

**PREVENTION OF SIGNIFICANT DETERIORATION PERMIT
PROPOSED PURSUANT TO THE
REQUIREMENTS AT 40 CFR § 52.21**

U.S. ENVIRONMENTAL PROTECTION AGENCY, REGION IX

PSD PERMIT NUMBER: SAC 12-01

PERMITTEE: Sierra Pacific Industries
P.O. Box 496028
Redding, CA 96049-6028

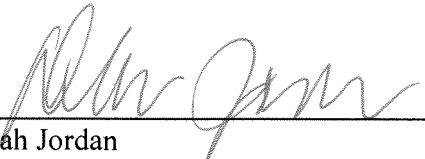
FACILITY NAME: Sierra Pacific Industries- Anderson

FACILITY LOCATION: 19758 Riverside Avenue
Anderson, California 96007

Pursuant to the provisions of the Clean Air Act (CAA), Subchapter I, Part C (42 U.S.C. Section 7470, *et. seq.*), and the Code of Federal Regulations (CFR) Title 40, Section 52.21, the United States Environmental Protection Agency Region 9 (EPA) is issuing a *Prevention of Significant Deterioration* (PSD) air quality permit to Sierra Pacific Industries (SPI). This Permit applies to the approval to construct and operate a new stoker boiler capable of generating 31 MW of gross electrical output from the combustion of clean cellulosic biomass, and related auxiliary equipment.

SPI is authorized to construct and operate the 31 MW cogeneration unit at SPI-Anderson as described herein, in accordance with the permit application (and plans submitted with the permit application), the federal PSD regulations at 40 CFR § 52.21, and other terms and conditions set forth in this PSD Permit. Failure to comply with any condition or term set forth in this PSD Permit may be subject to enforcement action pursuant to Section 113 of the Clean Air Act. This PSD Permit does not relieve SPI from the obligation to comply with applicable federal, state, and Shasta County Air Quality Management District (District) air pollution control rules and regulations.

Per 40 CFR § 124.15(b), this PSD Permit becomes effective 30 days after the service of notice of this final permit decision unless review is requested on the permit pursuant to 40 CFR § 124.19.



Deborah Jordan
Director, Air Division

4/25/14

Date

**SIERRA PACIFIC INDUSTRIES - ANDERSON (SAC 12-01)
PREVENTION OF SIGNIFICANT DETERIORATION PERMIT
PERMIT CONDITIONS**

PROJECT DESCRIPTION

Sierra Pacific Industries, Inc. (SPI) applied for the approval to construct and operate a new stoker boiler capable of generating 31 MW of gross electrical output from the combustion of biomass and natural gas, and related auxiliary equipment. The original Prevention of Significant Deterioration (PSD) permit for this lumber manufacturing facility was issued in 1994 by the Shasta County Air Quality Management District (District). The site currently contains a wood-fired boiler cogeneration unit with associated air pollution control equipment and conveyance systems that produce steam to dry lumber in existing kilns. On March 3, 2003, USEPA revoked and rescinded the District's authority to issue and modify federal PSD permits for new and modified major sources of attainment pollutants in Shasta County. Therefore, EPA is issuing this PSD permit to authorize SPI to construct and operate the additional boiler and related auxiliary equipment described in this permit at the SPI-Anderson facility. The PSD permit previously issued by the District to SPI is still in effect and applies to existing equipment at the SPI-Anderson site.

Fuel for the new stoker boiler will be generated on site and received from other fuel sources, mainly other SPI facilities, to produce roughly 250,000 pounds per hour of steam. This steam will be used to dry lumber in existing kilns for the lumber operation, as well as feed a turbine that will drive a generator to produce electricity for use on site or for sale to the grid. A closed-loop three-cell cooling tower will be used to dispose of waste heat from the steam turbine.

This PSD permit for the modification requires the use of Best Available Control Technology (BACT) to limit emissions of nitrogen oxides (NO_x), carbon monoxide (CO), total particulate matter (PM), PM under 10 micrometers (µm) in diameter (PM₁₀), PM under 2.5µm in diameter (PM_{2.5}), and greenhouse gases (GHG), to the greatest extent feasible. Air pollution emissions from the modification will not cause or contribute to violations of any National Ambient Air Quality Standards (NAAQS) or any applicable PSD increments for the pollutants regulated under the permit.

Additional equipment includes the construction of an additional cooling tower and an emergency natural gas engine to power the emergency boiler recirculation pump.

