LANE REGIONAL AIR PROTECTION AGENCY
1010 Main Street, Springfield, Oregon 97477
(541) 736-1056

AIR CONTAMINANT DISCHARGE PERMIT (ACDP)

Issued in accordance with provisions of Title 37, Lane Regional Air Protection Agency’s Rules and Regulations, and based on the land use compatibility findings included in the permit record.

Issued To: Rexius Organics Processing Facility
92574 North Coburg Road
Eugene, Oregon 97408

Mailing Address: Rexius Forest By Products Inc.
P.O. Box 22838
Eugene, Oregon 97402

Information Relied Upon:
Application Number: 64118
Date Received: July 12, 2018

Land Use Compatibility Statement:
From: Lane County
Date: February 9, 2012

Fee Basis:
Table 1, Part B, 75
Source which would emit 10 tons/yr or more of any single criteria pollutant

Permit Number: 207092
Permit Type: Simple “High”
SIC: 2499 Wood Products, Not Elsewhere Classified
Issued: December 31, 2019
Expiration Date: December 31, 2024

Permitted Sources:
Organic Waste and Wood Residual Materials Processing

Issued By: ______________________________
Merlyn L. Hough, Director

Effective Date: DEC 31 2019
Permitted Activities

1. Until this permit expires or is revoked, the permittee is herewith allowed to discharge exhaust gases containing contaminants only in accordance with the permit application and the requirements, limitations, and conditions contained in this permit. This specific listing of requirements, limitations, and conditions does not relieve the permittee from complying with all other rules of Lane Regional Air Protection Agency (LRAPA).

Emission Unit Identification

2. The emission units regulated by this permit include, but are not limited to: horizontally-fed diesel-fired grinders, diesel-fired screens, a wood material dryer, and storage/market piles.

<table>
<thead>
<tr>
<th>Emission Unit (EU) Identification</th>
<th>EU Name</th>
<th>Pollution Control Description (PCD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grinders</td>
<td>Two (2) Peterson Pacific Grinders, diesel-fired</td>
<td>Water spray system</td>
</tr>
<tr>
<td>Screens</td>
<td>Four (4) Shaker Screens, diesel-fired</td>
<td>NA</td>
</tr>
<tr>
<td>Dryer</td>
<td>One (1) Specialty Products Dryer, propane-fired</td>
<td>NA</td>
</tr>
<tr>
<td>Bagger</td>
<td>One (1) Bagger</td>
<td>Baghouse # 1</td>
</tr>
<tr>
<td>Piles</td>
<td>Storage and Market Piles</td>
<td>NA</td>
</tr>
<tr>
<td>Conveyor</td>
<td>One (1) Stacking Conveyor, diesel-fired</td>
<td>NA</td>
</tr>
<tr>
<td>Fan</td>
<td>One (1) Fan, diesel-fired</td>
<td>NA</td>
</tr>
</tbody>
</table>

Performance Standards and Emissions Limits

3. The permittee ensure that emissions of any air contaminant, from any non-fugitive air contaminant source do not exceed 20 percent opacity for a period or periods aggregating more than three (3) minutes in any one (1) hour. [LRAPA 32-010(3)]

4. Particulate emissions from EU-Grinders, EU-Screens, EU-Dryer, EU-Bagger, EU- Conveyor and EU-Fan shall not exceed 0.10 grain per standard dry cubic foot (dscf) from any air contaminant source. [LRAPA 32-015(2)(b)]

5. The permittee shall operate the water spray system when grinding material, as needed to prevent particulate matter (PM) from becoming airborne. [LRAPA 32-007]

6. All plant process equipment and all air contaminant collection and disposal facilities, including but not limited to, Baghouse #1, must be operated and maintained at all times in a manner which minimize air contaminant discharges. [LRAPA 32-005]

7. The permittee must minimize fugitive dust emissions by: [LRAPA 48-015]
   a. Treating vehicular traffic areas of the plant site under the control of the permittee;
   b. Operating all contaminant generating processes so that fugitive type dust associated with the operation will be adequately controlled at all times;
   c. Full or partial enclosure of materials stockpiles in cases where application of water or other suitable chemicals is not sufficient to prevent particulate matter from becoming airborne.

