

**MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OPERATING PERMIT TECHNICAL REVIEW DOCUMENT**

**Air, Energy & Mining Division  
1520 E. Sixth Avenue  
P.O. Box 200901  
Helena, Montana 59620-0901**

**Weyerhaeuser NR Company  
Columbia Falls Operation  
105 Mills Drive  
Columbia Falls, Montana 59901**

The following table summarizes the air quality programs testing, monitoring, and reporting requirements applicable to this facility.

<b>Facility Compliance Requirements</b>	Yes	No	Comments
Source Tests Required	X		PM, PM <sub>10</sub> , NO <sub>x</sub> , VOCs, CO, Opacity, and HAPs as required by MACT standards
Ambient Monitoring Required		X	
COMS Required		X	
CEMS Required		X	
Schedule of Compliance Required		X	
Annual Compliance Certification and Semiannual Reporting Required	X		
Monthly Reporting Required		X	
Quarterly Reporting Required		X	
<b>Applicable Air Quality Programs</b>			
ARM Subchapter 7 – Montana Air Quality Permit (MAQP)	X		MAQP #2667-14
New Source Performance Standards (NSPS)	X		Dc
National Emission Standards for Hazardous Air Pollutants (NESHAPS)		X	Unless asbestos NESHAP is found applicable
Maximum Achievable Control Technology (MACT)	X		DDDD, ZZZZ DDDDD
Major New Source Review (NSR) – includes Prevention of Significant Deterioration (PSD) and/or Non-attainment Area (NAA) NSR	X		
Risk Management Plan Required (RMP)	X		
Acid Rain Title IV		X	
Compliance Assurance Monitoring (CAM)	X		Appendix E
State Implementation Plan (SIP)	X		

## TABLE OF CONTENTS

<b>SECTION I. GENERAL INFORMATION.....</b>	<b>3</b>
A. PURPOSE.....	3
B. FACILITY LOCATION .....	3
C. FACILITY BACKGROUND INFORMATION.....	3
D. CURRENT PERMIT ACTION.....	10
E. TAKING AND DAMAGING ANALYSIS .....	10
F. COMPLIANCE DESIGNATION .....	11
<b>SECTION II. SUMMARY OF EMISSION UNITS.....</b>	<b>12</b>
A. FACILITY PROCESS DESCRIPTION .....	12
B. EMISSION UNITS AND POLLUTION CONTROL DEVICE IDENTIFICATION.....	13
C. CATEGORICALLY INSIGNIFICANT SOURCES/ACTIVITIES .....	16
<b>SECTION III. PERMIT CONDITIONS .....</b>	<b>18</b>
A. EMISSION LIMITS AND STANDARDS .....	18
B. MONITORING REQUIREMENTS.....	18
C. TEST METHODS AND PROCEDURES.....	18
D. RECORDKEEPING REQUIREMENTS.....	18
E. REPORTING REQUIREMENTS .....	19
F. PUBLIC NOTICE.....	19
G. DRAFT PERMIT COMMENTS .....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS.....</b>	<b>20</b>
<b>SECTION V. FUTURE PERMIT CONSIDERATIONS.....</b>	<b>23</b>
A. MACT STANDARDS.....	23
B. NESHAP STANDARDS.....	23
C. NSPS STANDARDS.....	23
D. RISK MANAGEMENT PLAN.....	23
E. CAM APPLICABILITY.....	23
F. PSD AND TITLE V GREENHOUSE GAS TAILORING RULE .....	24

## SECTION I. GENERAL INFORMATION

### A. Purpose

This document establishes the basis for the decisions made regarding the applicable requirements, monitoring plan, and compliance status of emission units affected by the operating permit proposed for this facility. The document is intended for reference during review of the proposed permit by the Environmental Protection Agency (EPA) and the public. It is also intended to provide background information not included in the operating permit and to document issues that may become important during modifications or renewals of the permit. Conclusions in this document are based on information provided in the original application submitted on July 12, 1995, and additional submittals including October 17, 2003, July 31, 2003, September 22, 2004, December 27, 2004, February 17, 2010, January 27, 2011, January 25, 2016, and January 11, 2022, as well as an Administrative Amendment dated August 8, 2022

### B. Facility Location

Weyerhaeuser NR Company (Weyerhaeuser) owns and operates the Columbia Falls facility. The facility produces medium density fiberboard (MDF) and is defined under Standard Industrial Classification (SIC) 2493.

The facility is located in Flathead County, Columbia Falls, Montana, Section 7 and the SW<sup>1</sup>/<sub>4</sub> of Section 8, Township 30 North, Range 20 West. The plant's UTM Coordinates are Zone 11, with an Easting of 707.7 km, and a Northing of 5361.7 km with a plant wide elevation of 3,075 feet above sea level.

The community of Columbia Falls is located on the west bank of the Flathead River while the facility is located on the northwest side of Columbia Falls. The facility is adjacent to residential communities and a public school is within a few blocks of the plant.

### C. Facility Background Information

The air quality classification for the area is "better than National Standards" or "Unclassifiable" for all pollutants (40 CFR 81.327) except Particulate Matter with an aerodynamic diameter of 10 microns and less (PM<sub>10</sub>) which had been a nonattainment area from 1992 to 2020. EPA redesignated the Columbia Falls area to "attainment" on July 27, 2020, with a federally approved maintenance plan for the area.

The nearest significant complex terrain is Teakettle Mountain which rises more than 2,000 feet above the valley floor. It is located five miles northeast of Columbia Falls. There are two nearby areas designated as mandatory Federal Class I airsheds, which include Glacier National Park and the Bob Marshall Wilderness. The closest Class I airshed is Glacier National Park, which is located approximately 8 miles east of the facility. The Bob Marshall Wilderness airshed is located within 25 miles of Columbia Falls.

## Montana Air Quality Permit (MAQP) History

Prior to **MAQP Modification #2667-M**, only the plywood veneer dryer (#2667), the Wellons unit (#1501), the MDF fiber dryers (#2233), the new baghouses at the MDF plant (#2174), and the original MDF plant (#5640051073) were subject to separate air quality permits.

On October 24, 1991, MAQP #2667-M was issued to Plum Creek Manufacturing, LP (Plum Creek) because the Department of Environmental Quality (DEQ) was required to develop a PM<sub>10</sub> emission control program as part of the State Implementation Plan (SIP) to bring the Columbia Falls area into compliance with the PM<sub>10</sub> standards and demonstrate maintenance of the standards. This permit set allowable limits for wood-waste transfer cyclones, fugitive dust, and baghouses as well as limits for the veneer dryers, the fiber dryers, and the boiler.

