Permit #: 684-AR-1 AFIN: 35-00187 Page 1 of 5

STATEMENT OF BASIS

For the issuance of Air Permit # 684-AR-1 AFIN: 35-00187

1. PERMITTING AUTHORITY:

Arkansas Department of Environmental Quality 8001 National Drive Little Rock, Arkansas 72219-8913

2. APPLICANT:

Fiber Resources, Incorporated 1609 Celia Road Pine Bluff, AR 71611

3. PERMIT WRITER:

Paula Parker

4. PROCESS DESCRIPTION AND NAICS CODE:

NAICS Description: Paper and wood recycling

NAICS Code: 321999

5. SUBMITTALS: 8/11/03, 9/10/03, 10/6/03

6. REVIEWER'S NOTES:

Fiber Resources, Inc., located at 1609 Celia Road, Pine Bluff, AR 71611, is a wood and paper recycling facility. Hourly and annual emissions have been quantified for all sources. Process limits corresponding to emission estimates have been added. Two new sources, Tub Grinders (SN-04 and SN-05) for paper recycling, were also added to the permit. Plantwide emissions are estimated to be 23.7 ton/yr PM, 23.4 ton/yr PM $_{10}$, 8.9 ton/yr SO $_{2}$, 1.5 ton/yr VOC, 14.8 ton/yr CO, and 55.4 ton/yr NO $_{x}$.

The facility, at the time of its initial permit in 1982, processed clarifier sludge from a pulp and paper mill. The dried pulp was then pelletized for use as boiler fuel or milled for mulch. The permit consisted of only two sources, a Pulp Dryer Cyclone (SN-01) and a Pellet Cooler Cyclone (SN-02). There were no annual emission limits for these sources. Since 1997, the facility no longer processes clarifier sludge.

Particulate emissions from the woodwaste should be generated by the unloading of the woodwaste from the trailers, stacking of the woodwaste into the sheds by front-end loaders, and the loading of woodwaste into the metering hopper at each of the pelletizing lines

Permit #: 684-AR-1 AFIN: 35-00187 Page 2 of 5

The facility pelletizes wood waste for boiler fuel. Pellets are formed using pressure, vegetable oil, and water. The facility has three palletizing lines, two for hardwood (oak) and one for softwood (pine).

The facility also shreds paper using two tub grinders, each equipped with a 1.5 gpm water spray. Particulate from the actual paper shredding should be negligible. A similar source at a Domtar facility in Ashdown only accounts for the diesel engine emissions.

7. COMPLAINCE STATUS:

The following summarizes the current compliance of the facility including active/pending enforcement actions and recent compliance activities and issues.

The facility was determined to be operating under an old permit and was required to submit an application in order to update the calculations.

Did the facility undergo PSD review in this permit (i.e., BACT, Modeling, etc.)?

8. APPLICABLE REGULATIONS:

PSD Applicability

| Has the facility undergone PSD review in the past? | N |
|--|-----|
| Is the facility categorized as a major source for PSD? | N |
| 1004 | 3.7 |
| \geq 100 tpy and on the list of 28? | N |
| \geq 250 tpy all other? | N |
| PSD Netting | |
| | |

N

N

Source and Pollutant Specific Regulatory Applicability

Was netting performed to avoid PSD review in this permit?

| Source | Pollutant | Regulation (NSPS, NESHAP or PSD) |
|--------|-----------|-------------------------------------|
| | None | |

9. EMISSION CHANGES:

The following table summarizes plantwide emission changes associated with this permitting action.

| Pollutant | Permit #684-AR-1 | |
|------------------|------------------|--|
| PM | 23.7 | |
| PM ₁₀ | 23.4 | |

Permit #: 684-AR-1 AFIN: 35-00187 Page 3 of 5

| Pollutant | Permit #684-AR-1 |
|-----------------|------------------|
| SO_2 | 8.9 |
| VOC | 1.5 |
| СО | 14.8 |
| NO _x | 55.4 |

^{*}The initial permit for this facility contained no specific conditions or annual emission limits.

10. MODELING:

Criteria Pollutants

All criteria pollutants are below 100 tpy.

11. CALCULATIONS:

| SN | Emission Factor Source | Emission Factor (lb/ton, lb/hr, etc.) | Control Equipment | Control Equipment | Comments |
|----|---------------------------|---|----------------------|----------------------|--|
| | (AP-42, testing, etc.) | | | Efficiency | |
| 01 | Dept Memo | 0.0022 lb PM/ton 0.00018 lb PM ₁₀ /ton | None | | |
| 02 | Manufacturer's spec | 0.02 gr/scf | Baghouse/cyclone | 99.9 | Line 1 –7000 SCF/min Line 2 –7000 SCF/min Line 3 –11000 SCF/min |
| 03 | Manufacturer's spec | 0.02 gr/scf | Baghouse/cyclone | | Line 1 -2000 SCF/min Line 2 – 2000 SCF/min |
| 04 | AP-42, Section 3.4 | 0.1lb PM/MMBTU 0.505 lb SO2/MMBTU 0.0819lb VOC/MMBTU 0.85lb CO/MMBTU 3.2 lb NOx/MMBTU | None | | 800 HP and 750 HP |

Permit #: 684-AR-1 AFIN: 35-00187 Page 4 of 5

12. TESTING REQUIREMENTS:

The permit requires testing of the following sources.

| SN | Pollutants | Test Method | Test Interval | Justification |
|----|------------|-------------|---------------|---------------|
| | | None | | |

13. MONITORING OR CEMS

The permittee must monitor the following parameters with CEMS or other monitoring equipment (temperature, pressure differential, etc.)

| SN | Parameter or Pollutant to be Monitored | Method (CEM, Pressure Gauge, etc.) | Frequency | Report (Y/N) |
|----|--|------------------------------------|-----------|--------------|
| | | None | | |

14. RECORD KEEPING REQUIREMENTS:

The following are items (such as throughput, fuel usage, VOC content, etc.) that must be tracked and recorded.

| SN | Recorded Item | Permit Limit | Frequency | Report (Y/N) |
|----|---------------------|----------------|-----------|--------------|
| 01 | Wood waste received | 87,000 tons/yr | Monthly | N |

15. OPACITY:

| SN | Opacity | Justification for limit | Compliance Mechanism |
|-------|---------|-------------------------|-------------------------|
| 01 | 20 | 19.503 and A.C.A. | None |
| 02 | 5 | 18.501 and A.C.A. | Operation of controls |
| 03 | 5 | 18.501 and A.C.A. | Operation of controls |
| 04,05 | 20 | 19.503 and A.C.A. | None |

16. DELETED CONDITIONS:

| Former SC | Justification for removal | |
|-----------|---------------------------|--|
| | None | |

| Permit #: 684-AR-1 |
|--------------------|
| AFIN: 35-00187 |
| Page 5 of 5 |

17. VOIDED, SUPERCEDED, OR SUBSUMED PERMITS:

List all active permits voided/superceded/subsumed by the issuance of this permit.

| Permit # |
|----------|
| 684-A |

18. CONCURRENCE BY:

| The following | supervisor | concurs | with the | epermitting | decision. |
|---------------|------------|---------|----------|-------------|-----------|
| | | | | | |

| | Lyndon | Poole. | P.E. | |
|--|--------|--------|------|--|
|--|--------|--------|------|--|