUTHORIZED SIGNATURE

MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

Issued: April 29, 2011

Modified: February 18, 2014

Permit No.: 1620-00005

Part I

A. GENERAL CONDITIONS

1. This permit is for air pollution control purposes only. (Ref.: APC-S-2, Section I.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.: APC-S-2, Section II.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.: APC-S-2, Section I.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.: APC-S-2, Section II.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.: APC-S-2, Section II.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.: APC-S-2, Section II.B.15(b))
8. The permit does not convey any property rights of any sort, or any exclusive privilege. (Ref.: APC-S-2, Section II.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.: APC-S-2, Section II.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.: APC-S-2, Section V.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 Regulation APC-S-1, "Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants", Section 10. (Ref.: APC-S-1, Section 10)
13. Fugitive Dust Emissions from Construction Activities: The construction of the stationary source shall be performed in such a manner so as to reduce fugitive dust emissions from construction activities to a minimum. (Ref.: APC-S-2, Section V.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.: APC-S-2, Section II.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.: APC-S-2, Section XVI.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. APC-S-2, Section I.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.: APC-S-2, Section V.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.: APC-S-2, Section V.D.3)
21. Beginning Operation: Except as prohibited in Part I, 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 APC-S-2, Section XIII.G. (Ref.: APC-S-2, Section V.D.4)
22. Application for a Permit to Operate: Except as otherwise specified in Part I, 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.: APC-S-2, Section V.D.5)

23. Operating Under a Permit to Construct: Except as otherwise specified in Part I, 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.: APC-S-2, Section V.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.: APC-S-2, Section V.D.7)
25. 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.: APC-S-2, Section VI.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.: APC-S-2, Section V.C.2)

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.: APC-S-2, Section V.C.3)
3. Upon the completion of construction or installation of an approved stationary source or modification, 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.: APC-S-2, Section V.D.1)
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.: APC-S-2, Section V.D.2)

Part II.
EMISSION LIMITATIONS AND MONITORING REQUIREMENTS

Beginning February 18, 2014, the permittee is authorized to modify air emissions equipment and emit air contaminants from AA-001, the new No. 1 Woodwaste Direct-Fired Continuous Feed Lumber Kiln (Heat Input Capacity 40 MMBTU/Hr) which will replace the Existing Woodwaste Direct Fired Batch Lumber Kiln No. 1.

The air emissions equipment shall be constructed to comply with the emission limitations and monitoring requirements specified below.

EMISSIONS LIMITATIONS

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| PM/PM ₁₀ | 0.30 grains/dry standard cubic foot (grains/dscf), as determined by EPA Methods 1-5, 40 CFR 60, Appendix A. (Ref.: APC-S-1, Section 3.4(b)) |
| SO ₂ | 4.8 pounds per million BTU (lb/MMBTU) heat input, as determined by EPA Method 6, 40 CFR 60, Appendix A. (Ref.: APC-S-1, Section 4.1(a)) |
| Opacity | 40% as determined by EPA Test Method 9, 40 CFR 60, Appendix A. |

BACT LIMITATIONS

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| VOC (Total) | 4.804 lb/MBF not to exceed 293.04 tons/yr, as determined by EPA Reference Method 25A, 40 CFR Part 60 Appendix A, and EPA Other Test Method (OTM) 26 |
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All test methods specified above shall be those versions, or their approved equivalents, which are in effect April 29, 2011.

OPERATIONAL REQUIREMENTS

The permittee is required to operate Kiln No 1. (AA-001) and associated equipment using Good Work Practices. This includes regularly scheduled maintenance on the kiln and internal kiln monitoring to minimize over-drying of lumber in accordance with the facility's operations and maintenance manual. Records shall be kept which

demonstrate that Good Work Practices have been utilized in the operation of the kiln.

For Emission Point AA-001, maintenance inspections shall be performed each month, or more often as needed, and maintenance shall be performed as dictated by inspection results so that proper operation of the dry kiln is maintained. Records of any inspections and/or maintenance shall be kept in log form and must be made available for review upon request during any inspection visit by Office of Pollution Control personnel.

For Emission Point AA-001, the permittee shall perform monthly visual observations of the exhaust stack and keep records of each observation. If conditions are such that visible emissions are observed, then the permittee shall perform a visible emissions evaluation (VEE) using 40 CFR Part 60, Appendix A, Method 9. If VEE readings cannot be taken using 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. The permittee shall submit a summary report to MDEQ on an annual basis. The report shall be postmarked no later than 30 days following the annual reporting period ending December 31. 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 APC-S-6, Section II.E.

For Emission Point AA-001, the permittee shall cease operation and render the existing batch lumber kiln (No. 1) inoperable upon completion of the startup and shakedown period associated with the new continuous feed lumber kiln (Also labeled No. 1) but no later than three (3) months from the initial startup date of the new continuous feed kiln.

For Emission Point AA-001, the permittee shall limit kiln production to 122,000,000 board-feet per year (BFY) on a rolling 12 month basis.

**Part III
OTHER REQUIREMENTS**

- 1. For Emission Point AA-001, the permittee must submit a certification of completion of construction within ten (10) days of start-up.**
- 2. For Emission Point AA-001, the permittee is authorized to burn as fuel only uncontaminated woodwaste. For purposes of this permit, woodwaste is defined as sawdust, bark, green chips, and planer shavings generated from the processing of harvested timber and may be purchased from outside sources.**
- 3. For Emission Point AA-001, the permittee shall demonstrate compliance with PM and VOC emission limitations by stack testing in accordance with EPA Reference Methods 1-5 and 25A of 40 CFR 60, Appendix A and Other Test Method 26 (OTM-26) or an otherwise approved method and with the procedures outlined below:**
 - a. The initial compliance demonstration test shall be performed within 180 days after initial start-up of the permitted equipment.**
 - b. A written test protocol must be submitted at least thirty (30) days prior to the intended test date(s) to ensure that all test methods and procedures are acceptable to the office of pollution control. If needed, the permittee may request a pretest conference to discuss the test methods and procedures. The pretest conference should be scheduled at least thirty (30) days prior to the test date.**
 - c. A notification of the scheduled test date(s) should be submitted ten (10) days prior to the scheduled date(s) so that an observer may be afforded the opportunity to witness the test(s).**
 - d. Testing must be performed at no less than 80% of the maximum rated capacity of the system. If the permittee desires to test at a rate less than 80% of maximum rated capacity, it must be agreed upon by MDEQ during a pretest conference.**
 - e. The test must consist of three test runs of at least one (1) hour each.**
 - f. The test results must be submitted to the Office of Pollution Control (OPC) within 60 days following completion of the compliance demonstration test.**
 - g. The compliance demonstration testing shall be performed once. The need for additional testing will be addressed in the facility's operating permit, once issued.**

4. For the entire facility, the permittee is subject to and shall comply with all applicable requirements and subsequent revisions of the National Emission Standard for Hazardous Air Pollutants for Plywood and Composite Wood Products, and of the General Provisions found in 40 CFR Part 63 Subparts DDDD and A respectively.
5. For the entire facility, the permittee shall limit dried lumber production to 161,420,000 board-feet per year (BFY) on a rolling 12 month basis.
6. For the entire facility, the permittee shall document the dried lumber produced by each kiln individually and in total at the facility monthly (in BF per month). The permittee shall also document the total dried lumber produced by each kiln and in total at the facility annually (in BF per year) using a rolling 12 month calculation. Such records must be submitted to MDEQ on an annual basis. The report shall be postmarked no later than 30 days following the annual reporting period ending December 31.