On January 24, 1992, **MAQP #2667-01** was issued as a modification to MAQP #2667-M. The permitting action combined the entire facility under one permit and included a reduction of fugitive dust emissions resulting from chemical stabilization of plant roads and log yard areas.

On September 1, 1992, **MAQP #2667-02** was issued to reconcile a discrepancy between the hourly emission limitations listed in the permit and the annual emission limitations listed in the permit analysis.

On January 5, 1994, **MAQP #2667-03** was issued to install the Combustion Engineering natural gas boiler. This boiler supplies the steam necessary for the lumber drying kilns to operate year-round. Prior to this installation, the steam supplied to the lumber drying kilns was shut off during the winter months because of the increased demand for steam from the rest of the facility. The lumber that was intended to be dried in the kilns was stacked outside and allowed to air dry as much as possible. When capacity allowed, the lumber was placed in the kiln for a final polishing dry.

On July 11, 1994, **MAQP #2667-04** was issued to construct and operate an electrostatic precipitator (ESP) on the wood-fired Riley-Union Stoker boiler. The ESP replaced the wet scrubber that was formerly used to control emissions from the boiler. This installation alleviated a back pressure on the boiler which allowed the steam production to increase to 170,000 pounds per hour (lb/hr) with a maximum input capacity to 292.4 million british thermal units per hour (MMBtu/hr). The additional steam was sufficient to allow a plant production increase of 13%.

The permit also allowed the MDF plant to install an additional sander, an air density separator, and a blow hog. The emissions from the sander will be controlled by the MDF sander dust baghouse. The emissions from the air density separator and the blow hog will vent to a MDF materials handling baghouse. In addition, secondary refiners installed in the MDF line will improve fiber quality and two more platens to be added to the MDF press will increase the capacity of the press.

To offset the increase in particulate emissions from the construction of the new sources and the increase in production capabilities, Plum Creek reduced the enforceable emission rate from the veneer dryers. In 1991, Plum Creek installed an ESP on the veneer dryer stack at the Columbia Falls plywood plant. Although the ESP was required to control opacity, a decrease in particulate emissions was also achieved. The decrease in particulate emissions had not been reflected in a permit or the State Implementation Plan.

The construction of the new sources of emissions, coupled with the increase in production capabilities, resulted in a net decrease of total particulate (26.4 tons per year (tpy)) and net increases in PM<sub>10</sub> (5.6 tpy), oxides of nitrogen (NO<sub>x</sub>) (315 tpy), carbon monoxide (CO) (162 tpy), Volatile Organic Compound (VOC) (97.7 tpy), and a negligible increase in toxic air pollutants. The emissions increase of NO<sub>x</sub>, CO, and VOC each exceeded significant levels and were, therefore, subject to PSD review.

On April 17, 1995, **MAQP #2667-05** was issued to install 4 GeoEnergy E-tube wet electrostatic precipitators on the stacks of the MDF fiber dryers. Each ESP was designed to accommodate a stack flow of 70,000 actual cubic feet per minute (acfm) (280,000 acfm total) and vent to a common stack.

Plum Creek proposed to replace the two Energex burners used to heat the face dryer with a larger Coen burner. The Coen burner has a heating capacity of 50 MMBtu/hr. The increase in available heat to the MDF Fiber Dryers, along with Plum Creek's installation of two additional platens for the MDF Press, will increase the capacity of the dryers from 37 to 57 tons/hour of bone-dry fiber processed. The production increase results in a significant net emissions increase of VOC, NO<sub>x</sub>, CO, and oxides of sulfur (SO<sub>2</sub>) and is subject to a PSD review.

The baghouse allowable emissions for the facility were changed to the pound-per-hour equivalent of the 0.005 grains per dry standard cubic feet (gr/dscf) emission rate. The previous method for determining the allowable emissions assumed the baghouses were 90% more efficient than cyclones. Manufacturers typically guarantee an emission rate of 0.005 gr/dscf for baghouses.

In addition, Plum Creek reinstalled an existing cyclone in the MDF raw materials storage building. This 10,000 acfm board trim cyclone allows trim to be recycled into the MDF process. It vents inside the MDF building where the emissions are controlled by the existing MDF material handling baghouse. This baghouse, previously permitted by MAQP #2667-04, was re-configured from a single baghouse with an air flow of 70,000 dry standard cubic feet per minute (dscfm) to two 25,000 dscfm units, which vent to a common stack.

As a final modification, Plum Creek installed an ESP between the Wellons cell and the veneer dryers. The ESP removes particulate from the gas stream that is used to heat the veneer dryers which results in a higher product quality. Although the ESP is not a source of emissions or a stack associated with a source of emissions, the installation of the ESP constitutes a changed condition of operation, so the permit was modified to reflect this change.

On May 5, 1995, **MAQP #2667-06** was issued to allow an extension of time to complete the NO<sub>x</sub> and CO testing on the Riley-Union Stoker boiler. The permit modification required Plum Creek to demonstrate compliance with the NO<sub>x</sub> and CO limits on the Riley-Union Stoker boiler by September 22, 1995.

On July 26, 1995, Plum Creek was issued **MAQP #2667-07** to increase the allowable CO emissions from the Riley-Union Stoker boiler from 100 lb/hr to 468 lb/hr. The previous limit was based on AFSEF emission factors, which has since been determined to be inappropriate for a 20-year-old boiler. Manufacturers' data and tests on similar boilers suggest that CO emissions from a boiler of this type may be as high as 1.6 pound per million British thermal units (lb/MMBtu). Assuming a heat input capacity of 292.4 MMBtu/hr, an hourly emission rate of 468 lb/hr is calculated thus the allowable CO emissions for the boiler are increased by 1,612 tpy

although actual CO emissions do not change. Because the allowable CO emission increase exceeded significance levels, the permit was subject to PSD review. As required by the PSD review process, the appropriate Federal Land Managers (FLM) and the EPA were given the opportunity to comment on the proposal, but no comments were received from either party.

On October 2, 1997, Plum Creek was issued **MAQP #2667-08** by DEQ to correct particulate emission limits for the MDF Felter #1 & #2 Baghouses. The emission limits were correctly calculated in the permit analysis of MAQP #2667-07 as 1.93 lb/hr of particulate but the emission limit was mistyped as 0.39 lb/hr in the permit. In addition, this modification updated the rule citations, removed testing and notification requirements already met by Plum Creek, updated the existing equipment list, and updated the emission inventory by including the sawmill sawdust target box and the drying kilns. As part of updating the equipment list, P17 Plywood #1 Chip Bin Cyclone and P18 Plywood #2 Chip Bin Cyclones were replaced by P23 Plywood Chip Bin Cyclone and P24 Plywood Fines Target Box.

