



ARKANSAS
Department of Environmental Quality

AUG 8 2011

Bill Rosa, Owner
Sparkman Wood Pellet Company
PO Box 111
Mountain View, AR 72560

Dear Mr. Rosa:

The enclosed Permit No. 2227-A is your authority to construct, operate, and maintain the equipment and/or control apparatus as set forth in your application initially received on 1/25/2010.

After considering the facts and requirements of A.C.A. §8-4-101 et seq., and implementing regulations, I have determined that Permit No. 2227-A for the construction, operation and maintenance of an air pollution control system for Sparkman Wood Pellet Company to be issued and effective on the date specified in the permit, unless a Commission review has been properly requested under Arkansas Department of Pollution Control & Ecology Commission's Administrative Procedures, Regulation 8, within thirty (30) days after service of this decision.

The applicant or permittee and any other person submitting public comments on the record may request an adjudicatory hearing and Commission review of the final permitting decisions as provided under Chapter Six of Regulation No. 8, Administrative Procedures, Arkansas Pollution Control and Ecology Commission. Such a request shall be in the form and manner required by Regulation 8.603, including filing a written Request for Hearing with the APC&E Commission Secretary at 101 E. Capitol Ave., Suite 205, Little Rock, Arkansas 72201. If you have any questions about filing the request, please call the Commission at 501-682-7890.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Bates", is written over a horizontal line.

Mike Bates
Chief, Air Division

ADEQ MINOR SOURCE AIR PERMIT

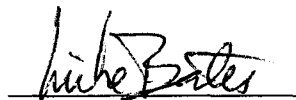
Permit No. : 2227-A

IS ISSUED TO:

Sparkman Wood Pellet Company
4004 Blue Collar Lane
Mountain View, AR 72560
Stone County
AFIN: 69-00298

THIS PERMIT IS THE ABOVE REFERENCED PERMITTEE'S AUTHORITY TO CONSTRUCT, MODIFY, OPERATE, AND/OR MAINTAIN THE EQUIPMENT AND/OR FACILITY IN THE MANNER AS SET FORTH IN THE DEPARTMENT'S MINOR SOURCE AIR PERMIT AND THE APPLICATION. THIS PERMIT IS ISSUED PURSUANT TO THE PROVISIONS OF THE ARKANSAS WATER AND AIR POLLUTION CONTROL ACT (ARK. CODE ANN. SEC. 8-4-101 *ET SEQ.*) AND THE REGULATIONS PROMULGATED THEREUNDER, AND IS SUBJECT TO ALL LIMITS AND CONDITIONS CONTAINED HEREIN.

Signed:


Mike Bates
Chief, Air Division

AUG 8 2011

Date

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List of Acronyms and Abbreviations

A.C.A.	Arkansas Code Annotated
AFIN	ADEQ Facility Identification Number
CFR	Code of Federal Regulations
CO	Carbon Monoxide
HAP	Hazardous Air Pollutant
lb/hr	Pound Per Hour
No.	Number
NO _x	Nitrogen Oxide
PM	Particulate Matter
PM ₁₀	Particulate Matter Smaller Than Ten Microns
SO ₂	Sulfur Dioxide
Tpy	Tons Per Year
UTM	Universal Transverse Mercator
VOC	Volatile Organic Compound

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Section I: FACILITY INFORMATION

PERMITTEE: Sparkman Wood Pellet Company

AFIN: 69-00298

PERMIT NUMBER: 2227-A

FACILITY ADDRESS: 4004 Blue Collar Lane
Mountain View, AR 72560

MAILING ADDRESS: PO Box 11
Mountain View, AR 72560

COUNTY: Stone County

CONTACT NAME: Bill Rosa

CONTACT POSITION: Owner

TELEPHONE NUMBER: 870-214-7118

REVIEWING ENGINEER: Travis Porter

UTM North South (Y): Zone 15: 3969604.77 m

UTM East West (X): Zone 15: 576477.52 m

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Section II: INTRODUCTION

Summary of Permit Activity

Sparkman Wood Pellet Company owns and operates a hardwood pellet manufacturing facility in Stone County. This permitting activity is necessary to issue the company its initial air permit.