RICE Engine Limitation

8. For any of the permittee’s equipment, including but not limited to grinders, screens, conveyors and fans, that are powered by a reciprocating internal combustion engine (RICE) generator, the permittee must separately obtain LRAPA approval to operate the RICE unit through receipt of a revised Simple ACDP (as applicable – consult LRAPA) if it is considered to be a "stationary
source.” A portable RICE generator is a stationary source if it is not a “nonroad engine” as defined in 40 CFR 1068.30. A portable generator is a stationary source under the following conditions:

a. The RICE unit will remain and be operated at the same location for more than 12 consecutive months; OR
b. The RICE unit meets all of the criteria below and is considered a “seasonal stationary source:”
   i. An engine is a seasonal source if it remains at one location during the full annual operating period of the source and operates at that single location for approximately three (3) (or more) months each year.
   ii. A seasonal source is a stationary source if it remains and operates in a single location on a permanent basis (i.e., at least two (2) years).
c. As used above, a location is any single site at a building, structure, facility, or installation. Any engine that replaces an engine at a location and performs the same or similar function will be included in the calculation of consecutive time period.
d. The permittee must apply for a stationary source RICE generator permit in accordance with Condition G20 at least 60 days before the facility becomes a stationary source.

Plant Site Emission Limits (PSELS)

9. The total emissions from this facility shall not exceed the annual limits below [LRAPA 42-0040]:

<table>
<thead>
<tr>
<th>Source</th>
<th>NOx</th>
<th>CO</th>
<th>SO₂</th>
<th>PM_{2.5}</th>
<th>PM_{10}</th>
<th>PM</th>
<th>VOC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rexius Organics Processing Facility</td>
<td>39</td>
<td>99</td>
<td>39</td>
<td>9</td>
<td>14</td>
<td>24</td>
<td>39</td>
</tr>
</tbody>
</table>

Any changes in operation that may increase the emissions above the PSEL must be approved by LRAPA. Failure to do so may result in enforcement actions being taken by LRAPA. See the review report for the bases for estimating PSELS.

Fuels and Fuel Sulfur Content

10. The permittee must not use any fuel other than natural gas, propane, butane, ASTM grade fuel oils, or on-specification used oil. [LRAPA 32-065]

a. Fuel oils must not contain more than:
   i. 0.3% sulfur by weight for ASTM Grade 1 distillate oil;
   ii. 0.5% sulfur by weight for ASTM Grade 2 distillate oil;
   iii. 1.75% sulfur by weight for residual oil;

b. The permittee is allowed to use on-specification used oil, which contains no more than 0.5% sulfur by weight, as fuel. The permittee must obtain analyses from the supplier or, if generated on-site, have analyses performed to demonstrate that each shipment or batch of oil does not exceed the used oil specifications contained in 40 CFR Part 279.11, Table 1.
Outdoor Burning

11. The permittee may conduct outdoor burning on the plant site in accordance with LRAPA Title 47. [LRAPA 47-001]

Monitoring

12. The permittee shall record the following data for a period of at least five (5) years. [LRAPA 34-016]

<table>
<thead>
<tr>
<th>Parameter (Units)</th>
<th>Minimum Recording Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance of Baghouse #1 on Bagger</td>
<td>Each Occurrence</td>
</tr>
<tr>
<td>Maintenance of Water Spray System on each Grinder</td>
<td>Each Occurrence</td>
</tr>
<tr>
<td>Hours of Operation, Fuel Type and Fuel Quantity Used in each diesel-fired Grinder, Screen, Fan, and Conveyor (Gallons)</td>
<td>Monthly</td>
</tr>
<tr>
<td>Hours of Operation, Fuel Type and Fuel Quantity Used in the Dryer (Gallons or Pounds)</td>
<td>Monthly</td>
</tr>
</tbody>
</table>

Record Keeping and Reporting [LRAPA 34-016]

13. Records associated with the monitoring required by this permit shall be maintained on site for a period of at least five (5) years and made available to LRAPA upon request.