On December 23, 1999, Plum Creek was issued **MAQP #2667-09** for the addition of a second MDF production line (Line 2). Unlike Line 1 (batch press), the new production line utilizes a continuous press for the production of MDF. Adding Line 2 to the MDF facility increased the production of MDF and profit from the facility. New limits were added to the permit and new emitting units were added to the emission inventory.

The addition of Line 2 triggered the PSD rules for CO, NO<sub>x</sub>, and Ozone (measured as VOC). Because Plum Creek agreed to various limits, the contemporaneous emission changes of particulate matter and PM<sub>10</sub> were below PSD significance levels. For this reason, no additional air quality analysis was required for particulate matter and PM<sub>10</sub>.

On July 4, 2001, Plum Creek was issued **MAQP #2667-10** for an alteration in the design of the Line 2 MDF dryer emissions control equipment. The ESP was replaced by two Venturi scrubbers operating in series with a bio-filter system.

The addition of Line 2 triggered the PSD rules for CO, NO<sub>x</sub>, and Ozone (measured as VOCs). Plum Creek was not subject to New Source Review Nonattainment Area permitting requirements.

Because the Best Available Control Technology (BACT) determination had changed since the initial issuance of MAQP#2667-09 for the second MDF line, the FLMs and EPA were given an opportunity to review the application submitted by Plum Creek. The change in the BACT caused the emission dispersion characteristics of the stacks to change, although the emission limits for the Line 2 MDF dryers will remain the same.

In addition to changing the emission controls for the second line, Plum Creek has made minor changes to several cyclones and baghouses on the existing and proposed MDF lines. The sizes and locations of some of the Line 2 baghouses have changed in the new design. Two cyclones have been removed from the Line 1 MDF process, and some of the baghouse names have been changed.

The emission inventory reflects the change in flow rates based on the volume of cooling air introduced into the bio-filter system. Due to the dryer stack dispersion characteristics and the baghouses, Plum Creek has submitted a revised PM<sub>10</sub> compliance demonstration with this application. The modeling shows that the second line MDF project will not cause or contribute to a violation of the Montana Ambient Air Quality Standards (MAAQS).

On January 16, 2003, Plum Creek was issued **MAQP #2667-11**. Plum Creek submitted a NSR/PSD application for three historical projects at the Columbia Falls facility. During an independent compliance awareness review performed in 2000, Plum Creek discovered that the 1989 MDF Coen Burner Project, the 1990 MDF Line Speed Up Project, and the 1992 MDF Heating and Humidification Project should have gone through PSD permitting prior to the projects being constructed and/or implemented. Based on the PSD Significant Emission Rates, the 1989 MDF Coen Burner Project would have been subject to PSD permitting for CO and NO<sub>x</sub>; the 1990 MDF Line Speed Up Project, for PM, PM<sub>10</sub>, and VOCs; and the 1992 MDF Heating and Humidification Project, for PM, PM<sub>10</sub>, and VOCs. As the Columbia Falls area (including the Plum Creek facility) was designated as a nonattainment area for PM<sub>10</sub> by the EPA on November 15, 1990, the 1992 project would have triggered nonattainment area NSR permitting for PM<sub>10</sub>. This permitting action addressed the PSD permitting, including the construction/implementation of the above-mentioned projects.

In addition, on November 19, 2002, DEQ received a request from Plum Creek to remove the requirement limiting the MDF Line 2 equipment to 8,760 hours per year. As there are only 8,760 hours in a year, this requirement was not necessary and was removed.

On August 8, 2007, Plum Creek was issued **MAQP #2667-13**. Plum Creek submitted to DEQ notification of proposed changes to the permitted Plum Creek facility under the provisions contained in the Administrative Rules of Montana (ARM) 17.8.745 (de minimis rule) and a request for an administrative amendment under the provisions contained in ARM 17.8.764. Specifically, Plum Creek proposed the following changes:

- Increase in air-flow from the Line 2 press vents to the existing Line 2 venturi scrubbers and biofilter.
- Installation and operation of a knock-out box particulate matter control and a new Line 1 biofilter emission control system for the Line 1 press vents and Line 1 MDF fiber dryers. The Line 1 MDF fiber dryers were previously controlled by four wet ESPs and the Line 1 press vents were uncontrolled.

The proposed Line 1 changes did not result in any increase in permitted allowable emissions; rather, the knock-out box resulted in a decrease in PM and PM<sub>10</sub> emissions from Line 1 operations. The previously uncontrolled Line 1 press vents and the four wet ESPs controlling emissions from the Line 1 MDF fiber dryers was routed through the proposed Line 1 biofilter. Further, in an effort to prevent excess particulate matter from disrupting the Line 1 biofilter media, Plum Creek proposed the installation of a knock-out box to control particulate emissions from the Line 1 press vents prior to the proposed biofilter inlet. The increased air-flow through the Line 2 press vents resulted in an increase in PM and PM<sub>10</sub> emissions from the Line 2 operations. However, because the proposed increase in emissions was below 15 tons per year, the project qualified as a de minimis change under ARM 17.8.745(1). The proposed project did not result in any increase of any other regulated pollutant from Plum Creek operations.

The primary purpose for the proposed project was to reduce hazardous air pollutant emissions from Line 1 and Line 2 operations and thereby enable Plum Creek to comply with Maximum Achievable Control Technology requirements for the wood products industry. Further, the Plum Creek facility was a major source of emissions as defined under the New Source Review permitting program; however, because the proposed project did not result in any emissions increase greater than the applicable pollutant specific NSR “significant emissions thresholds,” as

defined in ARM 17.8.801, the proposed project did not constitute a major modification as defined in ARM 17.8.801. Finally, because the Plum Creek facility was located in a PM<sub>10</sub> nonattainment area, Plum Creek submitted modeling to demonstrate that the proposed increase in PM<sub>10</sub> emissions from the Line 2 operations would comply with the applicable National Ambient Air Quality Standards (NAAQS) and MAAQS. An ambient air quality impact analysis showing project compliance with the applicable NAAQS/MAAQs is contained in Section VI of the permit analysis of MAQP #2667-13.

On July 2, 2014, DEQ approved a de minimis change to replace the MDF Line 1 North and South Sander baghouses with a single larger baghouse. Also approved with this action was a repurposing of the MDF Line 1 South Sander baghouse to operate in parallel with the existing Sander Hog baghouse to control those process emissions.

