



PERMIT
Under the Environmental Conservation Law (ECL)

IDENTIFICATION INFORMATION

Permit Type: Air State Facility
Permit ID: 6-2148-00037/00001
Mod 0 Effective Date: 08/14/2006 Expiration Date: No expiration date.
Mod 1 Effective Date: 05/07/2010 Expiration Date: No expiration date.

Permit Issued To: SCHUYLER WOOD PELLET LLC
415 SQUANTUM RD
PO BOX 532
JAFFREY, NH 03452-0532

Contact: MARK SNELL
SCHUYLER WOOD PELLET LLC
172 DIAMOND DR
FRANKFORT, NY 13340
(315) 368-0181

Facility: SCHUYLER WOOD PELLET LLC
172 DIAMOND DR
FRANKFORT, NY 13340

Description:

This Permit Modification was executed to accurately describe this facility, as the original Permit was only planned to be a permit to construct. Various processes, sources, control devices and emission points were either removed from or added to the permit in this modification. The missions inventory has been refined in this modification. Throughout this modification, Air Permitting regulations more aptly protect the environment.

By acceptance of this permit, the permittee agrees that the permit is contingent upon strict compliance with the ECL, all applicable regulations, the General Conditions specified and any Special Conditions included as part of this permit.

Permit Administrator: PATRICK M CLEAREY
NYSDEC - REG 6
207 GENESEE ST
UTICA, NY 13501

Authorized Signature: _____ Date: ____ / ____ / ____



Notification of Other State Permittee Obligations

Item A: Permittee Accepts Legal Responsibility and Agrees to Indemnification

The permittee expressly agrees to indemnify and hold harmless the Department of Environmental Conservation of the State of New York, its representatives, employees and agents ("DEC") for all claims, suits, actions, and damages, to the extent attributable to the permittee's acts or omissions in connection with the compliance permittee's undertaking of activities in connection with, or operation and maintenance of, the facility or facilities authorized by the permit whether in compliance or not in any compliance with the terms and conditions of the permit. This indemnification does not extend to any claims, suits, actions, or damages to the extent attributable to DEC's own negligent or intentional acts or omissions, or to any claims, suits, or actions naming the DEC and arising under article 78 of the New York Civil Practice Laws and Rules or any citizen suit or civil rights provision under federal or state laws.

Item B: Permittee's Contractors to Comply with Permit

The permittee is responsible for informing its independent contractors, employees, agents and assigns of their responsibility to comply with this permit, including all special conditions while acting as the permittee's agent with respect to the permitted activities, and such persons shall be subject to the same sanctions for violations of the Environmental Conservation Law as those prescribed for the permittee.

Item C: Permittee Responsible for Obtaining Other Required Permits

The permittee is responsible for obtaining any other permits, approvals, lands, easements and rights-of-way that may be required to carry out the activities that are authorized by this permit.

Item D: No Right to Trespass or Interfere with Riparian Rights

This permit does not convey to the permittee any right to trespass upon the lands or interfere with the riparian rights of others in order to perform the permitted work nor does it authorize the impairment of any rights, title, or interest in real or personal property held or vested in a person not a party to the permit.



LIST OF CONDITIONS

DEC GENERAL CONDITIONS

General Provisions

- Facility Inspection by the Department
- Relationship of this Permit to Other Department Orders and Determinations
 - Applications for permit renewals, modifications and transfers
 - Applications for Permit Renewals and Modifications
 - Permit modifications, suspensions or revocations by the Department
 - Permit Modifications, Suspensions and Revocations by the Department

Facility Level

- Submission of Applications for Permit Modification or Renewal -REGION 6 HEADQUARTERS
- Submission of application for permit modification or renewal-REGION 6 SUBOFFICE - UTICA



DEC GENERAL CONDITIONS
****** General Provisions ******
GENERAL CONDITIONS - Apply to ALL Authorized Permits.

Condition 1: Facility Inspection by the Department

Applicable State Requirement: ECL 19-0305

Item 1.1:

The permitted site or facility, including relevant records, is subject to inspection at reasonable hours and intervals by an authorized representative of the Department of Environmental Conservation (the Department) to determine whether the permittee is complying with this permit and the ECL. Such representative may order the work suspended pursuant to ECL 71-0301 and SAPA 401(3).

Item 1.2:

The permittee shall provide a person to accompany the Department's representative during an inspection to the permit area when requested by the Department.

