

STATE OF COLORADO



COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
AIR POLLUTION CONTROL DIVISION
TELEPHONE: (303) 692-3150

CONSTRUCTION PERMIT

PERMIT NO: **15MN0325**

Issuance 1

DATE ISSUED:

ISSUED TO: **Western Excelsior Corporation**

THE SOURCE TO WHICH THIS PERMIT APPLIES IS DESCRIBED AND LOCATED AS FOLLOWS:

Wood and straw products production facility, located at 901 Grand Ave., Mancos, Montezuma County, Colorado.

THE SPECIFIC EQUIPMENT OR ACTIVITY SUBJECT TO THIS PERMIT INCLUDES THE FOLLOWING:

Facility Equipment ID	AIRS Point	Description
---	002	Excelsior production operations
---	003	Fugitive Dust from vehicle and heavy equipment operations

THIS PERMIT IS GRANTED SUBJECT TO ALL RULES AND REGULATIONS OF THE COLORADO AIR QUALITY CONTROL COMMISSION AND THE COLORADO AIR POLLUTION PREVENTION AND CONTROL ACT C.R.S. (25-7-101 et seq), TO THOSE GENERAL TERMS AND CONDITIONS INCLUDED IN THIS DOCUMENT AND THE FOLLOWING SPECIFIC TERMS AND CONDITIONS:

REQUIREMENTS TO SELF-CERTIFY FOR FINAL APPROVAL

1. **YOU MUST notify the Air Pollution Control Division (Division) no later than fifteen days after issuance of this permit by submitting a Notice of Startup (NOS) form to the Division.** The Notice of Startup (NOS) form may be downloaded online at <https://www.colorado.gov/pacific/cdphe/other-air-permitting-notice>. Failure to notify the Division of startup of the permitted source is a violation of AQCC Regulation No. 3, Part B, Section III.G.1 and can result in the revocation of the permit.
2. Within one hundred and eighty days (180) after issuance of this permit, compliance with the conditions contained on this permit shall be demonstrated to the Division. It is the permittee's responsibility to self certify compliance with the conditions. Failure to demonstrate compliance within 180 days may result in revocation of the permit or enforcement action by the Division. Information on how to certify compliance was mailed with the permit or can be obtained from the

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Division's website at <https://www.colorado.gov/pacific/cdphe/air-permit-self-certification>.
(Reference: Regulation No. 3, Part B, III.G.2).

3. Within one hundred and eighty days (180) after issuance of this permit, the operator shall complete all initial compliance testing and sampling as required in this permit and submit the results to the Division as part of the self-certification process. (Reference: Regulation No. 3, Part B, Section III.E.)
4. Within thirty (30) days after issuance of this permit, the permit number shall be posted in a visible location for ease of identification. (Reference: Regulation No. 3, Part B, III.E.) (State only enforceable)
5. The manufacturer, model number and serial number of the subject equipment shall be provided to the Division within one hundred and eighty days (180) after commencement of operation. (Reference: Regulation No. 3, Part B, III.E.)

EMISSION LIMITATIONS AND RECORDS

6. Emissions of air pollutants shall not exceed the following limitations (as calculated using the emission factors included in the Notes to Permit Holder section of this permit). Annual records of the actual emission rates shall be maintained by the applicant and made available to the Division for inspection upon request. (Reference: Regulation No. 3, Part B, Section II.A.4).

Annual Limits:

Facility Equipment ID	AIRS Point	Tons per Year			Emission Type
		PM	PM ₁₀	PM _{2.5}	
Excelsior	002	3.5	---	---	Point
Fugitive dust (vehicles)	003	25	7	---	Fugitive

See "Notes to Permit Holder #3" for information on emission factors and methods used to calculate limits. Compliance with the fugitive emission limits shall be demonstrated by not exceeding the production limits listed below and by following the attached particulate emissions control plans.

7. The particulate emission control measures listed on Attachment A (as approved by the Division) shall be applied to the particulate emission producing sources as required by Regulation No. 1, Section III.D.1.b.