EQUIPMENT LIST

Table 1 lists the new equipment that will be regulated by the proposed PSD permit:

Table 1 - New Equipment List Regulated by the PSD Permit

ID	Unit	Description
U1	One Stoker Boiler with Grate	<ul style="list-style-type: none"> Biomass-fired with natural gas burners for start-up Maximum heat input of approximately 468 MMBtu/hr and steam generation rate of 250,000 lbs/hr Equipped with two natural gas burners, each with a maximum rated heat input of 62.5 MMBtu/hr Equipped with selective non-catalytic reduction (SNCR) system to reduce NO_x, and multiclone with an electrostatic precipitator (ESP) to control PM emissions
U2	Cooling Tower	<ul style="list-style-type: none"> Composed of three cells with an expected water load of 4.24 gallons per minute per square foot.
U3	Emergency Engine	<ul style="list-style-type: none"> 256 hp at 1,800 rpm Spark-ignition internal combustion, natural gas-fired Powers emergency boiler recirculation pump 40 CFR Part 60 - Subpart JJJJ Compliant

Table 2 lists the existing equipment that is not included in this PSD permit. The equipment listed below is permitted by the District and the Permittee must comply with all applicable requirements of the PSD permit (Permit No. 94-PO-18) issued by the District. Table 2 is provided for reference purposes only:

Table 2 - Existing Equipment List

ID	Unit	Description
U4	One Wellons Stoker Boiler	<ul style="list-style-type: none"> Biomass-fired Maximum annual average heat input of approximately 116.4 MMBtu/hr Equipped with SNCR system to reduce NO_x, and multiclone with ESP to control PM emissions Equipped with one 30,400 ft³ fuel storage bin, 2 hog fuel bins, 2 wood chip fuel bins
U5	One Conveyance System	<ul style="list-style-type: none"> (2) Cyclones with combined flow rate of 51,004 scfm (1) 7,118 ft² MAC Pulse Jet Baghouse with 300hp Blower (1) 35" x 45" Rotary Airlock (1) Buhler en-masse, 19", 22tph Conveyor (2) Each overhead storage bins with enclosed sides
U6	One Spray Unit	<ul style="list-style-type: none"> Closed loop unit equipped with integrated, negative pressure, mist collection system and 65' exhaust stack
U7	One Wood Chip Loading Facility	<ul style="list-style-type: none"> (1) Platform truck dumper (1) Wood chip conveying system with dust containment hood (1) 200hp, 59,000CFM Rader blower
U8	Seven De-greasing Tanks	<ul style="list-style-type: none"> Non-solvent based tanks
U9	One Gas Storage Tank	<ul style="list-style-type: none"> Above ground with 10,000 gallon capacity tank
U10	One Painting Operation	<ul style="list-style-type: none"> Miscellaneous painting operation
U11	Drying Kilns	<ul style="list-style-type: none"> (8) steam-heated, double-track, lumber drying kilns

PERMIT CONDITIONS

I. PERMIT EXPIRATION

As provided in 40 CFR § 52.21(r), this PSD permit shall become invalid if construction:

- A. is not commenced (as defined in 40 CFR § 52.21(b)(9)) within 18 months after the approval takes effect; or
- B. is discontinued for a period of 18 months or more; or
- C. is not completed within a reasonable time.

II. PERMIT NOTIFICATION REQUIREMENTS

Permittee shall notify EPA Region IX by letter or by electronic mail, to aeo_r9@epa.gov, of the:

- A. date construction is commenced, postmarked within 30 days of such date;
- B. actual date of initial startup, as defined in 40 CFR § 60.2, postmarked within 15 days of such date;
- C. date upon which initial performance tests will commence, in accordance with the provisions of *Conditions X.H and I*, postmarked not less than 30 days prior to such date. Notification may be provided with the submittal of the performance test protocol required pursuant to *Conditions X.H and I*; and
- D. date upon which initial performance evaluation of the continuous emissions monitoring system (CEMS) will commence in accordance with 40 CFR § 60.13(c), postmarked not less than 30 days prior to such date. Notification may be provided with the submittal of the CEMS performance test protocol required pursuant to *Condition X.I*.

III. FACILITY OPERATION

- A. At all times, including periods of startup, shutdown, shakedown, and malfunction, Permittee shall, to the extent practicable, maintain and operate the Facility, including associated air pollution control equipment, in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to EPA, which may include, but is not limited to, monitoring results, opacity observations, review of operating maintenance procedures and

inspection of the Facility.

- B. The Permittee shall operate and maintain U1, U2 and U3 in a manner consistent with good engineering practices for its full utilization.
- C. As soon as practicable following initial startup of the facility (as defined in 40 CFR § 60.2) but prior to commencement of commercial operation (as defined in 40 CFR § 72.2), and thereafter, the Permittee shall develop and implement an operation and maintenance plan for U1, U2 and U3. At a minimum, the plan shall identify measures for assessing the performance of U1, U2, and U3, the acceptable range of performance measures for achieving the desired output, the methods for monitoring the performance measures, and the routine procedures for maintaining U1, U2 and U3 in good operating condition.

