

ALABAMA DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT

IN THE MATTER OF:)
Kronospan, LLC)
Eastaboga, Calhoun County, Alabama)
)
ADEM Air Facility ID No. 301-0079)
)
Proposed
ADMINISTRATIVE
ORDER NO. _____

FINDINGS

Pursuant to the provisions of the Alabama Environmental Management Act, Ala. Code §§ 22-22A-1 to 22- 22A-17, *as amended*, the Alabama Air Pollution Control Act, Ala. Code §§ 22-28-1 to 22-28-23, *as amended*, the Alabama Department of Environmental Management (“Department” or “ADEM”) Administrative Code of Regulations (hereinafter, “ADEM Admin. Code r.”) promulgated pursuant thereto, and the federal Clean Air Act, 42 U.S.C. 7401 to 7671q, *as amended*, the Department makes the following

1. Kronospan, LLC (“Permittee”) owns and operates a medium density fiberboard and particle board facility, ADEM Air Facility ID No. 301-0079 (“Facility”), located in Eastaboga, Calhoun County, Alabama, in accordance with the requirements of Air Permit Nos. X051-X075 and Major Source Operating Permit 301-0079.

2. The Department is a duly constituted department of the State of Alabama pursuant to Ala. Code §§ 22-22A-1 to 22-22A-17, *as amended*.

3. Pursuant to Ala. Code § 22-22A-4(n), *as amended*, the Department is the state air pollution control agency for the purposes of the federal Clean Air Act, 42 U.S.C. 7401 to 7671q, *as amended*. In addition, the Department is authorized to administer and

enforce the provisions of the Alabama Air Pollution Control Act, Ala. Code §§ 22-28-1 to 22-28-23, as amended.

4. Air Permit No. 301-0079-X068 (“Air Permit X068”) authorizes the operation of the Wood Chip Sorting process. Air Permit X068, Unit Specific Proviso No. 2(g) states: “The condensable particulate emission rate from the Regenerative Thermal Oxidizer (RTO-2) shall not exceed 4.19 lb/hr and 0.065 lb/MSF (3/4” basis) [ADEM Admin. Code r. 335-3-14-.04, BACT].”

5. On April 8-10, 2025, the Permittee completed compliance testing on RTO-2. On June 9, 2025, the Permittee submitted the test report demonstrating failure of the condensable particulate BACT emission limits in Air Permit No. X068. The results are as follows: 6-can operation 5.36 lb/hr and 0.103 lb/MSF, 5-can operation 15.94 lb/hr and 0.308 lb/MSF. The Permittee has violated Air Permit X068, Unit Specific Proviso No. 2(g) by exceeding the BACT limits for condensable particulate.

6. On September 23, 2025, the Permittee completed re-testing of RTO-2 to demonstrate compliance with the condensable particulate BACT emission limit on Air Permit No. X068. On November 3, 2025, the Permittee submitted the test report demonstrating failure of the condensable particulate BACT emission limit for the 6-can operation, with the result of 0.071 lb/MSF. The Permittee has violated Air Permit X068, Unit Specific Proviso No. 2(g) by exceeding the BACT limit for condensable particulate.

7. Air Permit No. 301-0079-X066 (“Air Permit X066”) authorizes the operation of the Resin Production Unit. Air Permit X066, Unit Specific Proviso No. 1(c) states: “These units are subject to the National Emission Standards for Hazardous Air Pollutants for Amino/Phenolic Resin Production, 40 CFR Part 63, Subpart OOO. The permittee shall be in compliance with these standards upon startup (40 CFR §63.1401).

[ADEM Admin. Code r. 335-3-11-.06(66); 40 CFR Part 63, Subpart OOO; ADEM Admin. Code r. 335-3-11-.06(1); 40 CFR Part 63, Subpart A]"

8. 40 CFR Part 63, Subpart OOO includes the requirements of National Emission Standards for Equipment Leaks, 40 CFR Part 63, Subpart UU. This subpart outlines the requirements for monitoring and controlling emissions from various equipment types, including pumps, compressors, valves, and agitators.

9. On June 26, 2025, the Department issued a Letter of Inquiry concerning the monitoring required by Air Permit X066 and Subpart UU. The Permittee responded in a letter dated July 28, 2025. According to the response, the Permittee did not conduct the required monthly Method 21 monitoring of the 7 agitators for a period of more than 112 required monitoring events. The Permittee has violated Air Permit X066, Unit Specific Proviso No. 1(c) by failing to conduct this monitoring.