PROCESS LIMITATIONS AND RECORDS

8. This source shall be limited to the following maximum consumption, processing and/or operational rates as listed below. Annual records of the actual process rate shall be maintained by the applicant and made available to the Division for inspection upon request. (Reference: Regulation 3, Part B, II.A.4)

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Process/Consumption Limits

Facility Equipment ID	AIRS Point	Process Parameter	Annual Limit
	003	Receiving of Aspen logs	25,000 tons
	002	Excelsior production	19,921 tons

STATE AND FEDERAL REGULATORY REQUIREMENTS

9. Visible emissions shall not exceed twenty percent (20%) opacity during normal operation of the source. During periods of startup, process modification, or adjustment of control equipment visible emissions shall not exceed 30% opacity for more than six minutes in any sixty consecutive minutes. Opacity shall be determined using EPA Method 9. (Reference: Regulation No. 1, Section II.A.1. & 4.)
10. This source is subject to the odor requirements of Regulation No. 2. (State only enforceable)

OPERATING & MAINTENANCE REQUIREMENTS

11. This source is not required to follow a Division-approved operating and maintenance plan. The source shall follow the manufacturer's operating and maintenance recommendations or shall follow good air pollution control practices.

COMPLIANCE TESTING AND SAMPLING

Initial Testing Requirements

12. Within 180 days of startup, the owner or operator shall demonstrate compliance with Condition 9, using EPA Method 9 to measure opacity from the cyclone in the excelsior production line.

Periodic Testing Requirements

13. No periodic testing is required.

ADDITIONAL REQUIREMENTS

14. The owner or operator shall follow the most current supplemental dust control plan (as found in Attachment B) and recordkeeping format approved by the Division in order to demonstrate compliance on an ongoing basis with the requirements of this permit. Revisions to the supplemental dust control plan are subject to Division approval prior to implementation. A copy of the supplemental dust control plan shall be kept with the permit. (Reference: Regulation No. 3, Part B, III.E.). In addition, the particulate emission control measures listed on the attached page (as approved by the Division) shall be applied to the particulate emission producing sources as required by Regulation No.1, Section III.D.1.b.

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15. The permit number shall be posted in a visible place for ease of identification. (Reference: Regulation No. 3, Part B, III.E.) (State only enforceable)
16. A Revised Air Pollutant Emission Notice (APEN) shall be filed: (Reference: Regulation No. 3, Part A, Section II.C.)

- a. Annually whenever a significant increase in emissions occurs as follows:

For any criteria pollutant:

For sources emitting **less than 100 tons per year**, a change in actual emissions of five tons per year or more, above the level reported on the last APEN submitted; or

For volatile organic compounds (VOC) and nitrogen oxide (NO_x) sources in an ozone non-attainment area emitting **less than 100 tons of VOC or nitrogen oxide per year**, a change in actual emissions of one ton per year or more or five percent, whichever is greater, above the level reported on the last APEN submitted; or

For sources emitting **100 tons per year or more of a criteria pollutant**, a change in actual emissions of five percent or 50 tons per year or more, whichever is less, above the level reported on the last APEN submitted; or

For sources emitting **any amount of lead**, a change in actual emissions, above the level reported on the last APEN submitted, of fifty (50) pounds of lead

For any non-criteria reportable pollutant:

If the emissions increase by 50% or five (5) tons per year, whichever is less, above the level reported on the last APEN submitted to the Division.

- b. Whenever there is a change in the owner or operator of any facility, process, or activity; or
- c. Whenever new control equipment is installed, or whenever a different type of control equipment replaces an existing type of control equipment; or
- d. Whenever a permit limitation must be modified; or
- e. No later than 30 days before the existing APEN expires.

GENERAL TERMS AND CONDITIONS:

17. This permit and any attachments must be retained and made available for inspection upon request. The permit may be reissued to a new owner by the Division as provided in Regulation No. 3, Part B, Section II.B upon a request for transfer of ownership and the submittal of a revised APEN and the required fee.
18. If this permit specifically states that final approval has been granted, then the remainder of this condition is not applicable. Otherwise, the issuance of this construction permit is considered initial approval and does not provide "final" approval for this activity or operation of this source. Final

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approval of the permit must be secured from the APCD in writing in accordance with the provisions of 25-7-114.5(12)(a) C.R.S. and AQCC Regulation No. 3, Part B, Section III.G. Final approval cannot be granted until the operation or activity commences and has been verified by the APCD as conforming in all respects with the conditions of the permit. Once self-certification of all points has been reviewed and approved by the Division, it will provide written documentation of such final approval. **Details for obtaining final approval to operate are located in the Requirements to Self-Certify for Final Approval section of this permit.** The operator shall retain the permit final approval letter issued by the Division after completion of self-certification with the most current construction permit.