IV. MALFUNCTION REPORTING

- A. Permittee shall notify EPA at aeo_r9@epa.gov within two (2) working days following the discovery of any failure of air pollution control equipment or process equipment, or failure of a process to operate in a normal manner, which results in an increase in emissions above the allowable emission limits stated in *Section X* of this permit.
- B. In addition, Permittee shall provide an additional notification to EPA in writing or electronic mail within fifteen (15) days of any such failure described under *Condition IV.A*. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of the initial malfunction, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed in *Section X*, and the methods utilized to mitigate emissions and restore normal operations.
- C. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violation of this permit or any law or regulation such malfunction may cause.

V. RIGHT OF ENTRY

The EPA Regional Administrator, and/or an authorized representative, upon the presentation of credentials, shall be permitted:

- A. to enter the premises where the Facility is located or where any records are required

to be kept under the terms and conditions of this PSD Permit;

- B. during normal business hours, to have access to and to copy any records required to be kept under the terms and conditions of this PSD Permit;
- C. to inspect any equipment, operation, or method subject to requirements in this PSD Permit; and
- D. to sample materials and emissions from the source(s).

VI. TRANSFER OF OWNERSHIP

In the event of any changes in control or ownership of the Facility, this PSD Permit shall be binding on all subsequent owners and operators. Within 14 days of any such change in control or ownership, Permittee shall notify the succeeding owner and operator of the existence of this PSD Permit and its conditions by letter. Permittee shall send a copy of this letter to EPA Region IX within 30 days of its issuance.

VII. SEVERABILITY

The provisions of this PSD Permit are severable, and, if any provision of the PSD Permit is held invalid, the remainder of this PSD Permit shall not be affected.

VIII. ADHERENCE TO APPLICATION AND COMPLIANCE WITH OTHER ENVIRONMENTAL LAWS

Permittee shall construct the Project in compliance with this PSD permit, the application on which this permit is based, and all other applicable federal, state, and local air quality regulations. This PSD permit does not release the Permittee from any liability for compliance with other applicable federal, state and local environmental laws and regulations, including the Clean Air Act.

IX. RESERVED

X. SPECIAL CONDITIONS

A. Boiler Annual Emission Limits

1. Annual emissions from U1, in tons per year (tpy) (12-month rolling sum basis), shall not exceed the following emission limits. These limits shall apply at all times, including during startup and shutdown periods.

Table 3 - U1 Rolling 12-Month Emission Limits

NO_x	CO	PM	PM₁₀	PM_{2.5}
267	472	41	41	41

2. CO_{2e} emissions from U1 shall not exceed 0.36 lb CO_{2e}/lb steam produced (12-month annual rolling average basis). This CO_{2e} limit shall apply at all times, including during startup and shutdown periods.

B. Air Pollution Control Equipment and Operation

The Permittee shall construct and operate U1 and its associated equipment with an energy efficient design and use good combustion practices as described in the Permittee's permit application and subsequent submissions to the EPA. This includes, but not limited to, (1) construction and operation of an efficient, state-of-the-art, air-cooled, reciprocating stepgrate stoker boiler that ensures good combustion; (2) operation of the boiler as a cogeneration unit at the Facility; and (3) operation and maintenance of the boiler in accordance with the manufacturer's recommendations.

As soon as practicable following initial startup of U1 (startup as defined in 40 CFR § 60.2) but prior to commencement of commercial operation (as defined in 40 CFR § 72.2), and thereafter, the Permittee shall continuously operate, and maintain the following during boiler operations: an SNCR system for control of NO_x, multiclone collectors and an ESP for the control of PM, PM₁₀ and PM_{2.5}, and good combustion practices for the control of CO. The Permittee shall also perform any necessary operations to minimize emissions so that emissions are at or below the emission limits specified in this permit.

The Permittee shall also, to the extent practicable, maintain and operate equipment and associated monitoring equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether such operation and maintenance procedures are being used will be based on information available to the Administrator which may include, but is not limited to, fuel use records, monitoring results, review of operation and maintenance procedures, review of operation and maintenance records, review of reports required by this Permit, and inspection of the Facility.

C. Steam Production and Emission Limitations

1. Except as noted below under *Condition X.D.*, on and after the date of initial startup, Permittee shall not discharge or cause the discharge from U1 into the atmosphere in excess of the following:

Table 4 - U1 Short-Term Emission Limits

Pollutant	U1
NO _x	<ul style="list-style-type: none"> • 70.2 lbs/hr (3-hour block average) • 0.13 lbs/MMBtu (12-month rolling basis) • 0.15 lbs/ MMBtu (3-hour block average) • EPA Method 1-4 and 7E
CO	<ul style="list-style-type: none"> • 107.7 lbs/hr (3-hour block average) • 0.23 lb/MMBtu (3-hour block average) • EPA Method 1-4 and 10
PM, PM ₁₀ , PM _{2.5}	<ul style="list-style-type: none"> • 0.02 lb/MMBtu (3-hour block average) • 9.4 lb/hr (hourly average), corrected to 12% CO₂