Process Description

Sparkman receives green raw hardwood sawdust in trucks, which are weighed and unloaded into a partially covered bunker (SN-01). The green sawdust is loaded on conveying equipment which feeds a rotary dryer. A sawdust burner (Webb burner) is used to provide hot gases to dry the sawdust. The dryer and web burner are a system and are considered one source (SN-02). Products of combustion (POC), moisture, and dry sawdust are drawn through the dryer by an induced draft fan which routes the stream to a cyclone which controls emissions from the burner and dryer. Dry sawdust collected at the cyclone is conveyed to a Hammermill (SN-03) where product is collected and emissions are controlled by a cyclone. The cyclone exhaust reports to the inlet of the cyclone at SN-02 and does not directly exhaust to the atmosphere. Milled sawdust collected at the cyclone is transported to a pellet mill feed bin, from where it is fed to the pellet mill. Wood pellets are conveyed to a pellet cooler. Cooled pellets report to a shaker screen where fines are removed. An induced draft fan draws air through the cooler and routes it to a cyclone which exhausts to the atmosphere. As well, a fan below the shaker screen draws air and fines from the screen and routes its exhaust to the inlet of the cooler fan. The cooler and shaker screen is considered one source (SN-04) whose emissions are controlled by a cyclone. Screened pellets are conveyed to a bagging station where they are packaged in bags. Packaged product is stored until shipment from the warehouse. These operations are considered one source, SN-05).

Regulations

The following table contains the regulations applicable to this permit.

Regulations
Arkansas Air Pollution Control Code, Regulation 18, effective June 18, 2010
Regulations of the Arkansas Plan of Implementation for Air Pollution Control, Regulation 19, effective July 18, 2009

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Total Allowable Emissions

The following table is a summary of emissions from the facility. This table, in itself, is not an enforceable condition of the permit.

TOTAL ALLOWABLE EMISSIONS		
Pollutant	Emission Rates	
	lb/hr	tpy
PM	12.1	52.6
PM ₁₀	7.2	30.4
SO ₂	0.3	1.4
VOC	5.0	15.1
CO	7.2	31.6
NO _x	5.9	25.8
Total HAP	0.65	2.20
Acetaldehyde	0.05	0.12
Acrolein	0.06	0.23
MEOH	0.18	0.36
Formaldehyde	0.07	0.26
Benzene	0.06	0.23
HCl	0.23	1.00
Styrene	0.03	0.10

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Section III: PERMIT HISTORY

This is the initial permit for the facility.

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Section IV: EMISSION UNIT INFORMATION

Specific Conditions

1. The permittee shall not exceed the emission rates set forth in the following table.
 [Regulation 19, §19.501 et seq., and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

SN	Description	Pollutant	lb/hr	tpy
01	Raw Material Receiving-Loading	PM ₁₀	0.1	0.1
02	Webb Burner, Dryer, & Cyclone	PM ₁₀	6.2	27.0
		SO ₂	0.3	1.4
		VOC	5.0	15.1
		CO	7.2	31.6
		NO _x	5.9	25.8
03	Hammermill	PM ₁₀	Emissions captured at SN-02	
04	Pellet Cooler & Shaker Screen Cyclone	PM ₁₀	0.8	3.2
05	Finished Product Packaging, Storage, & Loading	PM ₁₀	0.1	0.1

2. The permittee shall not exceed the emission rates set forth in the following table.
 [Regulation 18, §18.801 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

SN	Description	Pollutant	lb/hr	tpy
01	Raw Material Receiving-Loading	PM	0.1	0.2

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SN	Description	Pollutant	lb/hr	tpy
02	Webb Burner and Dryer	PM	9.9	43.4
		Acetaldehyde	0.05	0.12
		Acrolein	0.06	0.23
		Methanol	0.18	0.36
		Formaldehyde	0.07	0.26
		Benzene	0.06	0.23
		HCl	0.23	1.00
		Styrene	0.03	0.10
03	Hammermill	PM	Emissions captured at SN-02	
04	Pellet Cooler & Shaker Screen	PM	2.0	8.8
05	Finished Product Packaging, Storage, & Loading	PM	0.1	0.2

3. Visible emissions may not exceed the limits specified in the following table of this permit as measured by EPA Reference Method 9. [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

SN	Limit	Regulatory Citation
01, 02, & 04	20%	[Regulation No. 19 §19.503 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
05	5%	[Regulation No. 18 §18.501 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

4. The permittee shall not cause or permit the emission of air contaminants, including odors or water vapor and including an air contaminant whose emission is not otherwise prohibited by Regulation #18, if the emission of the air contaminant constitutes air pollution within the meaning of A.C.A. §8-4-303. [Regulation 18, §18.801 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
5. The permittee shall not conduct operations in such a manner as to unnecessarily cause air contaminants and other pollutants to become airborne. [Regulation 18, §18.901 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

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SN-01 Conditions

6. The permittee shall not process more than 33280 tons of sawdust at the facility per rolling 12-month period. [Regulation 19, §19.705 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
7. The permittee shall maintain monthly records which demonstrate compliance with Specific Condition #6. The permittee shall update the records by the fifteenth day of the month following the month to which the records pertain. The permittee will keep the records onsite, and make the records available to Department personnel upon request. [Regulation 19, §19.705 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

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Section V: INSIGNIFICANT ACTIVITIES

The Department deems the following types of activities or emissions as insignificant on the basis of size, emission rate, production rate, or activity in accordance with Group A of the Insignificant Activities list found in Regulation 18 and 19 Appendix A. Insignificant activity emission determinations rely upon the information submitted by the permittee in an application dated January 25, 2010.