On December 9, 2016, DEQ received from Weyerhaeuser a letter informing DEQ of a company name change for the facility. The facility is now wholly owned by Weyerhaeuser NR Company. DEQ administratively amended the MAQP to reflect the name change. In addition, the permit was updated to remove conditions no longer relevant, and to update the format of the permit to the format currently used. **MAQP #2667-14** was issued final on January 21, 2017.

## **Title V Permit History**

On January 13, 1999, Title V **Operating Permit #OP2667-00** was issued to Plum Creek as final and effective.

On September 11, 2003, Plum Creek was issued final and effective Title V **Operating Permit #OP2667-01**, which was a significant modification of the existing permit to incorporate the activities permitted under MAQP #2667-09, #2667-10 and #2667-11. MAQP #2667-09 included the addition of a second MDF production line (Line 2). The new production line utilized a continuous press for the production of MDF. New limits were added to the permit and new emitting units were added to the emission inventory.

MAQP #2667-10 included an alteration in the design of the Line 2 MDF dryer emissions control equipment. The ESP was replaced by two Venturi scrubbers operating in series with a bio-filter system.

MAQP #2667-11 included an emission limit change to the Riley-Union Stoker Boiler for PM<sub>10</sub>. In addition, the requirement limiting the MDF Line 2 equipment to 8,760 hours per year was removed. Operating Permit #OP2667-01 replaced Operating Permit #OP2667-00.

As required under ARM 17.8.1205(d), on September 9, 2003, Plum Creek submitted to DEQ an application for Title V **Operating Permit renewal #OP2667-02**. The application was deemed technically complete on December 27, 2004, with the submittal of a complete Compliance Assurance Monitoring (CAM) plan for applicable units in operation at the facility.

Since issuance of Permit #OP2667-01, there was only one significant modification to permitted operations at the Plum Creek facility, specifically, the addition of the 96.4 MMBtu/hr heat input capacity Babcock and Wilcox natural gas/diesel-fired boiler. The current permit action adds the new boiler to permitted operations. As applicable, the Babcock and Wilcox natural gas/diesel-fired boiler is subject to the NSPS requirements contained in 40 CFR 60, Subpart Dc, Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units; and the

MACT requirements contained in 40 CFR 63, Subpart DDDDD, Industrial, Commercial, and Institutional Boilers and Process Heaters.

In addition, the current permit action updates Section I, General Information, to reflect a change in the facility Responsible Official (RO). Further, in accordance with the requirements contained in ARM 17.8, Subchapter 15, the Operating Permit renewal incorporates a CAM plan (Appendix E to Operating Permit #OP2667-02) for PM<sub>10</sub> emissions from the existing wood-waste boiler controlled by a dry electrostatic precipitator (DESP) system; the Line 1 Fiber Dryer controlled by a wet electrostatic precipitator (WESP); and the Line 2 Fiber Dryer controlled by 2 wet venturi scrubbers. Also, during the Operating Permit renewal application process, Plum Creek requested a relaxation of recordkeeping log entry requirements for various emitting units covered under the Operating Permit. After review of the request, DEQ maintains that the existing recordkeeping log entry requirements are necessary and consistent with other similar source permitting for certain recordkeeping requirements, such as verification of semiannual inspections. At this time, DEQ will not modify this type of recordkeeping requirement, as requested. However, for certain other existing recordkeeping requirements, such as documentation of the hours of operation of control equipment, DEQ agrees with Plum Creek and has relaxed this type of recordkeeping requirement, where appropriate. Finally, the current permit action updates various sections of the Operating Permit with current Title V Operating Permit language and established requirements. Operating Permit #OP2667-02 replaced Operating Permit #OP2667-01.

On February 17, 2010, DEQ received a Title V renewal application from Plum Creek. Updates included the removal of two natural gas boilers (previously identified as B02 and B04), changes made to comply with 40 CFR 63 Subpart DDDD, and removal of the Wood Grain Printer line (previously identified as H04 and H05). **Operating Permit #OP2667-03** replaced Operating Permit #OP2667-02.

On January 25, 2016, DEQ received a Title V renewal application from Plum Creek. Updates consisted mainly of changes reflective of changes made during prior MAQP actions. The facility was sold and is now wholly owned by Weyerhaeuser NR Company, and the Company name was updated to reflect the change in ownership. With that ownership change came the closing of plywood production related equipment, except the debarking/chipping areas because Weyerhaeuser chips pulp wood for use by the MDF plant. Emitting units have been removed from the Title V as appropriate. **Operating Permit #OP2667-04** replaces Operating Permit #OP2667-03.

On January 11, 2022, DEQ received a Title V renewal application from Weyerhaeuser. Updates to the permit reflected a change in the facility Responsible Official (RO), the inclusion of 4 existing emitting units (E01, E02, G01, and G02), 4 existing insignificant emission units in Appendix A, recent de minimis actions, and updated to reflect corrections. DEQ has declined Weyerhaeuser's request to eliminate simultaneous testing of multiple stacks on the MDF Biofilters. DEQ also declined Weyerhaeuser's request to reduce the frequency of visual surveys. **Operating Permit #OP2667-05** replaces Operating Permit #OP2667-04.

## D. Current Permit Action

On August 18, 2022, DEQ received an administrative amendment request to add an Alternative Responsible Official. No other administrative changers were included with the administrative amendment request. **Operating Permit #OP2667-06** replaces #OP2667-05.

## E. Taking and Damaging Analysis

HB 311, the Montana Private Property Assessment Act, requires analysis of every proposed state agency administrative rule, policy, permit condition or permit denial, pertaining to an environmental matter, to determine whether the state action constitutes a taking or damaging of private real property that requires compensation under the Montana or U.S. Constitution. As part of issuing an operating permit, DEQ is required to complete a Taking and Damaging Checklist. As required by 2-10-101 through 2-10-105, MCA, DEQ conducted the following private property taking and damaging assessment.

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	X	4. Does the action deprive the owner of all economically viable uses of the property?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property? (consider economic impact, investment-backed expectations, character of government action)
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally?
	X	7a. Is the impact of government action direct, peculiar, and significant?
	X	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	X	7c. Has government action lowered property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?
	X	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b; the shaded areas)

Based on this analysis, DEQ determined there are no taking or damaging implications associated with this permit action.

## **F. Compliance Designation**

On June 28, 2021, DEQ completed the most recent full compliance evaluation of the Columbia Falls facility since the June 18, 2019 inspection. The evaluation included an inspection on June 3, 2021. No warning letters or violation letters were issued since the previous compliance evaluation. One complaint was filed on June 25, 2020, for fugitive dust emitted from sawdust piles. DEQ determined that Weyerhaeuser was in compliance during the review period with applicable air quality requirements.