2. CO emissions at all times from U1, including startup and shutdown events as defined *Conditions X.D.3. and X.D.4.*, shall not exceed 432 lbs/hr (hourly average).
3. Steam production from U1 shall not exceed 275,000 lbs/hr (24 hour block average).
4. Visible emissions from U1, except for uncombined water vapor or during periods defined in *Condition X.D.*, shall not exceed 20% opacity in any six minute period, as verified by the continuous opacity monitoring system (COMS).
5. Visible emissions from the U1 shall not exceed 40% opacity for more than three minutes out of any one 60-minute period.
6. At all times, including equipment startup and shutdown, Permittee shall minimize the cause or discharge of the following emissions:
 - a. Dust from unpaved roads or any other non-vegetation-covered area.
 - b. Fugitive sawdust from fuel-handling devices and/or storage areas.
 - c. Char and/or bottom ash which is processed by the char handling systems or removed from U1 by other means.
 - d. Accumulation of sawdust or ash on outside surfaces including, but not limited to, the main building, U1, ESP, support pads, road areas. Surfaces shall be cleaned on a regular basis to prevent the build-up of ash and/or fugitive dust.
 - e. Fuel dust or ash spilled due to an upset condition shall be cleaned up in a timely manner. In no event shall spilled dust or ash be allowed to exist beyond 24 hours of the upset.

D. Requirements during Startup and Shutdown

1. Only biomass fuels, as defined in *Condition X.G.1*, and Public Utilities Commission (PUC)-quality pipeline natural gas shall be fired during periods of startup, shutdown, and flame stabilization.

2. For U1, normal operating temperature shall be defined as the normal operating temperature specified by the unit manufacturer.
3. For U1, startup shall be defined as the period beginning with U1 not in operation and concluding when U1 has reached a normal operating temperature. During startup, the generator shall be separated from the electrical grid.
4. For U1, shutdown shall be defined as the period beginning with curtailment of fuel feed and concluding when the recorded superheater outlet temperature reaches 150°F and remains so for at least one hour. During shutdown, the generator shall be separated from the electrical grid.
5. For U1, the duration of startup and shutdown periods and emissions of NO_x, CO, PM, PM₁₀ and PM_{2.5} shall not exceed the following, as verified by the CEMS and fuel usage data:

Table 5 - U1 Startup and Shutdown Limits

	NO _x (8 hour average)	CO (8 hour average)	PM, PM ₁₀ , PM _{2.5} (24 hour average)	Duration
Startup	70.2 lb/hr	108 lb/hr	8.93 lb/hr	24 hours
Shutdown	70.2 lb/hr	108 lb/hr	8.93 lb/hr	24 hours

6. For U1, the Permittee must operate the CEMS during startup and shutdown periods.
7. For U1, the Permittee must record the time, date, and duration of each startup and shutdown event.
8. For U1, the Permittee must keep records that include calculations of NO_x, CO, PM, PM₁₀, PM_{2.5} and emissions in lb/hr and lb/MMBtu during each startup and shutdown event based on the CEMS and fuel usage data.

E. Auxiliary Equipment Emissions Limitations

1. Permittee shall not discharge or cause the discharge from each unit into the atmosphere in excess of the following:

Table 6 - U2 and U3 Emission Limits

Pollutant	U2	U3
NO_x	N/A	• 0.78 lb/hr
CO	N/A	• 4.0 g/hp-hr (3-hour block average) • 6.11 lb/hr
PM/ PM₁₀	• 0.272 lbs/hr (hourly average)	• 0.0216 lb/hr

2. Except during an emergency, U3 shall be limited to operation for maintenance and testing purposes. Annual hours of operation for U3, for maintenance and testing, shall not exceed 100 hours per 12-month rolling average.

F. Operating Conditions and Work Practices

1. *Low SNCR activation temperature* shall be defined as the lowest operating temperature for U1 at which the SNCR system is recommended for operation to reduce NO_x emissions as defined by the SNCR manufacturer. This temperature value shall be included in the operation and maintenance plan required by *Condition III.C*.
2. For U1, SNCR systems for the control of NO_x shall be in operation at all times that U1 exceeds the *low SNCR activation temperature*.
3. For U1, the multiclones and ESP for the control of PM, PM₁₀ and PM_{2.5} shall be in operation at all times during the combustion process.
4. U3 shall not operate during startup of U1, except when required for emergency operations.
5. Wood waste collection and storage bin leaks shall be minimized at all times. All identified wood waste collection and storage bin leaks, spills and upsets of any kind shall be corrected or cleaned immediately, within 4 hours, as practicable, to correct the leak, spill or upset.
6. Wood waste collection and storage bins shall be emptied on a schedule that ensures that the cyclone-separator system does not become plugged.
7. Wood waste collection and storage bins, not including the fuel shed, shall remain enclosed to mitigate the fugitive emissions from the unloading process.
8. All ash shall be transported in a wet condition in covered containers or stored in closed containers at all times.
9. Fugitive dust generated from access and on-site roads shall be minimized by application of water, dust palliative, chip-sealing, or paving.