19. This permit is issued in reliance upon the accuracy and completeness of information supplied by the applicant and is conditioned upon conduct of the activity, or construction, installation and operation of the source, in accordance with this information and with representations made by the applicant or applicant's agents. It is valid only for the equipment and operations or activity specifically identified on the permit.

By: 

Michael Harris, P. E.
Permit Engineer

By: 

R K Hancock III, P.E.
Construction Permits Unit Supervisor

Permit History

Issuance	Date	Description
Initial Approval Issuance 1	This Issuance	Issued to Western Excelsior Corporation

Notes to Permit Holder (as of date of permit issuance):

- 1) The production or raw material processing limits and emission limits contained in this permit are based on the production/processing rates requested in the permit application. These limits may be revised upon request of the permittee providing there is no exceedence of any specific emission control regulation or any ambient air quality standard. A revised air pollutant emission notice (APEN) and application form must be submitted with a request for a permit revision.
- 2) This source is subject to the Common Provisions Regulation Part II, Subpart E, Affirmative Defense Provision for Excess Emissions During Malfunctions. The permittee shall notify the Division of any malfunction condition which causes a violation of any emission limit or limits stated in this permit as soon as possible, but no later than noon of the next working day, followed by written notice to the Division addressing all of the criteria set forth in Part II.E.1. of the Common Provisions Regulation. See: <https://www.colorado.gov/pacific/cdphe/aqcc-reg>.

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- 3) The emission levels contained in this permit are based on the following emission factors:

Point 002:

	Pollutant	lb/ton	Emission Factors – Uncontrolled
			Source
Excelsior production	PM	0.35	Engineering estimate based on Region 10 memo “Particulate Matter Potential to Emit Emission Factors for Activities at Sawmills, Excluding Boilers, Located in Pacific Northwest Indian Country “ (May 8, 2014)
	PM10	0.175	
	PM2.5	0.0875	

The cyclone included in the excelsior production equipment was determined to be part of the process equipment and not a control device. The uncontrolled emission factor is applied to emissions from the cyclone.

Point 003: Fugitive Road emissions (AP 42 section 13.2.2. equation 1a)

Annual Vehicle miles traveled (VMT) = 7485 per year

	K	a	b	W	s	P # of days	Lb/vmt	Tons/yr
PM	4.9	0.7	0.45	17.8	8.4	90	6.4	24.1
PM10	1.5	0.9	0.45	17.8	8.4	90	1.83	6.9
PM2.5	0.15	0.9	0.45	17.8	8.4	90	0.18	0.7

Note: K, a, and b are particle size related constants in the equation
W = average vehicle weight
s = silt content
P = average number of days with precipitation exceeding 0.01 inches
VMT = Vehicle miles traveled (per year)

Straw processing (wattle and blankets) including the baghouse is an APEN exempt activity and not included in this permit.

- 4) In accordance with C.R.S. 25-7-114.1, each Air Pollutant Emission Notice (APEN) associated with this permit is valid for a term of five years from the date it was received by the Division. A revised APEN shall be submitted no later than 30 days before the five-year term expires. Please refer to the most recent annual fee invoice to determine the APEN expiration date for each emissions point associated with this permit. For any questions regarding a specific expiration date call the Division at (303)-692-3150.
- 5) This facility is classified as follows:

Applicable Requirement	Status
Operating Permit	True minor
PSD	True minor

- 6) Full text of the Title 40, Protection of Environment Electronic Code of Federal Regulations can be

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found at the website listed below:

<http://ecfr.gpoaccess.gov/>

- 7) The permit holder is required to pay fees for the processing time for this permit. An invoice for these fees will be issued after the permit is issued. Failure to pay the invoice will result in revocation of this permit. The permit holder shall pay the invoice within 30 days of receipt of the invoice (Reference: Regulation No. 3, Part A, Section VI.B.).
- 8) Unless specifically stated otherwise, the general and specific conditions contained in this permit have been determined by the Division to be necessary to assure compliance with the provisions of Section 25-7-114.5(7)(a), C.R.S.
- 9) Each and every condition of this permit is a material part hereof and is not severable. Any challenge to or appeal of a condition hereof shall constitute a rejection of the entire permit and upon such occurrence, this permit shall be deemed denied *ab initio*. This permit may be revoked at any time prior to self-certification and final authorization by the Division on grounds set forth in the Colorado Air Pollution Prevention and Control Act and regulations of the AQCC including failure to meet any express term or condition of the permit. If the Division denies a permit, conditions imposed upon a permit are contested by the applicant, or the Division revokes a permit, the applicant or owner or operator of a source may request a hearing before the AQCC for review of the Division's action.
- 10) Section 25-7-114.7(2)(a), C.R.S. requires that all sources required to file an Air Pollutant Emission Notice (APEN) must **pay an annual fee** to cover the costs of inspections and administration. If a source or activity is to be discontinued, the owner must notify the Division in writing requesting a cancellation of the permit. Upon notification, annual fee billing will terminate.
- 11) Violation of the terms of a permit or of the provisions of the Colorado Air Pollution Prevention and Control Act or the regulations of the AQCC may result in administrative, civil or criminal enforcement actions under Sections 25-7-115 (enforcement), -121 (injunctions), -122 (civil penalties), -122.1 (criminal penalties), C.R.S.

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ATTACHMENT A

PARTICULATE EMISSIONS CONTROL PLAN FOR MATERIAL PROCESSING ACTIVITIES

THE FOLLOWING PARTICULATE EMISSIONS CONTROL MEASURES SHALL BE USED FOR COMPLIANCE PURPOSES ON THE ACTIVITIES COVERED BY THIS PERMIT, AS REQUIRED BY THE AIR QUALITY CONTROL COMMISSION REGULATION NO.1, Section III.D.1.b. THIS SOURCE IS SUBJECT TO THE FOLLOWING EMISSION GUIDELINES:

- a. **Processing Activities** - Visible emissions not to exceed 20% opacity, no off-property transport of visible emissions.
- b. **Haul Roads** - No off-property transport of visible emissions shall apply to on-site haul roads, the nuisance guidelines shall apply to off-site haul roads.
- c. **Haul Trucks** - There shall be no off-property transport of visible emissions from haul trucks when operating on the property of the owner or operator. There shall be no off-vehicle transport of visible emissions from the material in the haul trucks when operating off of the property of the owner or operator.

Control Measures

- 1. Watering shall be implemented if dust problems occur.
- 2. Vehicle speed on unpaved roads and disturbed areas shall not exceed a maximum of 15 m.p.h. Speed limit signs shall be posted.

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ATTACHMENT B
SUPPLEMENTARY PARTICULATE CONTROL PLAN
APCD APPROVAL LETTER

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Dedicated to protecting and improving the health and environment of the people of Colorado

April 22, 2015

Mr. Kyle Hanson
Director OpEx|WEC – Mancos Business Unit Leader
901 Grand Avenue
Mancos, Colorado 81328

Regarding: Approval of the Fugitive Particulate Control Plan for the Western Excelsior Corporation facility in Mancos, Colorado.

Dear Mr. Hanson:

The Colorado Department of Public Health and Environment, Air Pollution Control Division (Division) has reviewed and approved the timelines and detailed ongoing mitigation plans (Plan) as submitted to the Division on December 3, 2014 and March 6, 2015. Within the Plan are proposed means of controlling sources of fugitive particulate material emanating from Western Excelsior Corporation's Mancos, Colorado operations. Three aspects of control are discussed in the Plan including; 1) Day-to-day ongoing mitigation activities; 2) a summary of changes made in recent months and; 3) a Gantt chart, or timeline, of longer-term mitigation activities including an assessment of the risk, or degree of uncertainty, involved in each activity.