10. Air Permit 301-0079-X063 ("Air Permit X063") authorizes the operation of the Formalin Production Unit.

11. Air Permit X063 General Proviso No. 8 states: "Deviations from permit requirements shall be reported within 48 hours or 2 working days of such deviations, including those attributable to upset conditions as defined in the permit. The report will include the probable cause of said deviations, and any corrective actions or preventive measures that were taken."

12. Air Permit X063, Unit Specific Proviso No. 4(e) states: "With the exceptions noted in Subpart G, the catalytic oxidizer shall be operated such that the daily average upstream temperature and the daily average temperature difference across the catalyst bed is greater than or equal to the minimum temperatures established in accordance

with §63.152(b)(2) of Subpart G [ADEM Admin. Code r. 335-3-16-.03(6); 40 CFR 63, Subpart G].”

13. 40 CFR 63.152(c)(2)(ii) states, in part, “except for excused excursions described therein, the owner or operator shall be deemed to have failed to have applied the control in a manner that achieves the required operating conditions”. 40 CFR 63.152(c)(2)(ii)(B)(6) allows only one excused excursion per semi-annual period.

14. On July 16, 2025, the Permittee notified the Department that the Formalin Production Unit RP1 emission control unit (catalytic oxidizer) was not operated at minimum temperature (210 +/- 20 degrees Celsius) from March 26, 2025, at 10:31 AM through March 31, 2025, at 9:00 AM, resulting in four daily average temperature deviations. According to 40 CFR Part 63, Subpart G, one deviation is an excused excursion, while the remaining four are unexcused, and therefore, constitute a violation.

15. The Permittee failed to notify ADEM within 48 hours or 2 working days of the deviations, as required by Air Permit X063. The Permittee did not notify the Department of these violations until July 16, 2025, at least 110 days after the maximum timeframe allowed by the Permit. The Permittee violated Air Permit X063, General Proviso No. 8, by failing to notify of the temperature deviations as required.

16. The Permittee failed to correctly indicate intermittent compliance for the Resin Plant (pump and agitator monthly visual inspections, Method 21) in the Annual Compliance Certification (ACC) for the time periods of November 2022 - November 2023 and November 2023 - November 2024. Failure to correctly assess compliance is in violation of Air Permit X063, General Proviso No. 20.

17. Pursuant to Ala. Code § 22-22A-5(18)c., *as amended*, in determining the amount of any penalty, the Department must give consideration to the seriousness of the

violation, including any irreparable harm to the environment and any threat to the health or safety of the public; the standard of care manifested by such person; the economic benefit which delayed compliance may confer upon such person; the nature, extent and degree of success of such person's efforts to minimize or mitigate the effects of such violation upon the environment; such person's history of previous violations; and the ability of such person to pay such penalty. Any civil penalty assessed pursuant to this authority shall not exceed \$25,000.00 for each violation, provided however, that the total penalty assessed in an order issued by the Department shall not exceed \$250,000.00. Each day such violation continues shall constitute a separate violation. In arriving at this civil penalty, the Department has considered the following:

A. SERIOUSNESS OF THE VIOLATION: The Department considers Kronospan's failure to comply with the BACT limit, failure to properly perform monitoring according to Subpart UU, and failure to notify of a permit deviation in the required timeframe to be serious violations. However, the Department is not aware of any irreparable harm to the environment resulting from these violations.

B. THE STANDARD OF CARE: Kronospan has failed to exhibit a sufficient standard of care by failing to abide by the conditions imposed by the Permit and the Department.

C. ECONOMIC BENEFIT WHICH DELAYED COMPLIANCE MAY HAVE CONFERRED: The Department is unaware of any economic benefit that Kronospan may have derived by failing to meet permit conditions.

D. EFFORTS TO MINIMIZE OR MITIGATE THE EFFECTS OF THE VIOLATION UPON THE ENVIRONMENT: The Department is not aware of any efforts by Kronospan to minimize or mitigate the effects of these violations on the environment.

E. HISTORY OF PREVIOUS VIOLATIONS: The Department's records indicate that the Permittee received a Notice of Violation (issued June 29, 2023) and a Consent Order (executed November 27, 2023) for constructing process equipment without first submitting an application and receiving a permit determination. The Permittee also received a Consent Order (executed March 27, 2024) for not having an operational continuous opacity monitoring system and for not notifying the Department that the monitoring system was down. The Permittee also received a Consent Order (executed December 5, 2024) for continuing to operate Cogen Nos. 4 and 6 without a control device, exceeding Best Available Control Technology (BACT) limits, failure to notify of permit deviations, failure to monitor (temperature), and late submission of Annual Compliance Certification (ACC). The Permittee received a Notice of Violation (issued on February 10, 2025) for the Continuous Emission Monitoring System (CEMS) on the K4 Boiler exceeded the 30-day rolling average limit for CO (720 ppm @ 3% O₂). This event lasted a total of 40 days. The Permittee received a Consent Order (executed on July 3, 2025) for the K4 Boiler exceeded the 30-day rolling average limit for CO (720 ppm @ 3% O₂). This event lasted a total of 40 days.