Item 1.3:

A copy of this permit, including all referenced maps, drawings and special conditions, must be available for inspection by the Department at all times at the project site or facility. Failure to produce a copy of the permit upon request by a Department representative is a violation of this permit.

Condition 2: Relationship of this Permit to Other Department Orders and Determinations

Applicable State Requirement: ECL 3-0301 (2) (m)

Item 2.1:

Unless expressly provided for by the Department, issuance of this permit does not modify, supersede or rescind any order or determination previously issued by the Department or any of the terms, conditions or requirements contained in such order or determination.

Condition 1-1: Applications for permit renewals, modifications and transfers

Applicable State Requirement: 6 NYCRR 621.11

Item 1-1.1:

The permittee must submit a separate written application to the Department for renewal, modification or transfer of this permit. Such application must include any forms or supplemental information the Department requires. Any renewal, modification or transfer granted by the Department must be in writing.

Item 1-1.2:

The permittee must submit a renewal application at least 180 days before expiration of permits for Title V Facility Permits, or at least 30 days before expiration of permits for State Facility Permits.

Item 1-1.3:

Permits are transferrable with the approval of the department unless specifically prohibited by the statute, regulation or another permit condition. Applications for permit transfer should be submitted prior to actual transfer of ownership.

GENERAL CONDITIONS FOR PERMITS FOR THE CONSTRUCTION AND OPERATION OF FACILITIES



Applicable State Requirement: 6 NYCRR 621.13

Item 3.1:

The permittee must submit a separate written application to the Department for renewal, modification or transfer of this permit. Such application must include any forms or supplemental information the Department requires. Any renewal, modification or transfer granted by the Department must be in writing.

Item 3.2:

The permittee must submit a renewal application at least 180 days before expiration of permits for Title V Facility Permits, or at least 30 days before expiration of permits for State Facility Permits.

Item 3.3:

Permits are transferrable with the approval of the department unless specifically prohibited by the statute, regulation or another permit condition. Applications for permit transfer should be submitted prior to actual transfer of ownership.

Condition 1-2: Permit modifications, suspensions or revocations by the Department

Applicable State Requirement: 6 NYCRR 621.13

Item 1-2.1:

The Department reserves the right to modify, suspend, or revoke this permit in accordance with 6NYCRR Part 621. The grounds for modification, suspension or revocation include:

- a) materially false or inaccurate statements in the permit application or supporting papers;
- b) failure by the permittee to comply with any terms or conditions of the permit;
- c) exceeding the scope of the project as described in the permit application;
- d) newly discovered material information or a material change in environmental conditions, relevant technology or applicable law or regulations since the issuance of the existing permit;
- e) noncompliance with previously issued permit conditions, orders of the commissioner, any provisions of the Environmental Conservation Law or regulations of the Department related to the permitted activity.

Condition 4: Permit Modifications, Suspensions and Revocations by the Department

Applicable State Requirement: 6 NYCRR 621.14

Item 4.1:

The Department reserves the right to modify, suspend, or revoke this permit in accordance with 6NYCRR Part 621. The grounds for modification, suspension or revocation include:

- a) materially false or inaccurate statements in the permit application or supporting papers;
- b) failure by the permittee to comply with any terms or conditions of the permit;
- c) exceeding the scope of the project as described in the permit application;
- d) newly discovered material information or a material change in environmental conditions, relevant technology or applicable law or regulations since the issuance of the existing permit;
- e) noncompliance with previously issued permit conditions, orders of the commissioner, any provisions of the Environmental Conservation Law or regulations of the Department related to the permitted activity.



**** Facility Level ****

**Condition 5: Submission of Applications for Permit Modification or Renewal -REGION 6
HEADQUARTERS**

Applicable State Requirement: 6 NYCRR 621.5 (a)

Item 5.1:

Submission of applications for permit modification or renewal are to be submitted to:

NYSDEC Regional Permit Administrator
Region 6 Headquarters
Division of Environmental Permits
State Office Building, 317 Washington Street
Watertown, NY 13601-3787
(315) 785-2245

**Condition 1-3: Submission of application for permit modification or
renewal-REGION 6**

SUBOFFICE - UTICA

Applicable State Requirement: 6 NYCRR 621.6 (a)

Item 1-3.1:

Submission of applications for permit modification or renewal are to be submitted to:

NYSDEC Regional Permit Administrator
Region 6 Sub-office
Division of Environmental Permits
State Office Building, 207 Genesee Street
Utica, NY 13501-2885
(315) 793-2555

New York State Department of Environmental Conservation

Permit ID: 6-2148-00037/00001

Facility DEC ID: 6214800037



Permit Under the Environmental Conservation Law (ECL)

**ARTICLE 19: AIR POLLUTION CONTROL - AIR STATE FACILITY
PERMIT**

IDENTIFICATION INFORMATION

Permit Issued To: SCHUYLER WOOD PELLET LLC
415 SQUANTUM RD
PO BOX 532
JAFFREY, NH 03452-0532

Facility: SCHUYLER WOOD PELLET LLC
172 DIAMOND DR
FRANKFORT, NY 13340

Authorized Activity By Standard Industrial Classification Code:
2499 - WOOD PRODUCTS, NEC

Mod 0 Permit Effective Date: 08/14/2006
date.

Permit Expiration Date: No expiration

Mod 1 Permit Effective Date: 05/07/2010
date.

Permit Expiration Date: No expiration



LIST OF CONDITIONS

FEDERALLY ENFORCEABLE CONDITIONS

Facility Level

- 1-1 6 NYCRR 201-1.8: Prohibition of Reintroduction of Collected Contaminants to the air
- 1-2 6 NYCRR 202-1.1: Required Emissions Tests
- 1-3 6 NYCRR 201-1.4 (a): Compliance Demonstration
- 1 6 NYCRR 201-7.2: Facility Permissible Emissions
- *1-4 6 NYCRR 201-7.2: Capping Monitoring Condition
- 1-5 6 NYCRR 212.4 (c): Compliance Demonstration
- 1-6 6 NYCRR 212.6 (a): Compliance Demonstration
- 1-7 6 NYCRR 212.11 (b) (5): Compliance Demonstration
- 1-8 6 NYCRR 212.11 (b) (5): Compliance Demonstration
- 1-9 6 NYCRR 227-1.2 (a) (4): Compliance Demonstration
- 1-10 6 NYCRR 227-1.3 (a): Compliance Demonstration

STATE ONLY ENFORCEABLE CONDITIONS

Facility Level

- 9 ECL 19-0301: Contaminant List
- 1-11 6 NYCRR 201-1.4: Unavoidable noncompliance and violations
- 11 6 NYCRR Subpart 201-5: Emission Unit Definition
- 1-12 6 NYCRR 201-5.1 (a) (1): Compliance Demonstration
- 1-13 6 NYCRR 201-5.1 (a) (1): Compliance Demonstration
- 1-14 6 NYCRR 201-5.1 (a) (1): Compliance Demonstration
- 1-15 6 NYCRR 201-5.1 (a) (1): Compliance Demonstration
- 1-16 6 NYCRR 211.2: Air pollution prohibited
- 1-17 6 NYCRR 211.2: Compliance Demonstration

Emission Unit Level

- 13 6 NYCRR Subpart 201-5: Emission Point Definition By Emission Unit
- 14 6 NYCRR Subpart 201-5: Process Definition By Emission Unit

NOTE: * preceding the condition number indicates capping.



FEDERALLY ENFORCEABLE CONDITIONS
****** Facility Level ******

NOTIFICATION OF GENERAL PERMITTEE OBLIGATIONS

This section contains terms and conditions which are federally enforceable. Permittees may also have other obligations under regulations of general applicability

Item A: Sealing - 6 NYCRR 200.5

The Commissioner may seal an air contamination source to prevent its operation if compliance with 6 NYCRR Chapter III is not met within the time provided by an order of the Commissioner issued in the case of the violation.

Sealing means labeling or tagging a source to notify any person that operation of the source is prohibited, and also includes physical means of preventing the operation of an air contamination source without resulting in destruction of any equipment associated with such source, and includes, but is not limited to, bolting, chaining or wiring shut control panels, apertures or conduits associated with such source.

No person shall operate any air contamination source sealed by the Commissioner in accordance with this section unless a modification has been made which enables such source to comply with all requirements applicable to such modification.

Unless authorized by the Commissioner, no person shall remove or alter any seal affixed to any contamination source in accordance with this section.

Item B: Acceptable Ambient Air Quality - 6 NYCRR 200.6

Notwithstanding the provisions of 6 NYCRR Chapter III, Subchapter A, no person shall allow or permit any air contamination source to emit air contaminants in quantities which alone or in combination with emissions from other air contamination sources would contravene any applicable ambient air quality standard and/or cause air pollution. In such cases where contravention occurs or may occur, the Commissioner shall specify the degree and/or method of emission control required.

