STATEMENT OF BASIS

For the issuance of Draft Air Permit # 2421-AOP-R2 AFIN: 58-00891

1. PERMITTING AUTHORITY:

Division of Environmental Quality 5301 Northshore Drive North Little Rock, Arkansas 72118-5317

2. APPLICANT:

Arkansas BioEnergy, LLC - Russellville 3318 Bernice Avenue Russellville, Arkansas 72802

3. PERMIT WRITER:

Skylar Redman

4. NAICS DESCRIPTION AND CODE:

NAICS Description: All Other Miscellaneous Wood Product Manufacturing

NAICS Code: 321999

5. ALL SUBMITTALS:

The following is a list of ALL permit applications included in this permit revision.

| Date of Application | Type of Application | Short Description of Any Changes |
|------------------------------|---------------------------|----------------------------------|
| (New, Renewal, Modification, | | That Would Be Considered New or |
| | Deminimis/Minor Mod, or | Modified Emissions |
| | Administrative Amendment) | |
| 7/25/2025 | Renewal | Updated emission factors |

6. REVIEWER'S NOTES:

Arkansas BioEnergy, LLC operates a wood pellet manufacturing facility located at 3318 Bernice Avenue in Russellville, Arkansas. Arkansas BioEnergy – Russellville is applying for a renewal to the Title V permit. The only changes are updated emission factors. Emission changes are as follows: a decrease in 0.1 tpy of PM/PM₁₀, 0.1 tpy of VOC, and 0.53 tpy of total HAPs.

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7. COMPLIANCE STATUS:

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

The facility was last inspected on March 6th, 2024 with no violations identified. https://echo.epa.gov/detailed-facility-report?fid=110070894651

8. PSD/GHG APPLICABILITY:

- a) Did the facility undergo PSD review in this permit (i.e., BACT, Modeling, etc.)? N
- b) Is the facility categorized as a major source for PSD? N
- Single pollutant ≥ 100 tpy and on the list of 28 or single pollutant ≥ 250 tpy and not on list

9. SOURCE AND POLLUTANT SPECIFIC REGULATORY APPLICABILITY:

| Source | Pollutant | Regulation (NSPS, NESHAP or PSD) | | | |
|--------|-----------|-------------------------------------|--|--|--|
| N/A | | | | | |

10. UNCONSTRUCTED SOURCES:

| Unconstructed Source | Permit Approval Date | Extension Requested Date | Extension Approval Date | If Greater than 18 Months without Approval, List Reason for Continued Inclusion in Permit | |
|-------------------------|----------------------------|--------------------------------|-------------------------------|---|--|
| | Date | Date | Date | Continued inclusion in Perimit | |
| N/A | | | | | |

11. PERMIT SHIELD – TITLE V PERMITS ONLY:

Did the facility request a permit shield in this application? N (Note - permit shields are not allowed to be added, but existing ones can remain, for minor modification applications or any 8 CAR pt. 40 requirement.)

12. COMPLIANCE ASSURANCE MONITORING (CAM) – TITLE V PERMITS ONLY:

List sources potentially subject to CAM because they use a control device to achieve compliance and have pre-control emissions of at least 100 percent of the major source level. List the pollutant of concern and a brief summary of the CAM plan (temperature monitoring, CEMs, opacity monitoring, etc.) and frequency requirements of § 64.

| Source | Pollutant Controlled | Cite Exemption or CAM Plan Monitoring and Frequency | |
|--------|----------------------|---|--|
| N/A | | | |

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13. EMISSION CHANGES AND FEE CALCULATION:

See emission change and fee calculation spreadsheet in Appendix A.

14. AMBIENT AIR EVALUATIONS:

The following are results for ambient air evaluations or modeling.

a) NAAQS

A NAAQS evaluation is not required under the Arkansas State Implementation Plan, National Ambient Air Quality Standards, Infrastructure SIPs and NAAQS SIP per Ark. Code Ann. § 8-4-318, dated March 2017 and the DEQ Air Permit Screening Modeling Instructions.

b) Non-Criteria Pollutants:

The non-criteria pollutants listed below were evaluated. Based on Department procedures for review of non-criteria pollutants, emissions of all other non-criteria pollutants are below thresholds of concern.