## SECTION II. SUMMARY OF EMISSION UNITS

### A. Facility Process Description

This facility consists of an MDF plant. The previously operated sawmill and plywood plant were permanently shut down in 2016. Most of the sawmill and plywood plant buildings and equipment associated with these plants have been removed from the site. The plywood log debarker and wood waste chipper remain operational because they are used to chip pulp wood for the MDF plant. Wood shavings and sawdust are received from outside facilities as raw material for the fiberboard plant.

#### **MDF Plant**

The general steps used to produce MDF include mechanical pulping of wood chips to fibers (refining), drying, blending fibers with a resin and sometimes wax, forming the resinated material into a mat, and hot pressing.

Shavings, chips, and sawdust are brought to the MDF material handling building from other locations. A mixture of shavings, chips, and sawdust is screened by the scalper screen before entry into the air density separators. This allows for a cleaner raw material input into the MDF plant. The mixture of materials is stored in four storage silos. From the storage silos, the wood mixture is fed into the presteaming bin where the material is softened by steam before being sent to the digestors. The material is transferred from the digestors to the refiners. The refiners use revolving disks to mechanically pulp the chips to obtain fibers in a suitable form for making the board. The fibers are blended with a resin that discharges the resinated fibers to the dryer. At this point, the fibers move to the face or core fiber processing line. The two flash-tube dryers are used to reduce the moisture content of the fibers to desired levels. The dryers expel the dried wood fiber for use in the forming line. In emergency situations such as a fire in the dryers, the fibers in the dryer are aborted to the MDF Fire Dump Cyclone.

At the forming line, a layer of face fiber is laid down on the automated forming line, followed by two layers of core fiber, which is topped with a final layer of face fiber. This is a continuous process for forming the board, i.e., the fibers are deposited on a continuously moving screen system.

The continuously formed mat (four layers of fiber) must be prepressed using two precompressors before the fiber board is cut into sheets and pressed into medium density fiberboard in the hot press. The press applies heat and pressure to activate the resin and bond the fibers into a solid panel. Pressing with steam heat and pressure occurs in the platen process. The press roof vents exhaust most of the press emissions into the atmosphere. The MDF boards are then cooled, sanded, and trimmed to final dimensions. MDF to be used indoors is treated with ammonia to remove residual formaldehyde. Part of the MDF product is painted with a wood grain finish. Finally, the finished product is packaged for shipment.

Unlike Line 1 (batch press), the new production line, the Line 2 MDF utilizes a continuous press for the production of MDF.

## **Facility Boilers**

The B01 Riley-Union Stoker boiler is the largest source of process steam for operations. The boiler uses wood waste supplemented with natural gas as a fuel. The 96.4 MMBtu/hr Babcock & Wilcox natural gas fired boiler has been installed and replaced B02 and B04 operations.

### **B. Emission Units and Pollution Control Device Identification**

The emission units, devices, activities, and pollution control devices at the facility are identified below along with a discussion of the periodic monitoring and applicable requirements for each specific emissions source.

#### **B01 Riley - Union Stoker Boiler**

The Riley-Union Stoker boiler was manufactured in 1973. It supplies steam heat to the entire facility. The steam is used in the dry kilns, log vats, MDF plant presses and for MDF heating. The fuels used are wood and natural gas although less than 10% of natural gas is burned as supplemental fuel. The boiler is rated at 292 MMBtu/hr and 170,000 pph steam. The control equipment includes both multiclones (primary) and a dry ESP (secondary). The ESP was manufactured in 1993 by PPC Industries. It has an estimated control efficiency of 99% and includes four fields.

40 CFR 63 Subpart DDDDD has been identified as applicable to this boiler. PM, NO<sub>x</sub> and CO limitations were derived through BACT. A Compliance Assurance Monitoring Plan is required and included in Appendix E of the permit. Requirements for emission standards in the permit include periodic source tests for PM<sub>10</sub>, NO<sub>x</sub>, and CO, and recordkeeping.

#### **B05 96.4 MMBtu/hr Babcock and Wilcox Natural Gas Boiler (75,000 lb Steam/hr)**

The Babcock & Wilcox boiler is natural gas fired, used to supply steam, and does not incorporate control equipment. The boiler was manufactured in 1993 and is capable of producing 75,000 lb/hr of steam. Boiler diesel combustion is prohibited by permit.

The sulfur in fuel limit is satisfied by burning pipeline quality natural gas. Natural gas purchased from utility companies is substantially free of sulfur and does not exceed the sulfur in fuel requirement. Monitoring compliance with the opacity and PM<sub>10</sub> limits may be satisfied by burning only natural gas in the boilers.

Further, requirements for emission standards in the permit include an initial source test and the associated recordkeeping and reporting requirements for NO<sub>x</sub>, and CO. After the initial source test monitoring compliance with the applicable emission limits, additional source testing for NO<sub>x</sub> and CO shall be conducted, as required by DEQ.

NSPS Dc and MACT DDDDD have been identified as applicable to this boiler.

#### **M01 MDF Raw Material Handling Fugitives**

These fugitive emissions result from handling shavings, sawdust, and chips. Shavings are stored inside the MDF Materials building and sawdust is stored outside of the building. Emissions

result from unloading, stacking to piles, and removing from the piles. All wood waste material used to make MDF fiber is processed at this building.

Opacity and process weight are the only applicable requirements for the MDF Raw Materials. The compliance monitoring for these fugitive emissions includes performing weekly visual surveys and/or performing a Method 9 test or taking appropriate corrective actions to contain or minimize emissions. DEQ may request a Method 9 at any time to monitor compliance with the opacity rule. In addition, DEQ may request a Method 5 at any time to monitor compliance with the process weight rule.

### **MDF Material Handling Cyclones and Baghouses**

The following emission units are all considered material handling cyclones and baghouses. Currently, the preconstruction permit contains emission limits for both total particulate and PM<sub>10</sub> for the majority of these cyclones and baghouses.