14. The permittee shall maintain records as required by Condition G15.

15. The permittee shall provide notification as required by Conditions G21 and G22.

16. An annual report including the hours of operation, fuel type and fuel quantity used in the diesel-fired horizontal grinders (gallons), the diesel-fired screens (gallons), the diesel-fired fan, and the diesel-fired conveyor required by Condition 12 shall be submitted by March 15th each year the permit is in effect. The report shall also include a statement that indicates whether or not the diesel-fired engines identified in Condition 2 have remained in one location at the plant site for more than 12 months in accordance with Condition 8.

Annual Fees

17. In accordance with adopted regulations, the permittee will be invoiced by October 1st each year for the Annual Fees associated with the Simple Air Contaminant Discharge Permit (ACDP). Fees are due on December 1st of each year. [LRAPA 37-0090]

Max/cmw
12/30/19
Abbreviations, Acronyms and Definitions

ACDP  Air Contaminant Discharge Permit
ASTM  American Society for Testing and Materials
AQMA  Air Quality Maintenance Area
BER  Baseline Emission Rate
CAO  Cleaner Air Oregon
CFR  Code of Federal Regulations
CO  Carbon Monoxide
CO₂e  Carbon dioxide equivalent
DEQ  Oregon Department of Environmental Quality
dscf  Dry standard cubic foot
EPA  United States Environmental Protection Agency
EU  Emission Unit
FCAA  Federal Clean Air Act
ft²  Square foot
GHG  Greenhouse gases
gr/dscf  Grains per dry standard cubic foot
HAP  Hazardous Air Pollutant as defined by LRAPA Title 44
I&M  Inspection and maintenance
lb  Pound(s)
LRAPA  Lane Regional Air Protection Agency
MACT  Maximum Achievable Control Technology
N/A  Not applicable
NAICS  North American Industry Classification System
NESHAP  National Emissions Standards for Hazardous Air Pollutants
NOₓ  Nitrogen oxides
NSPS  New Source Performance Standard
NSR  New Source Review
O₂  Oxygen
OAR  Oregon Administrative Rules
ORS  Oregon Revised Statutes
O&M  Operation and maintenance
PCD  Pollution control device
PM  Particulate matter
PM₁₀  Particulate matter less than 10 microns in size
PM₂.₅  Particulate matter less than 2.5 microns in size
ppm  Part per million
PSD  Prevention of Significant Deterioration
PSEL  Plant Site Emission Limit
PTE  Potential to Emit
scf  Standard cubic foot
SER  Significant Emission Rate
SIC  Standard Industrial Code
SIP  State Implementation Plan
SO₂  Sulfur dioxide
TACT  Typically Achievable Control Technology
Therm  Approximately equivalent to energy from burning 100 cubic feet of natural gas
VE  Visible emissions
VOC  Volatile organic compound
year  A period consisting of any 12- consecutive calendar months
Rexius Organics Processing Facility
Permit No. 207092
Expiration Date: December 31, 2024

GENERAL PERMIT CONDITIONS

General Conditions and Disclaimers

G1. A copy of the permit application and this Air Contaminant Discharge Permit (ACDP) must be available on site for inspection upon request. [LRAPA 37-0020(3)]

G2. The permittee must allow the Director or his/her authorized representatives access to the plant site and pertinent records at all reasonable times for the purpose of making inspections, surveys, collecting samples, obtaining data, reviewing and copying air contaminant discharge records and otherwise conducting necessary functions related to this permit in accordance with ORS 468.095. [LRAPA 13-020(1)(h)]

G3. The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of federal, state, or local laws or regulations.