10. Fugitive dust from storage piles, processing area, and disturbed areas shall be minimized by periodic cleanup and/or use of sprinklers, tarps, or dust palliative agents.
11. During periods of high winds, Permittee shall take immediate action to correct fugitive dust emissions from the chip processing area.
12. All necessary surfaces shall be cleaned or washed sufficiently to prevent wind-blown dust from leaving the property boundaries.
13. All truck loading and unloading conducted at the facility shall be done in a manner that minimizes spillage, and fugitive emissions.
14. For U2, the drift rate shall not exceed 0.0005%.
15. Each container holding volatile organic waste shall be labeled with the contents identified and information noting the date when waste material was added.
16. The Permittee shall inspect all containers holding VOCs or waste, at least weekly, for leaks and for deterioration caused by corrosion or other factors.
17. Containers holding ignitable or reactive waste must be located within the property boundary at least 50 feet from the facility's property line.
18. Incompatible wastes must not be placed in the same container. The treatment, storage, and disposal of ignitable or reactive waste, and the commingling of wastes, or wastes and materials, must be conducted so it does not:
 - a. Generate extreme heat, pressure, explosion, or violent reaction;
 - b. Produce uncontrolled toxic mists, fumes, dusts or gases in sufficient quantities to threaten human health;
 - c. Produce flammable fumes or gases in sufficient quantities to pose a risk of fire or explosions;
 - d. Damage the structural integrity of the device or facility containing the waste; or
 - e. Through other means threaten human health or the environment.

G. Fuel Restrictions

1. The following biomass fuels shall constitute the only fuel allowed for use as fuel in U1, except during periods defined in *Condition X.D.* and to counteract upset conditions:
 - a. Untreated wood pallets, crates, dunnage, untreated manufacturing and

- construction wood debris from urban areas;
 - b. All agricultural crops or residues;
 - c. Mill residues including hog fuel, shavings, sawdust, trimmings, and bark.
 - d. Forest residues including treetops, non-merchantable sections of the stem, branches, and bark, left on the ground after logging or accumulating as a result of a storm, fire, delimiting, or other similar disturbance.
 - e. Non-merchantable forest biomass consisting of byproducts and residuals of forest management activities identified to follow all of the following practices;
 - (1) Harvested pursuant to an approved timber management plan prepared in accordance with the Z'berg-Nejedly Forest practice Act of 1973 or other locally or nationally approved plan; and
 - (2) Harvested for the purpose of forest fire fuel reduction or forest stand improvement.
2. The heat input from pipeline natural gas shall not exceed 10% of the total heat input to U1 on a 12-month rolling basis.
 3. The heat input to U3 shall only be PUC-quality pipeline natural gas

H. Monitoring Conditions

1. For U1, the Permittee shall maintain the following continuous monitoring systems at all times when the combustion process is occurring:
 - a. The Permittee shall install, calibrate, operate and quality-assure a Continuous Emissions Monitoring System (CEMS) that measures CO, NO_x, and CO₂.
 - b. The CO and NO_x CEMS shall measure and record (i) CO and NO_x emissions in ppmv, and (ii) exhaust gas CO and NO_x concentrations corrected to 12 percent by volume stack gas CO₂ dry basis.
 - c. The Permittee shall conduct initial certification of the CEMS in accordance with *Condition X.H.2*.
 - d. The Permittee shall operate and maintain a Continuous Opacity Monitoring System (COMS) capable of measuring stack gas opacity.
 - e. The Permittee shall install a stack gas volumetric flowrate monitor, and steam production rate monitor.
2. The CEMS and stack gas volumetric flowrate monitor for U1 shall meet the applicable requirements of 40 CFR Part 60.13 and 40 CFR Part 60 Appendix B, and 40 CFR Part 60 Appendix F, Procedure 1.
3. Each CEMS shall complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each successive 15-minute clock-hour period.

4. Data sampling, analyzing, and recording of the CEMS shall also be adequate to demonstrate compliance with emission limits during startup and shutdown.
5. The initial certification of the CEMS may either be conducted separately or as part of the initial performance test of U1. The CEMS must undergo and pass initial performance specification testing on or before the date of the initial performance test.
6. The CEMS shall be audited quarterly and tested annually to demonstrate that it meets the specifications in *Condition X.H.2*. The Permittee shall perform a full stack traverse during the initial run of annual relative accuracy test auditing of the CEMS, with testing points selected according to 40 CFR Part 60 Appendix A, Method 1.
7. The Permittee shall submit a CEMS performance test protocol to EPA in accordance with *Condition X.I.2.d*.
8. For U1, opacity shall be monitored by a COMS that meets the applicable requirements of 40 CFR Part 60 Appendix B, Performance Specification 1.
9. The COMS shall have a span value of 100% and utilize a computer or other facility which has the capability of interpreting sampling data and producing output to demonstrate compliance with applicable standards. The span value for the continuous measuring system for measuring opacity shall be between 60 and 80%. The span for the recording instrumentation for the opacity meter shall be 0 to 100%.
10. The operator/owner shall monitor the following combustion and control parameters for U1 on a continuous basis unless otherwise noted:
 - a. Combustion temperature (at the superheater tube area)
 - b. Temperature at air heater outlet
 - c. Hourly steam production rate
11. The Permittee shall furnish the EPA with a written report of the results of performance tests as identified in this Permit within 60 days of completion.
12. The Permittee shall continuously monitor the ESP for transformer/rectifier (T/R set) On/Off status and Rapper On/Off status.
13. The Permittee shall record hourly readings of ESP zone voltage (minimum 10 kilovolts, maximum 60 kilovolts) and amps on the operator log.
14. For U3, the Permittee shall install and maintain an operational non-resettable elapsed time meter to record the operating time of the emergency engine.