#### Description

M02 MDF N. and S. Sander Baghouse  
M04 MDF Board Trim Fuel Baghouse #10  
M05 MDF Sanderdust Fuel Baghouse  
M06 MDF Hog Fuel Boiler Sanderdust Baghouse #11  
M07 MDF In-Line Baghouse #5  
M08 MDF CPS & In-Line Baghouse #6  
M09 MDF Metering Bin Baghouse #1  
M10 MDF Felter Baghouse #1  
M11 MDF Felter Baghouse #2  
M12 MDF Reject Fiber Cyclone & Baghouse  
M13 MDF Materials Handling Baghouses (2)  
M20 Line 2 MDF Baghouse  
M22 Line 2 MDF Reject Baghouse  
M23 Line 2 MDF Forming Baghouse  
M24 Line 2 MDF Coen Fuel Bin Baghouse

### **Line 1 and Line 2 MDF Material Handling Baghouses**

These baghouses have established particulate emission limits and hours of operation limit from the preconstruction permit. DEQ may request source tests at any time to monitor compliance with the emission limits.

### **M13a and M13b MDF Material Handling Baghouses**

M13 MDF Materials Handling Baghouses (2) each have a testing requirement previously included in the preconstruction permit. M13 MDF Sander Baghouse was included in the original permit application and preconstruction permit. The permit required (via General Conditions) that construction was to commence by April 17, 1998. On May 22, 1996, DEQ received a letter from Mitchell Leu requesting an extension to construct the MDF Sander Baghouse, Blow Hog and additional platens because construction had not commenced at the issuance of this permit. DEQ responded with a letter on May 30, 1996, which stated that Plum Creek should request an extension through a permit modification and if BACT had not changed then the permit would

be reissued. DEQ received notification from Plum Creek to remove the MDF Sander Baghouse from the preconstruction permit and the operating permit.

These baghouses have established particulate emission limits and hours of operation limit from the preconstruction permit. The monitoring methods for opacity include performing visual surveys and/or semiannual Method 9 tests. The compliance monitoring methods for the particulate emission limits include testing on an every 3-year schedule.

The two baghouses are combined to one emissions stack. Because of the lack of availability of an appropriately sized baghouse, two, instead of one, baghouses were required to properly control the emissions.

### **Miscellaneous Line 1 MDF Material Handling Baghouses and Cyclones**

These sources do not have any established particulate emission limits other than the process weight rule. The M12 MDF Reject Fiber Cyclone & Baghouse vents inside the MDF Building and M14 MDF Fire Dump Cyclone is an insignificant emissions unit that is only used in emergency situations. Monitoring will include inspection and maintenance of the equipment.

### **M15 Line 1 MDF Face & Core Dryers**

There are two MDF fiber dryers. The Core dryer consists of a sander dust Coen burner with a heating capacity of 50 MMBtu/hr. One of the dryers is a face dryer heated by one Coen burner with a capacity of 50 MMBtu/hr.

The MDF fiber dryers are controlled with 4 GeoEnergy E-tube wet electrostatic precipitators (ESP). Each ESP is designed to accommodate a stack flow of 70,000 acfm (280,000 acfm total). The dryers are capable of processing 57 tons/hr of bone-dry fiber.

The testing requirements for PM<sub>10</sub> and VOCs include the requirements previously included in the preconstruction permit. Visual surveys and/or Method 9 observations have been added to monitor compliance with opacity and monitoring includes performing maintenance and inspections on the ESP(s) in accordance with the manufacturer's recommendations.

### **M16 Line 1 MDF Forming & Finishing**

Emissions from the 6 press vent fans and the 10 board cooler fan vents are vented through the roof using induced draft fans. The fans control the fugitive formaldehyde and VOCs.

Visual surveys and/or Method 9 source testing has been required to monitor compliance with opacity. If opacity is exceeded, a Method 5 test may be required by DEQ to demonstrate compliance with the PM<sub>10</sub> emission limit. The VOC emission limit was based on an emission factor developed through testing at potential production; it is unlikely that the limit will be exceeded. Scheduled testing to demonstrate compliance with the VOC limit has not been required at this time but may be required at DEQ's request.

### **P23 Chip Bin Cyclone**

The preconstruction permit contains emission limits for both total particulate and PM<sub>10</sub> for the chip bin cyclones (P23) which had been associated with the plywood plant. Upon closure and demolition of the plywood plant, the debarking/chipping areas were repurposed and are used to chip pulp wood for the MDF plant.

Periodic monitoring for compliance with opacity for this source includes visual surveys and/or a semiannual Method 9 source test. The particulate emissions are small; therefore, no particulate testing has been required to monitor compliance with the emissions limit at this time. However, DEQ may require testing if it is determined to be necessary.

### **F01 Vehicle Activity**

These fugitive emissions result from driving vehicles on both paved and unpaved roads/areas. Weyerhaeuser has been required to perform visual surveys and/or Method 9 source tests to monitor compliance with opacity rules. Application of dust suppression is required.

### **F04 Hog Boiler Fuel Handling & Storage**

PM<sub>10</sub> emissions (23 tpy) result from storing hog fuel on an outside storage pile at the facility. Hog fuel is trucked to the pile and added to the pile from live bottom trucks. The hog fuel is removed from the pile in an enclosed bunker.

The applicable requirements associated with this group of emission units include opacity and process weight. Visual surveys and/or Method 9 source tests to monitor compliance with opacity is required. DEQ may request a Method 5 test at any time to monitor compliance with the process weight rule.

### **E01 and E02 Fire Pump Engines and G01 and G02 Emergency Generators**

The fire pump engines and emergency generators range in size from 200 horsepower (hp) to 500 hp and were manufactured from 1973 to 2004. These units are old enough that 40 CFR 60, Subpart III does not apply. However, each of these is an affected 40 CFR 63, Subpart ZZZZ source and must comply with the subpart requirements.

## **C. Categorically Insignificant Sources/Activities**

As part of the initial Operating Permit application (July 12, 1995), Plum Creek identified several emission units as insignificant in their permit application. However, what was identified in the application as insignificant and what DEQ identified as insignificant differed as a result of a March 31, 1998, rule change. The appropriate changes were made to the list of insignificant activities and are listed in the table below.

<b>Insignificant Activities and Emissions Unit</b>	
<b>Emissions Unit</b>	<b>Reason for Determination</b>
F02 Rail Activity; F03 Landfill Activity; M14 Line 1 MDF Fire Dump Cyclone (emergency use only), P01 Log Debarker; P12 Woodwaste Chipper;	These sources emit particulate at potential levels less than 5 tpy and are subject to generally applicable requirements only.
H01 Gasoline Fueling Tanks; H02 Diesel Fueling Tanks; H03 Propane Fueling Tanks; H06 Machine Shop - Parts Washer;	These sources emit VOCs and some HAPs at potential levels less than 500 lbs/yr and are subject to generally applicable requirements only.
M27 MDF Ammonia Treatment Stacks and M28 MDF Building Fugitives	These sources emit ammonia which is not a regulated pollutant.