Performance Standards and Emission Limits

G4. The permittee must not cause or permit the deposition of any particulate matter which is larger than 250 microns in size at sufficient duration and quantity, as to create an observable deposition upon the real property of another person. [LRAPA 32-055]

G5. The permittee must not discharge from any source whatsoever such quantities of air contamination which cause injury or damage to any persons, the public, business or property. Such determination to be made by LRAPA. [LRAPA 32-090(1)]

G6. The permittee must not cause or permit emission of water vapor if the water vapor causes or tends to cause detriment to the health, safety or welfare of any person or causes, or tends to cause damage to property or business. [LRAPA 32-090(2)]

G7. The permittee must not willfully cause or permit the installation or use of any device or use of any means which, without resulting in a reduction in the total amount of air contaminants emitted, conceals emissions of air contaminants which would otherwise violate LRAPA rules. [LRAPA 32-050(1)]

G8. The permittee must not cause or permit the installation or use of any device or use of any means designed to mask the emissions of an air contaminant which causes or tends to cause detriment to health, safety or welfare of any person. [LRAPA 32-050(2)]

G9. The permittee must not allow any materials to be handled, transported, or stored; or a building, its appurtenances or road(s) to be used, constructed, altered, repaired, or demolished; or any equipment to be operated, without taking reasonable precautions to prevent particulate matter from being airborne. [LRAPA 48-015(1)]

G10. The permittee may not cause or allow air contaminants from any source subject to regulation by LRAPA to cause nuisance. [LRAPA 49-010(1)]

Excess Emissions: General Policy

G11. Emissions of air contaminants in excess of applicable standards or permit conditions are unauthorized and are subject to enforcement action, pursuant to LRAPA 36-010 and 36-030. These rules apply to any permittee operating a source which emits air contaminants in violation of any applicable air quality rule or permit condition, including but not limited to excess emissions resulting from the breakdown of air pollution control devices or operating equipment, process
upset, startup, shutdown, or scheduled maintenance. Sources that do not emit air contaminants in excess of any applicable rule or permit condition are not subject to the recordkeeping and reporting requirements in LRAPA Title 36. Emissions in excess of applicable standards are not excess emissions if the standard is in an NSPS or NESHAP and the NSPS or NESHAP exempts startups, shutdowns and malfunctions as defined in the applicable NSPS or NESHAP. [LRAPA 36-001(1)]

Excess Emissions: Notification and Record-keeping

G12. For all other excess emissions not addressed in LRAPA Sections 36-010, 36-015, or 36-040, the following requirements apply: [LRAPA 36-020(1)]

a. The owner or operator, of a small source, as defined by LRAPA 36-005(7), need not notify LRAPA of excess emissions events immediately unless otherwise required by permit condition, written notice by LRAPA, or if the excess emission is of a nature that could endanger public health.

b. Notification must be made to the LRAPA office. The current LRAPA telephone number during regular business hours (8 a.m. - 5 p.m., M-F) is (541) 736-1056. During nonbusiness hours, weekends, or holidays, the permittee must immediately notify LRAPA by calling the LRAPA Upset/Complaint Line. The current number is (541) 726-1930.

c. Follow-up reporting, if required by LRAPA, must contain all information required by Condition G15.

G13. At each annual reporting period specified in this permit, or sooner if required by LRAPA, the permittee must submit a copy of the upset log entries for the reporting period, as required by Condition G15. [LRAPA 36-025(4)(a)]

G14. Any excess emissions which could endanger public health or safety must immediately be reported to the Oregon Emergency Response System (OERS) at 1-800-452-0311.