I. Performance Tests

1. Performance tests shall be performed by an independent testing firm, and conducted in accordance with the test methods set forth in 40 CFR Part 60.8 and 40 CFR Part 60-Appendix A, as modified below:
 - a. EPA Methods 1-4, 18 and 25A for VOC emissions. Methods 18 and 25A may both be used simultaneously to quantify the annual emissions of the organic compounds listed in 40 CFR 51.100(s)(1) (using Method 18) and subtract this amount from the annual total VOC emissions (as determined from Method 25A).
 - b. EPA Methods 1-4 and 6(c) for SO₂ emissions.
 - c. EPA Methods 1-4 and 10 for CO emissions.
 - d. EPA Methods 1-4 and 7E for NO_x emissions.
 - e. EPA Methods 1-4 and 29 for Lead (Pb) emissions.
 - f. EPA Methods 1-4 and 5 for PM emissions. (This performance test may be done concurrently with EPA Method 29 for Pb emissions.)
 - g. EPA Methods 1-4, 5 and 202 with a two-hour test run period for each test for PM₁₀ and PM_{2.5} emissions. In lieu of Method 5, the Permittee may use Other Test Method 201A.
 - h. EPA Method 3A for CO₂ emissions.
 - i. The provisions of 40 CFR Part 60.8(f).
 - j. In lieu of the specified test methods, alternative methods may be used with prior written approval from EPA.
2. For U1,
 - a. Within 60 days after achieving normal operation, but not later than 120 days after the modification, the Permittee shall conduct initial performance tests (as described in 40 CFR Part 60.8) for CO, CO₂, NO_x, Pb, PM, PM₁₀, PM_{2.5}, SO₂ and VOC emissions. The performance test requirements for CO, NO_x, and CO₂ shall be demonstrated using the initial relative accuracy test auditing of the CEMS, for each applicable pollutant, required in *Condition X.H.6*.
 - b. For performance test purposes, sampling ports, platforms, and access shall be provided on the emission unit exhaust system in accordance with the requirements of 40 CFR Part 60.8(e).
 - c. Annual performance tests of PM₁₀, CO, CO₂, and NO_x shall be conducted at no less than 90 percent of the facility's maximum steam production rate of 250,000 lb/hr. The performance test requirements for CO, NO_x, and CO₂ shall be demonstrated using the annual relative accuracy test auditing of the CEMS, for each applicable pollutant, required in *Condition X.H.6*.
 - d. The Permittee shall submit a performance test protocol to EPA no later than 30 days prior to a performance test to allow review of the test plan and to arrange for an observer to be present at the test. The performance test shall be conducted in

accordance with the submitted protocol, and any changes required by EPA.

3. For U2, the Permittee shall do the following:
 - a. Perform weekly tests of the blow-down water quality using an EPA-approved method. The operator shall maintain a log that contains the date and result of each blow-down water quality test, the water circulation rate at the time of the test, and the resulting mass emission rate. This log shall be maintained onsite for a minimum of five years and shall be provided to EPA and District personnel upon request.
 - b. Calculate PM, PM₁₀, and PM_{2.5} emission rate using an EPA-approved calculation based on the total dissolved solids (TDS) and water circulation rate.
 - c. Conduct all required cooling tower water quality tests in accordance with an EPA-approved test and emissions calculation protocol. Thirty (30) days prior to the first such test, the operator shall provide a written test and emissions calculation protocol for EPA review and approval, with a copy to the District as specified in *Condition XII*.
 - d. Establish a maintenance procedure that states how often and what procedures will be used to ensure the integrity of the drift eliminators and to ensure compliance with recirculation rates. This procedure is to be kept onsite and made available to EPA and District personnel upon request. The Permittee shall promptly report any deviations from this procedure.
4. For U3, the Permittee shall conduct an initial performance test (as described in 40 CFR 60.4244) for NO_x and CO and emissions and at least every five years beginning ten years after the initial performance test (within 30 days of the tenth anniversary of the initial performance test date).
5. Upon written request from the Permittee, and adequate justification, EPA may waive a specific annual test and/or allow for testing to be done at less than maximum operating capacity.