### **H02 Diesel Fueling Tanks**

There are three diesel tanks sized at 500; 18,000; and 31,700 gallons. The fugitive VOC emissions (including HAPs) result from filling tanks, breathing losses and vehicle fueling losses.

### **M27 MDF Ammonia Treatment Stacks and M28 MDF Building Fugitives**

Ammonia is impregnated into the MDF to react with any available formaldehyde. The unit that impregnates the ammonia into the MDF is vented through four stacks into the atmosphere. The maximum rated design capacity is 57 ton/hr of MDF. There are no controls installed on these stacks.

The only applicable requirement for ammonia emissions other than those that may be required under SARA Title III and 40 CFR 68 include opacity. Ammonia emissions are very unlikely to exceed the opacity limit, therefore, a Method 9 test will only be required upon Department request.

## SECTION III. PERMIT CONDITIONS

### A. Emission Limits and Standards

Updates have been made throughout the permit to reflect the shutdown of various emitting units.

The MDF process is subject to MACT DDDD which requires control of formaldehyde emissions. MACT DDDDD applies to the boilers. NSPS Dc applies to the natural gas boiler.

As a source with high potential emissions of PM<sub>10</sub> in an area recently reclassified to attainment for PM<sub>10</sub>, compliance with PM related conditions is important to the air quality surrounding the facility.

### B. Monitoring Requirements

ARM 17.8.1212(1) requires that all monitoring and analysis procedures or test methods required under applicable requirements are contained in operating permits. In addition, when the applicable requirement does not require periodic testing or monitoring, periodic monitoring must be prescribed that is sufficient to yield reliable data from the relevant time period that is representative of the source's compliance with the permit.

The requirements for testing, monitoring, recordkeeping, reporting, and compliance certification sufficient to assure compliance do not require the permit to impose the same level of rigor for all emission units. Furthermore, they do not require extensive testing or monitoring to assure compliance with the applicable requirements for emission units that do not have significant potential to violate emission limitations or other requirements under normal operating conditions. When compliance with the underlying applicable requirement for an insignificant emissions unit is not threatened by lack of regular monitoring and when periodic testing or monitoring is not otherwise required by the applicable requirement, the status quo (**i.e., no monitoring**) will meet the requirements of ARM 17.8.1212(1). Therefore, the permit does not include monitoring for insignificant emission units.

The permit includes periodic monitoring or recordkeeping for each applicable requirement. The information obtained from the monitoring and recordkeeping will be used by the permittee to periodically certify compliance with the emission limits and standards. However, DEQ may request additional testing to determine compliance with the emission limits and standards.

### C. Test Methods and Procedures

The operating permit may not require testing for all sources if routine monitoring is used to determine compliance, but DEQ has the authority to require testing if deemed necessary to determine compliance with an emission limit or standard. In addition, the permittee may elect to voluntarily conduct compliance testing to confirm its compliance status.

### D. Recordkeeping Requirements

The permittee is required to keep all records listed in the operating permit as a permanent business record for at least 5 years following the date of the generation of the record.

## **E. Reporting Requirements**

Reporting requirements are included in the permit for each emissions unit and Section V of the operating permit "General Conditions" explains the reporting requirements. However, the permittee is required to submit semi-annual and annual monitoring reports to DEQ and to annually certify compliance with the applicable requirements contained in the permit. The reports must include a list of all emission limit and monitoring deviations, the reason for any deviation, and the corrective action taken as a result of any deviation.

## **F. Public Notice**

A public notice is not required because the current permit action is considered an administrative amendment.

## SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS

Section IV of the operating permit discussing “Non-applicable Requirements” contains the requirements that Weyerhaeuser identified as non-applicable and for which DEQ concurred. The following table summarizes the requirements that Weyerhaeuser identified as non-applicable but for which DEQ did not agree with the applicability determination.

Rule Citation		Reason
State	Federal	
ARM 17.8.130 ARM 17.8.142 ARM 17.8.510 ARM 17.8.763 ARM 17.8.806 ARM 17.8.807 ARM 17.8.808 ARM 17.8.825 ARM 17.8.826 ARM 17.8.1108 ARM 17.8.1109 ARM 17.8.1210-1215 ARM 17.8.1222 ARM 17.8.1223 ARM 17.8.1225 ARM 17.8.1228 ARM 17.8.1231	40 CFR 50 et seq. 40 CFR 51 et seq. 40 CFR 53 40 CFR 54 40 CFR 56 40 CFR 58 40 CFR 63 Subpart E	These rules contain requirements for regulatory authorities and not major sources; however, they are never shielded because they could be used as authority to impose specific requirements on a major source.
ARM 17.8.202 ARM 17.8.301 ARM 17.8.302 ARM 17.8.330 ARM 17.8.501 ARM 17.8.601 ARM 17.8.602 ARM 17.8.740 ARM 17.8.767 ARM 17.8.801 ARM 17.8.802 ARM 17.8.901 ARM 17.8.902 ARM 17.8.904 ARM 17.8.1001 ARM 17.8.1002 ARM 17.8.1004 ARM 17.8.1101-1103 ARM 17.8.1201-1203 ARM 17.8.1234	40 CFR 63 Subpart C	These rules consist of a statement of purpose, applicability statement, regulatory definitions or a statement of incorporation by reference. These types of rules do not have specific requirements associated with them.

Rule Citation		Reason
State	Federal	
ARM 120 et seq ARM 17.8.131 ARM 17.8.140 ARM 17.8.141 ARM 17.8.511 ARM 17.8.514 ARM 17.8.515 ARM 17.8.611-615 ARM 17.8.743-748 ARM 17.8.762 ARM 17.8.764 ARM 17.8.765 ARM 17.8.804 ARM 17.8.805 ARM 17.8.828 ARM 17.8.905 ARM 17.8.906 ARM 17.8.1005-1007 ARM 17.8.1224 ARM 17.8.1226 ARM 17.8.1227	40 CFR 60 Appendix B and C 40 CFR 60 Appendix F 40 CFR 63 Subpart B 40 CFR 63 Subpart D	Procedural rules that have specific requirements that may become relevant to a major source during the permit span.
ARM 17.8.204 ARM 17.8.206 ARM 17.8.326 ARM 17.8.749-760 ARM 17.8.770 ARM 17.8.772 ARM 17.8.809-824 ARM 17.8.827 ARM 17.8.1106 ARM 17.8.1107 ARM 17.8.1110 ARM 17.8.1111		These rules are always applicable to a major source and may contain specific requirements for compliance.
ARM 17.8.315 ARM 17.8.323		These rules are either repealed or reserved.
	40 CFR 52 et seq.	Rules that do not have specific requirements that are always relevant to a major source.
	40 CFR 60.14-18 40 CFR 60 Subpart III 40 CFR 61 Subpart A	These regulations may not be applicable to the source at this time; however, these regulations may become applicable during the life of the permit.
	40 CFR 62	Rules that do not have specific requirements that are always relevant to a major source and should never be listed in the applicable requirements or non-applicable requirements.