Description	Category
None	

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Section VI: GENERAL CONDITIONS

1. Any terms or conditions included in this permit that specify and reference Arkansas Pollution Control & Ecology Commission Regulation 18 or the Arkansas Water and Air Pollution Control Act (A.C.A. §8-4-101 et seq.) as the sole origin of and authority for the terms or conditions are not required under the Clean Air Act or any of its applicable requirements, and are not federally enforceable under the Clean Air Act. Arkansas Pollution Control & Ecology Commission Regulation 18 was adopted pursuant to the Arkansas Water and Air Pollution Control Act (A.C.A. §8-4-101 et seq.). Any terms or conditions included in this permit that specify and reference Arkansas Pollution Control & Ecology Commission Regulation 18 or the Arkansas Water and Air Pollution Control Act (A.C.A. §8-4-101 et seq.) as the origin of and authority for the terms or conditions are enforceable under this Arkansas statute.
2. This permit does not relieve the owner or operator of the equipment and/or the facility from compliance with all applicable provisions of the Arkansas Water and Air Pollution Control Act and the regulations promulgated under the Act. [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
3. The permittee shall notify the Department in writing within thirty (30) days after commencement of construction, completion of construction, first operation of equipment and/or facility, and first attainment of the equipment and/or facility target production rate. [Regulation 19 §19.704 and/or A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
4. Construction or modification must commence within eighteen (18) months from the date of permit issuance. [Regulation 19 §19.410(B) and/or Regulation 18 §18.309(B) and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
5. The permittee must keep records for five years to enable the Department to determine compliance with the terms of this permit such as hours of operation, throughput, upset conditions, and continuous monitoring data. The Department may use the records, at the discretion of the Department, to determine compliance with the conditions of the permit. [Regulation 19 §19.705 and/or Regulation 18 §18.1004 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
6. A responsible official must certify any reports required by any condition contained in this permit and submit any reports to the Department at the address below. [Regulation 19 §19.705 and/or Regulation 18 §18.1004 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

Arkansas Department of Environmental Quality
Air Division
ATTN: Compliance Inspector Supervisor

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5301 Northshore Drive
North Little Rock, AR 72118-5317

7. The permittee shall test any equipment scheduled for testing, unless stated in the Specific Conditions of this permit or by any federally regulated requirements, within the following time frames: (1) newly constructed or modified equipment within sixty (60) days of achieving the maximum production rate, but no later than 180 days after initial start up of the permitted source or (2) existing equipment already operating according to the time frames set forth by the Department. The permittee must notify the Department of the scheduled date of compliance testing at least fifteen (15) business days in advance of such test. The permittee must submit compliance test results to the Department within thirty (30) calendar days after the completion of testing. [Regulation 19 §19.702 and/or Regulation 18 §18.1002 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
8. The permittee shall provide: [Regulation 19 §19.702 and/or Regulation 18 §18.1002 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
 - a. Sampling ports adequate for applicable test methods;
 - b. Safe sampling platforms;
 - c. Safe access to sampling platforms; and
 - d. Utilities for sampling and testing equipment
9. The permittee shall operate equipment, control apparatus and emission monitoring equipment within their design limitations. The permittee shall maintain in good condition at all times equipment, control apparatus and emission monitoring equipment. [Regulation 19 §19.303 and/or Regulation 18 §18.1104 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
10. If the permittee exceeds an emission limit established by this permit, the permittee will be deemed in violation of said permit and will be subject to enforcement action. The Department may forego enforcement action for emissions exceeding any limits established by this permit provided the following requirements are met: [Regulation 19 §19.601 and/or Regulation 18 §18.1101 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
 - a. The permittee demonstrates to the satisfaction of the Department that the emissions resulted from an equipment malfunction or upset and are not the result of negligence or improper maintenance, and the permittee took all reasonable measures to immediately minimize or eliminate the excess emissions.
 - b. The permittee reports the occurrence or upset or breakdown of equipment (by telephone, facsimile, or overnight delivery) to the Department by the end of the next business day after the occurrence or the discovery of the occurrence.
 - c. The permittee must submit to the Department, within five business days after the occurrence or the discovery of the occurrence, a full, written report of such occurrence, including a statement of all known causes and of the scheduling and

nature of the actions to be taken to minimize or eliminate future occurrences, including, but not limited to, action to reduce the frequency of occurrence of such conditions, to minimize the amount by which said limits are exceeded, and to reduce the length of time for which said limits are exceeded. If the information is included in the initial report, the information need not be submitted again.