J. Recordkeeping and Reporting

1. The Permittee shall maintain a file of all records, data, measurements, reports, and documents related to the operation of the Facility, including, but not limited to, the following: all records or reports pertaining to adjustments and/or maintenance performed on any system or device at the facility; initial performance test data for U1, documents from the fuel supplier for *Condition X.D.1.*; and all other information required by this permit recorded in a permanent form suitable for inspection.
2. The Permittee shall calculate and record on a daily basis the average boiler heat input in MMbtu/hr (24-hr daily block average). The calculation shall be based on

manufacturer ratio of maximum design heat rating to design steam (maximum design (MMBtu/hr) divided by design steam (lb/hr)) multiplied by the total steam generated each day. The heat input, as determined from this, shall not exceed 468 MMBtu/hr on a monthly basis.

3. By the last day of each month, the Permittee shall calculate and record the 12-month rolling sum of CO, NO_x, PM, PM₁₀, and PM_{2.5} emissions in tpy for U1 for the previous 12 months in accordance with *Condition X.A.1.*
 - a. CO and NO_x emissions calculations shall be based on emissions data acquired by the CO and NO_x CEMS.
 - b. PM, PM₁₀, and PM_{2.5} shall be based on emission factors from the most recent performance test.
4. By the last day of each month, the Permittee shall calculate and record the 12-month rolling average of CO_{2e} in lb CO_{2e}/lb steam produced for U1 for the previous 12 months in accordance with *Condition X.A.2.*
 - a. CO₂ emissions calculations shall be based on emissions data acquired by the CO₂ CEMS, and the applicable calculation methodology contained in 40 CFR 98.33(a)(4) in effect on January 1, 2014.
 - b. CH₄ and N₂O emissions calculations shall be based on the following:
 - (1) The heat input of the applicable emission unit.
 - (2) The default CH₄ and N₂O emission factors in Table C-2 of 40 CFR Part 98, Subpart C as published on November 29, 2013 (78 FR 71952) and effective on January 1, 2014, and provided in the following table.

Fuel Type	GHG Pollutant	Emission Factor (kg/MMBtu)
Wood and Wood Residuals	CH ₄	0.0072
	N ₂ O	0.0036
Natural Gas	CH ₄	0.001
	N ₂ O	0.0001

- (3) The applicable calculation methodology contained in 40 CFR 98.33 in effect on January 1, 2014.
- c. The Permittee shall calculate the CO_{2e} emissions based on the procedures and Global Warming Potentials (GWP) contained in Greenhouse Gas Regulations, 40 CFR Part 98, Subpart A, Table A-1, as published on November 29, 2013 (78 FR 71948) and effective on January 1, 2014, and provided in the following table.

GHG Pollutant	GWP
CO ₂	1
CH ₄	25
N ₂ O	298
Sulfur hexafluoride (SF ₆)	22,800

- d. The total CO₂e shall be based on the sum of the CO₂e for CH₄, N₂O and CO₂.
 - e. Steam production shall be based on daily records of the hourly steam production rate output monitoring device.
5. For U1, the Permittee shall maintain the following records:
 - a. The total monthly hours of operation;
 - b. 3-hour averages of CO and NO_x emissions in units of lbs/MMBtu and lbs/hour dry basis. All time periods when the boiler is not in operation shall be excluded from the averages. The monthly average of CO and NO_x emissions expressed in lbs/hour shall also be included;
 - c. 3-hour average calculations of PM₁₀ emissions in units of lbs/MMBtu and lbs/hour dry basis using the most recent annual PM₁₀ source test;
 - d. Notification of all periods the continuous monitors were not functioning and the reasons for the same;
 - e. Steam production rate averaged over a daily (24-hour) period.
 6. The Permittee shall maintain CEMS and COMS records that include the following:
 - a. The occurrence and duration of any startup, shutdown, or malfunction, performance testing, evaluations, calibrations, checks, adjustments maintenance, duration of any periods during which a CEMS or COMS is inoperative, and corresponding emission measurements.
 - b. Date, place, and time of measurement or monitoring equipment maintenance activity;
 - c. Operating conditions at the time of measurement or monitoring equipment maintenance activity;
 - d. Date, place, name of company or entity that performed the measurement or monitoring equipment maintenance activity and the methods used; and
 - e. Results of the measurement or monitoring equipment maintenance.
 7. The Permittee shall maintain records and submit a written report of all excess emissions and opacity measurements to EPA and the District semi-annually, except when more frequent reporting is specifically required by an applicable subpart; or the Administrator, on a case-by-case basis, determines that more frequent reporting is necessary to accurately assess the compliance status of the source. The report is due

on the 30th day following the end of each semi-annual period and shall include the following:

- a. Time intervals, data and magnitude of the excess emissions, the nature and cause (if known), corrective actions taken and preventive measures adopted;
 - b. Applicable time and date of each period during which the CEMS or COMS was inoperative (monitor down-time), except for zero and span checks, and the nature of CEMS or COMS repairs or adjustments;
 - c. A statement in the report of a negative declaration; that is, a statement when no excess emissions occurred or when the CEMS or COMS has not been inoperative, repaired, or adjusted;
 - d. Any failure to conduct any required source testing, monitoring, or other compliance activities; and
 - e. Any violation of limitations on operation, including but not limited to restrictions on hours of operation.
8. A period of monitor down-time shall be any unit operating clock hour in which sufficient data are not obtained by the CEMS to validate the hour for NO_x, CO, or CO₂.
 9. Excess emissions shall be defined as any period in which emissions exceed the emission limits and standards set forth in *Conditions X.C.1, X.C.2, X.C.3 and X.D.5*.
 10. Excess emissions indicated by the CEMS, COMS, source testing, or compliance monitoring shall be considered violations of the applicable emission limit or standard for the purpose of this permit.
 11. For U1, daily records of fuel received other than natural gas shall be maintained. These records shall include a detailed description of the fuel supplier, fuel type and tons received.
 12. For U3, the Permittee shall maintain records of the following: hours of operation, purpose of operation, fuel usage on hourly basis and calculated PM/PM₁₀ emissions based on manufacturer emissions specifications and fuel usage data.
 13. Unless otherwise specified herein, all records required by this PSD Permit shall be retained for not less than five years following the date of such measurements, maintenance, reports, and/or records.

XI. ACROYNMS AND ABBREVIATIONS

ASTM	American Society for Testing and Materials
BACT	Best Available Control Technology
BTU	British Thermal Unit
CAA	Clean Air Act
CEMS	Continuous Emissions Monitoring System
CFR	Code of Federal Regulations
CH ₄	Methane
CHP	Combined Heat and Power
CO	Carbon Monoxide
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide Equivalents
CTG	Combustion Turbine Generator
CTM	Conditional Test Method
COMS	Continuous Opacity Monitoring System
CU	Cogeneration Unit
District	Shasta County Air Quality Management District
DLN	Dry Low NO _x
(d)scf	(dry) Standard Cubic Feet
EPA	Environmental Protection Agency
ESP	Electrostatic Precipitator
Facility	Sierra Pacific Industries – Anderson Division
FR	Federal Register
GHG	Greenhouse Gases
gpm	Gallons Per Minute
gr	Grains
HHV	Higher Heating Value
hr	Hour
lbs	Pounds
lb CO ₂ e/lb steam	Pounds of CO ₂ Equivalents per Pound of Steam Produced
MMBtu	Million British Thermal Units
MW	Megawatt
NAAQS	National Ambient Air Quality Standards
NO ₂	Nitrogen Dioxide
N ₂ O	Nitrous Oxide
NO _x	Oxides of Nitrogen
NSPS	New Source Performance Standards
Owner or Operator	Sierra Pacific Industries
Permittee	Sierra Pacific Industries
PM	Total Particulate Matter
PM _{2.5}	Particulate Matter with aerodynamic diameter less than 2.5 micrometers
PM ₁₀	Particulate Matter with aerodynamic diameter less than 10 micrometers
ppm	Parts Per Million
ppmvd	Parts Per Million by Volume, Dry basis
ppmv	Parts Per Million by Volume

PSD	Prevention of Significant Deterioration
RATA	Relative Accuracy Test Audit
SCAQMD	Shasta County Air Quality Management District
SCR	Selective Catalytic Reduction
SNCR	Selective Non-Catalytic Reduction
SO ₂	Sulfur Dioxide
SO _x	Oxides of Sulfur
TDS	Total Dissolved Solids
tpy	Tons Per Year
yr	Year

XII. AGENCY NOTIFICATIONS

- A.** Unless otherwise directed by the EPA or this permit, the owner or operator shall submit all information required to be reported by this permit other than notification of change of ownership, including, but not limited to, test plans, reports, certifications, notifications and requests to approve alternative monitoring or reporting, to the following address:

Director, Enforcement Division (Attn: ENF-2-1)
 U.S. Environmental Protection Agency, Region IX
 75 Hawthorne Street
 San Francisco, CA 94105-3901

EMAIL: aeo_r9@epa.gov

- B.** Unless otherwise directed by the EPA or this permit, the owner or operator shall submit all other information pertaining to this permit or facility, including but not limited to, applications to add, replace or modify an emission unit or control equipment, notification of change of ownership, and information concerning any other changes that may contravene existing permit terms, to:

Director, Air Division (Attn: AIR-3)
 U. S. Environmental Protection Agency Region IX
 75 Hawthorne Street
 San Francisco, CA 94105-3901

- C. The owner or operator shall submit a copy of all documents required to be submitted pursuant to this permit, including but not limited to Sections X.A and X.B, to:

Air Pollution Control Officer
Shasta County Air Quality Management District
1855 Placer Street, Suite 101
Redding, CA 96001-1759