G15. The permittee must keep an upset log of all planned and unplanned excess emissions. The upset log must include the following: [LRAPA 36-025(3) and 36-030(1)]

a. date and time each event was reported to LRAPA;
b. whether the process handling equipment and the air pollution control equipment were at all times maintained and operated in a manner consistent with good practice for minimizing emissions;
c. whether repairs or corrections were made in an expeditious manner when the permittee knew or should have known that emission limits were being or were likely to be exceeded;
d. whether the event was one in a recurring pattern of incidents which indicate inadequate design, operation, or maintenance; and
e. final resolution of the cause of the excess emissions.

Upset logs must be kept by the permittee for five (5) calendar years. [LRAPA 36-025(3)]

Excess Emissions: Scheduled Maintenance

G16. If the permittee anticipates that scheduled maintenance of air contaminant sources or air pollution control devices may result in excess emissions, the permittee must obtain prior LRAPA
authorization of procedures that will be used to minimize excess emissions. Application for approval of procedures associated with the scheduled maintenance must be submitted and received by LRAPA in writing at least seventy-two (72) hours prior to the event. The application must include the following: [LRAPA 36-015(1)]

a. reasons explaining the need for maintenance, including but not limited to: why the maintenance activity is necessary; why it would be impractical to shut down the source operation during the maintenance activity; if applicable, why air pollution control devices must be by-passed or operated at reduced efficiency during the maintenance activity; and why the excess emissions could not be avoided through better scheduling for maintenance or through better operation and maintenance practices;

b. identification of the specific production or emission control device or system to be maintained;

c. identification of the nature of the air contaminants likely to be emitted during the maintenance period, and the estimated amount and duration of the excess emissions, including measures such as the use of overtime labor and contract services and equipment that will be taken to minimize the length of the maintenance period; and

d. identification of specific procedures to be followed which will minimize excess emissions at all times during the scheduled maintenance.

G17. No scheduled maintenance associated with the approved procedures in Condition G16 that is likely to result in excess emissions may occur during any period in which an Air Pollution Alert, Air Pollution Warning, or Air Pollution Emergency has been declared, or during an announced yellow or red woodstove advisory period, in areas determined by LRAPA as PM$_{2.5}$ or PM$_{10}$ nonattainment areas. [LRAPA 36-015(6)]

G18. In cases where LRAPA has not received notification of scheduled maintenance that is likely to cause excess emissions within the required seventy-two (72) hours prior to the event, or where such approval has not been waived pursuant to LRAPA 36-015(3), the permittee must immediately notify LRAPA by telephone of the situation, and must be subject to the requirements of Conditions G12 and G13. [LRAPA 36-015(7)]

Air Pollution Emergencies

G19. The permittee must, upon declaration of an air pollution alert, air pollution warning, or air pollution emergency, take all emission reduction measures specified in Tables 1, 2, and 3 of LRAPA Title 51. Permittees responsible for a source of air contamination within a Priority I AQCR must, upon declaration of an episode condition affecting the locality of the air contamination source, take all appropriate actions specified in the applicable table and must take all appropriate actions specified in an LRAPA-approved preplanned abatement strategy for such condition which has been submitted and is on file with LRAPA. [LRAPA 51-015]

Notification of Construction/Modification

G20. The permittee must notify LRAPA in writing using an LRAPA “Notice of Intent to Construct” form, or other permit application forms and obtain approval in accordance with LRAPA 34-010 and 34-034 through 34-038 before:

a. constructing, installing or establishing a new stationary source that will cause an increase in regulated pollutant emissions

b. making any physical change or change in the operation of an existing stationary source that
will cause an increase, on an hourly basis at full production, in any regulated pollutant emissions; or
c. constructing or modifying any pollution control equipment.

Notification of Name Change

G21. The permittee must notify LRAPA in writing, using an LRAPA Application for Administrative Amendment to ACDP form, within 60 days after legal change of the registered name of the company with the Corporation Division of the State of Oregon. [LRAPA 37-0030(4)]

Applicable administrative fees must be submitted with an application for the name change.