1st Tier Screening (PAER)

Estimated hourly emissions from the sources were compared to the Presumptively Acceptable Emission Rate (PAER) for each compound. The Department has deemed the PAER to be the product, in lb/hr, of 0.11 and the Threshold Limit Value (mg/m³), as listed by the American Conference of Governmental Industrial Hygienists (ACGIH).

| Pollutant | TLV (mg/m³) | PAER (lb/hr) = 0.11 × TLV | Proposed lb/hr | Pass? |
|--------------|-------------|---------------------------|----------------|-------|
| Acrolein | 0.115 | 0.0115 | 0.021 | No |
| Formaldehyde | 0.1 | 0.011 | 0.345 | No |

2nd Tier Screening (PAIL)

AERMOD air dispersion modeling was performed on the estimated hourly emissions from the following sources, in order to predict ambient concentrations beyond the property boundary. The Presumptively Acceptable Impact Level (PAIL) for each compound has been deemed by the Department to be one one-hundredth of the Threshold Limit Value as listed by the ACGIH.

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| Pollutant | PAIL $(\mu g/m^3) = 1/100$ of Threshold Limit Value | Modeled Concentration (μg/m³) | Pass? |
|--------------|--|-------------------------------|-------|
| Acrolein | 1.15 | 0.79958 | Yes |
| Formaldehyde | 15.0* | 5.54 | Yes |

^{*}ADEQ approved alternate PAIL

c) H₂S Modeling:

A.C.A. §8-3-103 requires hydrogen sulfide emissions to meet specific ambient standards. Many sources are exempt from this regulation, refer to the Arkansas Code for details.

Is the facility exempt from the H_2S Standards If exempt, explain: The facility does not emit H_2S

Y

15. CALCULATIONS:

| SN | Emission Factor Source (AP-42, testing, etc.) | Emission Factor (lb/ton, lb/hr, etc.) | Control Equipment | Control Equipment Efficiency | Comments |
|----|--|--|----------------------|------------------------------------|---|
| 01 | Manufacturer data Wood Products Protocol 1 from EPA's "Interim VOC Measurement Protocol for the Wood Products Industry – July 2007" Previous stack test data | lb/ton PM/PM10: 0.03 VOC: 1.318 lb/ODT Acrolein: 0.0028 Formaldehyde: 0.0063 | Baghouse | - | Safety factor of 1.5 on all pollutants |
| 02 | Manufacturer data Wood Products Protocol 1 from EPA's "Interim VOC Measurement Protocol for the Wood Products Industry – July 2007" Previous stack test data | lb/ton PM/PM10: 0.56 VOC: 4.35 lb/ODT Acrolein: 0.0083 Formaldehyde: 0.0203 | Cyclone | - | Safety factor of 25% on VOC, 1.5 on all other pollutants |
| 03 | AP-42 13.2.2.2 | Shavings lb/VMT PM: 7.098 PM10: 2.023 | - | - | VMT/yr Shavings: 761 Shavings Reject: 22 |

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| SN | Emission Factor Source (AP-42, testing, etc.) | Emission Factor (lb/ton, lb/hr, etc.) | Control Equipment | Control Equipment Efficiency | Comments |
|----|--|---|----------------------|------------------------------------|---|
| | | Shavings Reject 1b/VMT PM: 7.098 PM10: 2.023 Pellets lb/VMT PM: 7.098 PM10: 2.023 | | | Pellets: 711 |
| 05 | Manufacturer data Wood Products Protocol 1 from EPA's "Interim VOC Measurement Protocol for the Wood Products Industry – July 2007" Previous stack test data | gr/scf PM/PM10: 0.015 lb/ODT VOC: 0.721 Acrolein: 0.0027 Formaldehyde: 0.0051 | Baghouse | - | Safety factor of 25% on VOC, 1.5 on all other pollutants. |

16. TESTING REQUIREMENTS:

The permit requires testing of the following sources.

| SN | Pollutants | Test Method | Test Interval | Justification |
|----|------------|-------------------------|---|--------------------------|
| | PM_{10} | Method 201A with 202 | Initial test then subsequent test | |
| 01 | VOC | Method 25A | once every 12 months until 3 tests are passed, then every 60 months | Verify Emission Rates |
| | PM_{10} | Method 201A with 202 | Initial test then subsequent test | |
| 02 | VOC | Method 25A | once every 12 months until 3 tests are passed, then every 60 months | Verify Emission Rates |

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17. 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) |
|----|--|------------------------------------|-----------|--------------|
| | | N/A | | |