11. The permittee shall allow representatives of the Department upon the presentation of credentials: [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
 - a. To enter upon the permittee's premises, or other premises under the control of the permittee, where an air pollutant source is located or in which any records are required to be kept under the terms and conditions of this permit;
 - b. To have access to and copy any records required to be kept under the terms and conditions of this permit, or the Act;
 - c. To inspect any monitoring equipment or monitoring method required in this permit;
 - d. To sample any emission of pollutants; and
 - e. To perform an operation and maintenance inspection of the permitted source.
12. The Department issued this permit in reliance upon the statements and presentations made in the permit application. The Department has no responsibility for the adequacy or proper functioning of the equipment or control apparatus. [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
13. The Department may revoke or modify this permit when, in the judgment of the Department, such revocation or modification is necessary to comply with the applicable provisions of the Arkansas Water and Air Pollution Control Act and the regulations promulgated the Arkansas Water and Air Pollution Control Act. [Regulation 19 §19.410(A) and/or Regulation 18 §18.309(A) and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
14. This permit may be transferred. An applicant for a transfer must submit a written request for transfer of the permit on a form provided by the Department and submit the disclosure statement required by Arkansas Code Annotated §8-1-106 at least thirty (30) days in advance of the proposed transfer date. The permit will be automatically transferred to the new permittee unless the Department denies the request to transfer within thirty (30) days of the receipt of the disclosure statement. The Department may deny a transfer on the basis of the information revealed in the disclosure statement or other investigation or, deliberate falsification or omission of relevant information. [Regulation 19 §19.407(B) and/or Regulation 18 §18.307(B) and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
15. This permit shall be available for inspection on the premises where the control apparatus is located. [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

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16. This permit authorizes only those pollutant emitting activities addressed herein. [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
17. This permit supersedes and voids all previously issued air permits for this facility. [Regulation 18 and 19 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
18. The permittee must pay all permit fees in accordance with the procedures established in Regulation No. 9. [A.C.A §8-1-105(c)]
19. The permittee may request in writing and at least 15 days in advance of the deadline, an extension to any testing, compliance or other dates in this permit. No such extensions are authorized until the permittee receives written Department approval. The Department may grant such a request, at its discretion in the following circumstances:
 - a. Such an extension does not violate a federal requirement;
 - b. The permittee demonstrates the need for the extension; and
 - c. The permittee documents that all reasonable measures have been taken to meet the current deadline and documents reasons it cannot be met.

[Regulation 18 §18.314(A), Regulation 19 §19.416(A), A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311, and 40 CFR Part 52, Subpart E]
20. The permittee may request in writing and at least 30 days in advance, temporary emissions and/or testing that would otherwise exceed an emission rate, throughput requirement, or other limit in this permit. No such activities are authorized until the permittee receives written Department approval. Any such emissions shall be included in the facilities total emissions and reported as such. The Department may grant such a request, at its discretion under the following conditions:
 - a. Such a request does not violate a federal requirement;
 - b. Such a request is temporary in nature;
 - c. Such a request will not result in a condition of air pollution;
 - d. The request contains such information necessary for the Department to evaluate the request, including but not limited to, quantification of such emissions and the date/time such emission will occur;
 - e. Such a request will result in increased emissions less than five tons of any individual criteria pollutant, one ton of any single HAP and 2.5 tons of total HAPs; and
 - f. The permittee maintains records of the dates and results of such temporary emissions/testing.

[Regulation 18 §18.314(B), Regulation 19 §19.416(B), A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311, and 40 CFR Part 52, Subpart E]

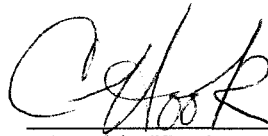
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21. The permittee may request in writing and at least 30 days in advance, an alternative to the specified monitoring in this permit. No such alternatives are authorized until the permittee receives written Department approval. The Department may grant such a request, at its discretion under the following conditions:
 - a. The request does not violate a federal requirement;
 - b. The request provides an equivalent or greater degree of actual monitoring to the current requirements; and
 - c. Any such request, if approved, is incorporated in the next permit modification application by the permittee.

[Regulation 18 §18.314(C), Regulation 19 §19.416(C), A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311, and 40 CFR Part 52, Subpart E]

CERTIFICATE OF SERVICE

I, Cynthia Hook, hereby certify that a copy of this permit has been mailed by first class mail to Sparkman Wood Pellet Company, PO Box 111, Mountain View, AR, 72560, on this 8th day of August, 2011.

A handwritten signature in black ink, appearing to read 'C. Hook', is written over a horizontal line.

Cynthia Hook, ASIII, Air Division