

Statement of Basis
Scotch Plywood Company
Beatrice, Monroe County, Alabama
Facility/Permit No. 106-S009

This proposed significant modification of the Title V Major Source Operating Permit (MSOP) has been developed in accordance with the provisions of ADEM Admin. Code r. 335-3-16. The above-named applicant has requested authorization to perform the work or operate the facility shown on the application and drawings, plans and other documents attached hereto or on file with the Air Division of the Alabama Department of Environmental Management, in accordance with the terms and conditions of this permit.

The facility was originally constructed and began operations in 1978. The current MSOP (fifth renewal) was issued on February 10, 2025, and will expire on June 14, 2029.

The facility is located in Monroe County, which is currently listed as attainment with all National Ambient Air Quality Standards (NAAQS). There are no current or ongoing enforcement actions against Scotch Plywood Company necessitating additional requirements to achieve compliance with the proposed permit conditions. The enforcement and compliance history for the facility can be found at <https://echo.epa.gov> (Search using Facility ID AL000000010990S009).

Permit History

Issuance No./ Permit No.	Issuance Date	Limit(s) Established	Limit Basis/ Reasoning
Air Permit No. X009	January 31, 2024	Boiler Steam Production Limit: $\leq$ 394,200,000 pounds during any consecutive 12-month period	HAP
Air Permit No. X010	January 31, 2024	Dryer Veneer Production Limit: $\leq$ 229,512 MSF during any consecutive 12-month period	HAP

Facility Operations

Scotch Plywood Company (SPC) produces southern pine veneer. The significant sources of air pollutants at this facility are a 93 MMBTU/hr wood-fired boiler (X009), and a 26.2 MSF/hr Hybrid Softwood Veneer Dryer w/38 MMBtu/hr Natural Gas-Fired Burner (X010), and a 144 Hp diesel-fired emergency fire water pump (EU 003). Insignificant sources include a lathe building pneumatic transfer system with cyclone, a veneer building pneumatic transfer system with cyclone, fuel tanks, chippers and hogs.

Proposed Changes

On August 26, 2026, SPC submitted a request for modification of the Title V MSOP to incorporate the conditions of Air Permits X009 and X010. The boiler is currently included in the facility's current Title V MSOP as EU 001, however, this action will incorporate the production

limit established in Air Permit No. X009 into the MSOP. Air Permit No. X010 was issued to allow SPC to replace the existing veneer dryer. The replacement veneer dryer was issued Temporary Authorization to Operate on August 28, 2025, and received Authorization to Operate on September 17, 2025. This unit will be incorporated as EU 002.

Changes Since Last Renewal

The incorporation of Air Permits X009 and X010 will be the first changes to the MSOP since its fifth renewal.

Applicability: Federal Regulations

Title V

This facility is currently a major source under Title V regulations as the potential emissions for PM, CO and VOC exceed the 100 TPY major source threshold. It is considered a synthetic minor source for hazardous air pollutants (HAP) as the potential emissions of each individual HAP are limited to less than 10 TPY, and the potential emissions of combined HAP are limited to less than 25 TPY. Air Permit X009 contains a steam production limit of 394,200,000 lb/yr for the boiler. Air Permit X010 contains a dried veneer production limit of 229,512 MSF/yr for the veneer dryer. These limits and emission factors ensure that the potential emissions of HAP from the facility do not exceed the major source thresholds. The potential HAP emissions from the boiler would be based on stack testing conducted on Unit 001 and/or emission factors located in *Compilation of Air Pollutant Emission Factors, AP-42, Fifth Edition, Volume I: Stationary Point and Area Sources, Chapter 1, Section 6 "Wood Residue Combustion in Boilers"*. The potential HAP emissions from the veneer dryer would be based on stack testing conducted on the veneer dryer and/or emission factors located in *Compilation of Air Pollutant Emission Factors, AP-42, Fifth Edition, Volume I: Stationary Point and Area Sources, Chapter 10, Section 5 "Plywood Manufacturing"*.

PSD

The facility operations are not one of the 28 listed major source categories, and the facility is located in an attainment area for all criteria pollutants. The major source thresholds of concern are 250 TPY for criteria pollutants. Potential emissions from the facility do not exceed the major source threshold for PSD. Therefore, the facility is a minor for PSD applicability.

New Source Performance Standards (NSPS)

Neither the boiler nor the veneer dryer is subject to an NSPS.

National Emission Standards for Hazardous Air Pollutants (NESHAP)

Boiler MACT

This facility is an area source of HAP; therefore, the wood-fired boiler (X009) is subject to 40 CFR 63, Subpart JJJJJ, the National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers at Area Sources. The boiler is subject to management practices, which require a biennial tune-up and a one-time energy assessment, conducted in accordance with Subpart JJJJJ.