Rule Citation		Reason
State	Federal	
	40 CFR 63, Appendices A – E 40 CFR 65 40 CFR 66 40 CFR 70	Rules that do not have specific requirements and may or may not be relevant to a major source.
ARM 17.8.1301, et seq. ARM 17.8.1401, et seq.	40 CFR 67 40 CFR 71 40 CFR 81	Rules that do not have specific requirements for major sources because they are requirements for EPA or state and local authorities.
	40 CFR 69	These regulations may not be applicable to the source at this time; however, these regulations may become applicable during the life of the permit.

## SECTION V. FUTURE PERMIT CONSIDERATIONS

### A. MACT Standards

Weyerhaeuser is subject to the Maximum Achievable Control Technology (MACT) standards under 40 CFR 63, Subpart DDDD - National Emission Standards for Hazardous Air Pollutants from Plywood and Composite Wood Products manufacturing, as applicable. Because the rule requires various parts of the plant to conform, and contains various compliance methods and demonstrations, this rule was placed in the facility wide conditions and shall apply as applicable to each emitting unit.

Weyerhaeuser is also subject to the MACT standards under 40 CFR 63, Subpart DDDDD, National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters, as applicable.

The fire pump engines and emergency generators (E01, E02, G01, and G02) are affected 40 CFR 63, Subpart ZZZZ sources. These units were manufactured between 1973 and 2004 and are no larger than 500 hp and have work practice requirements.

### B. NESHAP Standards

DEQ is not aware of any NESHAP standards currently being promulgated which may be applicable to this facility.

### C. NSPS Standards

DEQ is not aware of any future NSPS requirement that may be promulgated that would affect this facility. NSPS Dc applies to the natural gas boiler.

### D. Risk Management Plan

Weyerhaeuser stores anhydrous ammonia in greater quantities than the minimum threshold quantity allowed by 40 CFR 68.115 or 40 CFR 68.130. Therefore, Weyerhaeuser must comply with all Risk Management Plan Requirements as required.

### E. CAM Applicability

An emitting unit located at a Title V facility that meets the following criteria listed in ARM 17.8.1503 is subject to Subchapter 15 and must develop a CAM Plan for that unit:

- The emitting unit is subject to an emission limitation or standard for the applicable regulated air pollutant (unless the limitation or standard that is exempt under ARM 17.8.1503(2));
- The emitting unit uses a control device to achieve compliance with such limit; and
- The emitting unit has potential pre-control device emission of the applicable regulated air pollutant that is greater than major source thresholds.

Weyerhaeuser has a CAM plan in place for the ESP associated with the Riley Union Stoker Boiler, the wet ESP associated with the Line 1-MDF Fiber Dryers, and the wet venturi scrubbers associated with the Line 2-MDF Fiber Dryers. No changes as a result of the Biofilter projects were required, as the biofilters are not intended to control particulate matter.

## F. PSD and Title V Greenhouse Gas Tailoring Rule

On May 7, 2010, EPA published the “light duty vehicle rule” (Docket # EPA-HQ-OAR- 2009-0472, 75 FR 25324) controlling greenhouse gas (GHG) emissions from mobile sources, whereby GHG became a pollutant subject to regulation under the Federal and Montana Clean Air Act(s). On June 3, 2010, EPA promulgated the GHG “Tailoring Rule” (Docket # EPA-HQ-OAR-2009-0517, 75 FR 31514) which modified 40 CFR Parts 51, 52, 70, and 71 to specify which facilities are subject to GHG permitting requirements and when such facilities become subject to regulation for GHG under the PSD and Title V programs.

Under the Tailoring Rule, any PSD action (either a new major stationary source or a major modification at a major stationary source) taken for a pollutant or pollutants other than GHG that would become final on or after January 2, 2011 would be subject to PSD permitting requirements for GHG if the GHG increases associated with that action were at or above 75,000 TPY of carbon dioxide equivalent (CO<sub>2</sub>e) and greater than 0 TPY on a mass basis. Similarly, if such action were taken, any resulting requirements would be subject to inclusion in the Title V Operating Permit. Facilities which hold Title V permits due to criteria pollutant emissions over 100 TPY would need to incorporate any GHG applicable requirements into their operating permits for any Title V action that would have a final decision occurring on or after January 2, 2011.

Starting on July 1, 2011, PSD permitting requirements would be triggered for modifications that were determined to be major under PSD based on GHG emissions alone, even if no other pollutant triggered a major modification. In addition, sources that are not considered PSD major sources based on criteria pollutant emissions would become subject to PSD review if their facility-wide potential emissions equaled or exceeded 100,000 TPY of CO<sub>2</sub>e and 100 or 250 TPY of GHG on a mass basis depending on their listed status in ARM 17.8.801(22) and they undertook a permitting action with increases of 75,000 TPY or more of CO<sub>2</sub>e and greater than 0 TPY of GHG on a mass basis. With respect to Title V, sources not currently holding a Title V permit that have potential facility-wide emissions equal to or exceeding 100,000 TPY of CO<sub>2</sub>e and 100 TPY of GHG on a mass basis would be required to obtain a Title V Operating Permit.

The Supreme Court of the United States (SCOTUS), in its *Utility Air Regulatory Group v. EPA* decision on June 23, 2014, ruled that the Clean Air Act neither compels nor permits EPA to require a source to obtain a PSD or Title V permit on the sole basis of its potential emissions of GHG. SCOTUS also ruled that EPA lacked the authority to tailor the Clean Air Act’s unambiguous numerical thresholds of 100 or 250 TPY to accommodate a CO<sub>2</sub>e threshold of 100,000 TPY. SCOTUS upheld that EPA reasonably interpreted the Clean Air Act to require sources that would need PSD permits based on their emission of conventional pollutants to comply with BACT for GHG. As such, the Tailoring Rule has been rendered invalid and sources cannot become subject to PSD or Title V regulations based on GHG emissions alone. Sources that must undergo PSD permitting due to pollutant emissions other than GHG may still be required to comply with BACT for GHG emissions.