F. THE ABILITY TO PAY: Kronospan has not alleged an inability to pay the civil penalty.

G. OTHER FACTORS: The calculated penalty would have exceeded \$250,000.00; therefore in an effort to resolve this matter without incurring the additional expense of litigation, the penalty has been set at the statutory maximum of \$250,000.00

ORDER

Based upon the foregoing FINDINGS and pursuant to Ala. Code §§22-22A-5(10), 22-22A-5(12), 22-22-5(18), and 22-28-18, as amended, it is hereby ORDERED:

A. That, not later than forty-five days after the issuance of this Order, Kronospan shall pay to the Department a civil penalty in the amount of \$250,000.00 for the violations cited herein. Said penalty shall be made payable to the Alabama Department of Environment Management by certified or cashier's check and shall be submitted to:

Office of General Counsel
Alabama Department of
Environmental Management
P.O. Box 301463
Montgomery, Alabama 36130-1463

B. That, immediately upon receipt of this Order and continuing thereafter, Kronospan shall ensure immediate and future compliance with the ADEM Admin. Code r. and the Permit.

C. That, should any provision of this Order be declared by a court of competent jurisdiction or the Environmental Management Commission to be inconsistent with Federal or State law and therefore unenforceable, the remaining provisions hereof shall remain in full force and effect.

D. Except as otherwise set forth herein, this Order is not and shall not be interpreted to be a permit or modification of an existing permit under federal, State or local law, and shall not be construed to waive or relieve Kronospan of its obligations to comply in the future with any permit or other written direction from the Department.

E. That, issuance of this Administrative Order does not preclude the Department from seeking criminal fines or other appropriate sanctions or relief against Kronospan for the violations cited herein.

F. That, failure to comply with the provisions of this Administrative Order shall constitute cause for commencement of legal action by the Department against

Kronospan for recovery of additional civil penalties, criminal fines, or other appropriate sanctions or relief.

ORDERED and ISSUED this _____ day of _____, 2025.

Edward F. Poolos, Director
Alabama Department of Environmental
Management
1400 Coliseum Boulevard
Montgomery, Alabama 36110-2059
(334) 271-7700

CERTIFICATE OF SERVICE

I, Aubrey H. White, III, do hereby certify that I have served this Proposed Administrative Order upon the person(s) listed below by sending the same, postage paid, through the United States Mail **XXXX XXXX XXXX XXXX XXXX** with instructions to forward and return receipt, to:

Mr. John Connell
Kronospan, LLC
1 Kronospan Way.
Eastaboga, Alabama 36260

DONE this _____ day of _____, 2025.

Aubrey H. White, III
Chief - Air Division
Alabama Department of
Environmental Management

ATTACHMENT A

Kronospan, LLC
Air Facility ID No. 301-0079
Eastaboga, Calhoun County

Violation¹	Number of Violations	Seriousness of Violation¹	Standard of Care¹	History of Previous Violations¹	Total of Three Factors²
Failure to follow MACT UU LDAR regulations	112	28,000	8,680	28,000	64,680
Failure to notify of permit deviations in a timely manner	110	27,500	13,750	27,500	68,750
Failure to properly operate the control device	4	80,000	48,000	80,000	100,000
Failed compliance test. PB PMcond BACT limit ⁴	3	60,000	18,000	60,000	138,000
Incorrect information in compliance certifications	2	15,000	4,500	15,000	34,500
SUBTOTAL					405,930

Adjustments to Amount of Initial Penalty

Mitigating Factors (-)	\$ -
Ability to Pay (-)	\$ -
Other Factors (+/-)	\$ -
Total Adjustments (+/-)	\$ -

Economic Benefit	\$ -
Amount of Initial Penalty	\$ 405,930
Total Adjustments (+/-)	\$ -
Adjustment for Statutory Cap ³	\$ (155,930)
FINAL PENALTY	\$ 250,000

¹ See the "Department's Contentions" portion of the Order for a detailed description of each violation and the penalty factors.

² Pursuant to Ala. Code §22-22A-5(18)c., as amended, the penalty for each individual violation is limited to \$25,000.00.

³ Pursuant to Ala. Code §22-22A-5(18)c., as amended, the total assessed penalty is limited to \$250,000.00.

⁴ Effort to mitigate, Kronospan has taken corrective action on the RTO as well as performed an unofficial test which indicated the unit is capable of complying.