The facility is required to comply with the notification, reporting, and recordkeeping requirements outlined in §63.11225, with submittals to be sent to the Air Division and the EPA. The facility is required to keep a copy of each notification and report submitted to comply with Subpart JJJJJ and all documentation supporting any Initial Notification of Applicability or Notification of Compliance Status that would be submitted. For all tune-ups, the facility is required to keep records of the dates and procedures of each boiler tune-up and the fuel used by the boiler. In addition, the facility is required to keep records of the occurrence and duration of each malfunction of the boiler, or of the associated air pollution control and monitoring equipment. Also, the facility is required to maintain records of actions taken during periods of malfunction to minimize emissions, including corrective actions to restore the malfunctioning boiler, air pollution control, or monitoring equipment to its normal or useful manner of operation. The records are required to be kept in a form suitable and readily available for expeditious review. Each record is required to be retained for a period of five years following the date of each recorded action.

The facility is required to prepare and submit biennial compliance reports in accordance with §63.11225(b) to both the Air Division and the EPA. The reports must be submitted biennially by March 1st.

The veneer dryer is not subject to a NESHAP.

Applicability State Regulations

93 MMBtu/hr Boiler

Particulate Matter

The particulate emission standard for the boiler is 0.20 gr/dscf, adjusted for 50% excess air (ADEM Admin. Code r. 335-3-4-.08(2)(d)). The facility demonstrates compliance with this standard by conducting periodic stack testing.

Visible Emissions

ADEM Admin. Code r. 335-3-4-.01, the standard for visible emissions from stationary sources, limits visible emissions from the boiler to not more than one six-minute average opacity greater than 20% in any sixty-minute period or any six-minute average opacity of particulate emissions greater than 40%.

Sulfur Dioxide

The sulfur dioxide standard for the boiler is 4 lb/MMBtu (ADEM Admin. Code r. 335-3-5-.01(1)(b)). The expected sulfur dioxide emissions from the boiler would be significantly less than the allowable as only untreated wood waste is burned in the boiler.

Veneer Dryer

The particulate emission standard for the veneer dryer is based on the process weight using the formula $3.59(P)^{0.62}$ (ADEM Admin. Code r. 335-3-4-.04(1)). Since heat for the veneer dryer is indirect (steam from the boiler), with supplemental heat supplied by the dryer's natural gas burner, PM and SO₂ emissions from the dryer are expected to be negligible.

Fugitive Dust and Fugitive Emissions

ADEM Admin. Code r. 335-3-4-.02 requires that precautions be taken to prevent particulate matter from becoming airborne. This rule is applicable to the facility. SPC submitted a fugitive dust plan as part of the application for the fifth renewal of the Title V MSOP. The dust plan will be included in Appendix A of the permit.

Emission Monitoring

93 MMBTU/hr Boiler

CAM

The boiler is equipped with a dual multiclone to control particulate matter. The pre-controlled particulate emissions from the boiler are greater than the applicable major source threshold. However, the facility would not be required to perform Compliance Assurance Monitoring (CAM) on the boiler as it has been determined that the multiclones are an integral part of the boiler system and are therefore not considered control devices.

Periodic Monitoring

Periodic Monitoring for the boiler would be a daily six-minute visible emissions evaluation of the boiler stack emissions in accordance with 40 CFR Part 60, Appendix A, Method 9 when the boiler is operating. On weekends (Saturday and Sunday), an observer familiar with the operation of the boiler conducts a daily observation of the boiler stack emission when the boiler is operating. If a weekday evaluation indicates visible emissions from a six-minute average are greater than 10% opacity, or if a weekend observation indicates emissions are greater than normal, the facility is required to take immediate corrective action to reduce the visible emissions within 24 hours or verify within 24 hours that the unit and the associated air pollution control equipment are operating normally, in accordance with standard procedures and under the same conditions demonstrated during the most recent compliant stack test. The facility is also required to perform periodic Methods 5, particulate, and 9, visible emission testing on the boiler.

Veneer Dryer

Since the particulate emissions from the dryer are expected to be negligible, no periodic monitoring is required.

Emission Testing

The current Title V MSOP requires that periodic Method 5, particulate and, Method 9, visible emission testing be conducted on the boiler. Testing for HAP emissions from the boiler and the veneer dryer would not be required at this time as the HAP emissions from the units would not be expected to exceed the Title V major source thresholds based on emission factors and the production limits. Testing may be required in the future if any complaints are received, or new information indicates the facility might exceed an applicable standard or regulatory threshold.

Recordkeeping and Reporting

SPC would maintain records of all required monitoring and maintenance conducted as well as monthly and 12-month rolling totals of production of steam for the boiler and veneer for the veneer dryer. The records would be maintained on-site and available for inspection for at least five years. The facility would also be required to submit Annual Compliance Certifications and

Semiannual Monitoring Reports detailing the results of monitoring and maintenance conducted, and total steam and veneer production calculated during the reporting period.

Air Quality Analysis

The facility is located in Monroe County, an attainment area for all criteria pollutants. It is greater than 100 km from any Class I Area. The proposed project would not be expected to have any impact on any such areas.

Coastal Consistency Class I

This facility is not located within the 10-foot contour range of Mobile and Baldwin Counties.

Public Notice

The issuance of this Title V MSOP would require a 30-day public comment period and a 45-day EPA review period.

Recommendation

I recommend that Scotch Plywood Company's Title V MSOP be modified to incorporate the conditions of Air Permits X009 and X010 pending the resolution of any comments received during the 30-day public comment period and the EPA 45-day review.



Lester Meredith
Chemical Branch
Air Division

September 29, 2026
Date

VLM/vlm