Part 1 of the Plan proposes three activities for day-to-day ongoing particulate mitigation, which are:

- Daily pneumatic transfer pipe inspection
- Twice a week inspection and clearing of the excelsior building roof
- Weekly mulch and outfeed area clean-up

Part 2 of the Plan summarizes recent changes:

- Enclosed buckets used for material transfer
- A reduction in cyclone motor speed to diminish particulate emissions
- Mill waste is now to be pushed out the west door that faces into the courtyard area thereby reducing wind exposure
- The mulch outfeed area is filled in and concrete has been poured to allow outfeed into enclosed transfer bins

Part 3 of the Plan presents a timeline for the large scale changes at the facility. The timeline delineates eight actions, some altering process flow, within the facility:

- Ongoing system service
- Ongoing monitoring of exterior pneumatic pipes
- Wattle machine installation
- Relocation of the pellet mill
- Waste conveyor installation from saw area to enclosed transport container
- Erosion blanket machine relocation
- Installation of a baghouse as secondary particulate emissions control for the large cyclone
- Development of biochar process

To be noted, the last three actions are not seen as strictly fugitive particulate control measures. The relocation of the erosion blanket machine appears to be one of improved process flow only. The installation of a baghouse as secondary particulate emissions control for the large 'big blue' cyclone serves as a point source control. The biochar process is not commonly recognized as a particulate control measure.

4300 Cherry Creek Drive S., Denver, CO 80246-1530 P 303-692-2000 www.colorado.gov/cdphe
John W. Hickenlooper, Governor | Larry Wolk, MD, MSPH, Executive Director and Chief Medical Officer



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Also note this control plan is subject to modification as may be required by the Division should the aforementioned measures prove to be inadequate for fugitive particulate control. Specifically, per Regulation No. 1, III.D.1.c., [t]hat in the case of a source or activity which already has a control plan, the Division shall review said control plan and if it determines the plan does not meet the requirements of the Section III.D., it shall require the submission of a revised control plan.

If you have any questions please contact Hugh Davidson or (303) 692-3157 or Beth Pilson, (303) 692-3247.

Sincerely

Hugh M. Davidson
Environmental Protection Specialist
Air Pollution Control Division
Colorado Department of Public Health and Environment
4300 Cherry Creek Drive South
APCD-SS-B1
Denver, CO 80246
(303) 692-3157
Fax: (303) 782-0278
Email: Hugh.Davidson@state.co.us

Cc: Shannon McMillan, APCD
Beth Pilson, APCD
File



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Particulate Mitigation Plan
Generated for Colorado Dept.
Public Health & Environment

March 6, 2015

RE: Request for timelines and detailed ongoing mitigation plans.

Beth Pilson
Field Services Unit Supervisor, Stationary Sources Program
CDPHE - Air Pollution Control Division
4300 Cherry Creek Drive South, APCD-SS-B1
Denver, CO 80246-1530

Dear Ms. Pilson,

Following please find, as we discussed, the following information:

1. Day-to-Day Ongoing Mitigation Activities,
2. Summary of Changes made in recent months, and
3. Gantt Chart (timeline) of longer-term mitigation activities including an assessment of the risk (degree of uncertainty) involved in each activity.

As we discussed in our phone call on Monday, March 2, 2015, Western Excelsior Corp. is strongly committed to stewarding *all* our environments including those surrounding our Mancos facility. We have made, and will continue to make all future business decisions through a lens focused on reducing (or eliminating) particulate emissions.

Please feel free to contact us with additional questions or comments.

Sincerely,

A handwritten signature in black ink that reads 'Kyle Hanson'.

Kyle Hanson
Dir. OpEx | WEC - Mancos Business Unit Leader

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CDPHE - WEC Particulate Mitigation Plan

Day-to-Day Ongoing Particulate Mitigation Activity

Activity	Frequency
Pneumatic transfer pipe inspection	Daily
Roof Inspection and Cleaning	2x Weekly
Mulch and Outfeed Area Clean-up	Weekly

Summary of Recent Changes

Change	Implementation Date
Enclosed buckets used for material transfer	Early 2014
Reduction in cyclone motor speed to diminish particulate emissions	Mid 2014
Mill waste pushed out West-facing door into courtyard in lieu of South Door to reduce exposure to winds	February 2014
Mulch outfeed area filled and concrete poured to allow outfeed into enclosed transfer bins	March 2014

Timeline for Large-Scale Change