Permit Renewal

G22. Application for renewal of this permit must be submitted not less than 120 days prior to the permit expiration date for Simple ACDPs, and 180 days prior to the permit expiration date for Standard ACDP. [LRAPA 37-0040(2)(b)]

G23. A source may not be operated after the expiration date of a permit, unless any of the following occur prior to the expiration date of the permit: [LRAPA 37-0082(1)(a)]

a. A timely and complete application for renewal or for an LRAPA Title V Operating Permit has been submitted; or
b. Another type of permit, ACDP or Title V, has been issued authorizing operation of the source.

G24. For a source operating under an ACDP or LRAPA Title V Operating Permit, a requirement established in an earlier ACDP remains in effect notwithstanding expiration of the ACDP, unless the provision expires by its terms or unless the provision is modified or terminated according to the procedures used to establish the requirement initially. [LRAPA 37-0082(1)(c)]

G25. Any permittee who fails to submit any relevant facts or who has submitted incorrect information in a permit application must, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary facts or corrected information. [LRAPA 37-0040(4)]

Termination Conditions

G26. This permit will be automatically terminated upon: [LRAPA 37-0082(2)]

a. Issuance of a renewal or new ACDP for the same activity or operation;
b. Written request of the permittee, if LRAPA determines that a permit is no longer required;
c. Failure to submit a timely application for permit renewal. Termination is effective on the permit expiration date; or;
d. Failure to pay annual fees within 90 days of invoice by LRAPA, unless prior arrangements for payment have been approved in writing by LRAPA.

G27. If LRAPA determines that a permittee is in noncompliance with the terms of the permit, submitted false information in the application or other required documentation, or is in violation of any applicable rule or statute, LRAPA may revoke the permit. LRAPA will provide notice of the intent to revoke the permit to the permittee under LRAPA Title 31. The notice will include the reasons why the permit will be revoked, and include an opportunity for the permittee to request a contested case hearing prior to the revocation. A written request for hearing must be received by LRAPA within 60 days from service of the notice on the permittee, and must state the grounds of
the request. The hearing will be conducted as a contested case hearing under ORS 183.413 through 183.470 and LRAPA Title 14. The permit will continue in effect until the 60th day after service of the notice on the permittee, if the permittee does not timely request a hearing, or until a final order is issued if the permittee timely requests a hearing. [LRAPA 37-0082(4)(a)]

G28. A permit automatically terminated under LRAPA 37-0082(2)(b) through (2)(d) may only be reinstated by the permittee by applying for a new permit. The permittee must also pay the applicable new source permit application fees in this title unless the owner or operator submits the renewal application within three months of the permit expiration date. [LRAPA 37-0082(3)]

G29. If LRAPA finds there is a serious danger to the public health, safety or the environment caused by a permittee’s activities, LRAPA may immediately revoke or refuse to renew the permit without prior notice or opportunity for a hearing. If no advance notice is provided, notification will be provided to the permittee as soon as possible as provided under LRAPA Title 31. The notification will set forth the specific reasons for the revocation or refusal to renew and will provide an opportunity for the permittee to request a contested case hearing for review of the revocation or refusal to renew. A permittee’s written request for hearing must be received by LRAPA within 90 days of service of the notice on the permittee and must state the grounds for the request. The hearing will be conducted as a contested case hearing under ORS 183.413 through 183.470 and LRAPA Title 14. The revocation or refusal to renew becomes final without further action by LRAPA if a request for a hearing is not received within the 90 days. If a request for a hearing is timely received, the revocation or refusal to renew will remain in place until issuance of a final order. [LRAPA 37-0082(4)(b)]

G30. Any hearing requested must be conducted pursuant to the rules of LRAPA. [LRAPA Title 14]

Asbestos

G31. The permittee must comply with the asbestos abatement requirements in LRAPA Title 43 for all activities involving asbestos-containing materials, including, but not limited to, demolition, renovation, repair, construction, and maintenance. [LRAPA Title 43]

[Revised 1/12/2018]