18. RECORDKEEPING 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) |
|------------|--------------------------|---|-----------|--------------|
| Facility | Tons of finished pellets | 62,765 tons per rolling 12 month period | Monthly | Y |
| 01, 02, 05 | Opacity | 20% | Monthly | N |

19. OPACITY:

| SN | Opacity | Justification for limit | Compliance Mechanism |
|--------|---------|---|-------------------------|
| 01, 02 | 20% | 8 CAR § 41-403 and 40 C.F.R. Part 52, Subpart E | Weekly Observations |
| 03 | 5% | 8 CAR § 40-401 and Ark. Code Ann. § 8- 4-203 as referenced by Ark. Code Ann. §§ 8-4-304 and 8-4- 311 | Inspector Observation |
| 05 | 20% | 8 CAR § 41-403 and 40 C.F.R. Part 52, Subpart E | Weekly Observation |

20. DELETED CONDITIONS:

| Former SC | Justification for removal |
|-----------|---------------------------|
| | N/A |

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21. GROUP A INSIGNIFICANT ACTIVITIES:

The following is a list of Insignificant Activities including revisions by this permit.

| Source Name | Group A Category | Emissions (tpy) | | | | | | |
|----------------|---------------------|---------------------|--------|---------|----|-----------------|--------|-------|
| | | PM/PM ₁₀ | SO_2 | VOC | СО | NO _x | HAPs | |
| | | | | | | | Single | Total |
| Diesel | | | | | | | | |
| Cube (250 | A-3 | | | 3.0E-04 | | | | |
| Gal) | | | | | | | | |
| Shaving | | | | | | | | |
| Storage | A-13 | 0.074 | | | | | | |
| and | A-13 | 0.074 | | | | | | |
| Loading* | | | | | | | | |
| Shaving | A-13 | 0.139 | | | | | | |
| Handlings* | A-13 | 0.139 | | | | | | |
| Reject Pile | | | | | | | | |
| - Wind | | 0.629 | | | | | | |
| Errosion* | | | | | | | | 1 |

^{*}Note – The facility does not believe there are quantifiable VOC or HAP emissions from the purchased dry shavings prior to the Hammer Mill. Other than storage and conveyance there is no processing of the shavings. Additionally, VOC or HAP emissions are typically not permitted from planer shavings conveyance or storage from lumber mills.

22. VOIDED, SUPERSEDED, OR SUBSUMED PERMITS:

The following is a list of all active permits voided/superseded/subsumed by the issuance of this permit.

| Permit # |
|-------------|
| 2421-AOP-R1 |



Facility Name: Arkansas BioEnergy, LLC

Permit Number: 2421-AOP-R2

AFIN: 58-00891

 \$/ton factor
 28.14
 Annual Chargeable Emissions (tpy)
 259.3

 Permit Type
 Renewal No Changes
 Permit Fee \$
 0

Minor Modification Fee \$ 500
Minimum Modification Fee \$ 1000
Renewal with Minor Modification \$ 500
Check if Facility Holds an Active Minor Source or Minor
Source General Permit
If Hold Active Permit, Amt of Last Annual Air Permit Invoice \$ 0
Total Permit Fee Chargeable Emissions (tpy) -0.2
Initial Title V Permit Fee Chargeable Emissions (tpy)

HAPs not included in VOC or PM:

Chlorine, Hydrazine, HCl, HF, Methyl Chloroform, Methylene Chloride, Phosphine, Tetrachloroethylene,

Titanium Tetrachloride

Air Contaminants:

All air contaminants are chargeable unless they are included in other totals (e.g., H2SO4 in condensible PM, H2S in TRS, etc.)

| Pollutant (tpy) | Check if Chargeable Emission | Old Permit | New Permit | Change in Emissions | Permit Fee Chargeable Emissions | Annual Chargeable Emissions |
|-------------------|------------------------------------|------------|------------|---------------------|---------------------------------------|-----------------------------------|
| PM | | 39.7 | 39.6 | -0.1 | -0.1 | 39.6 |
| PM_{10} | | 35.9 | 35.8 | -0.1 | | |
| PM _{2.5} | | 0 | 0 | 0 | | |
| SO_2 | | 0 | 0 | 0 | 0 | 0 |
| VOC | | 219.8 | 219.7 | -0.1 | -0.1 | 219.7 |
| со | | 0 | 0 | 0 | | |
| NO_X | | 0 | 0 | 0 | 0 | 0 |
| Total HAP | | 5.38 | 4.85 | -0.53 | | |