Item C: Maintenance of Equipment - 6 NYCRR 200.7

Any person who owns or operates an air contamination source which is equipped with an emission control device shall operate such device and keep it in a satisfactory state of maintenance and repair in accordance with ordinary and necessary practices, standards and procedures, inclusive of manufacturer's specifications,



required to operate such device effectively.

Item D: Unpermitted Emission Sources - 6 NYCRR 201-1.2

If an existing emission source was subject to the permitting requirements of 6 NYCRR Part 201 at the time of construction or modification, and the owner and/or operator failed to apply for a permit for such emission source then the following provisions apply:

- (a) The owner and/or operator must apply for a permit for such emission source or register the facility in accordance with the provisions of Part 201.
- (b) The emission source or facility is subject to all regulations that were applicable to it at the time of construction or modification and any subsequent requirements applicable to existing sources or facilities.

Item E: Emergency Defense - 6 NYCRR 201-1.5

An emergency constitutes an affirmative defense to an action brought for noncompliance with emissions limitations or permit conditions for all facilities in New York State.

(a) The affirmative defense of emergency shall be demonstrated through properly signed, contemporaneous operating logs, or other relevant evidence that:

- (1) An emergency occurred and that the facility owner and/or operator can identify the cause(s) of the emergency;
- (2) The equipment at the permitted facility causing the emergency was at the time being properly operated;
- (3) During the period of the emergency the facility owner and/or operator took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and
- (4) The facility owner and/or operator notified the Department within two working days after the event occurred. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

(b) In any enforcement proceeding, the facility owner and/or operator seeking to establish the occurrence of an emergency has the burden of proof.



(c) This provision is in addition to any emergency or upset provision contained in any applicable requirement.

Item F: Recycling and Salvage - 6 NYCRR 201-1.7

Where practical, any person who owns or operates an air contamination source shall recycle or salvage air contaminants collected in an air cleaning device according to the requirements of 6 NYCRR.

Item G: Prohibition of Reintroduction of Collected Contaminants to the Air - 6 NYCRR 201-1.8

No person shall unnecessarily remove, handle, or cause to be handled, collected air contaminants from an air cleaning device for recycling, salvage or disposal in a manner that would reintroduce them to the outdoor atmosphere.

Item H: Proof of Eligibility for Sources Defined as Exempt Activities - 6 NYCRR 201-3.2 (a)

The owner and/or operator of an emission source or unit that is eligible to be exempt, may be required to certify that it operates within the specific criteria described in 6 NYCRR Subpart 201-3. The owner or operator of any such emission source must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility which contains emission sources or units subject to 6 NYCRR Subpart 201-3, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations, or law.

Item I: Proof of Eligibility for Sources Defined as Trivial Activities - 6 NYCRR 201-3.3 (a)

The owner and/or operator of an emission source or unit that is listed as being trivial in 6 NYCRR Part 201 may be required to certify that it operates within the specific criteria described in 6 NYCRR Subpart 201-3. The owner or operator of any such emission source must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility which contains emission sources or units subject to 6 NYCRR Subpart 201-3, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations, or law.

Item J: Required Emission Tests - 6 NYCRR 202-1.1



An acceptable report of measured emissions shall be submitted, as may be required by the Commissioner, to ascertain compliance or noncompliance with any air pollution code, rule, or regulation. Failure to submit a report acceptable to the Commissioner within the time stated shall be sufficient reason for the Commissioner to suspend or deny an operating permit. Notification and acceptable procedures are specified in 6 NYCRR Subpart 202-1.

Item K: Visible Emissions Limited - 6 NYCRR 211.3

Except as permitted by a specific part of this Subchapter and for open fires for which a restricted burning permit has been issued, no person shall cause or allow any air contamination source to emit any material having an opacity equal to or greater than 20 percent (six minute average) except for one continuous six-minute period per hour of not more than 57 percent opacity.

Item L: Open Fires Prohibitions - 6 NYCRR 215.2

Except as allowed by section 215.3 of 6 NYCRR Part 215, no person shall burn, cause, suffer, allow or permit the burning of any materials in an open fire.

Item M: Permit Exclusion - ECL 19-0305

The issuance of this permit by the Department and the receipt thereof by the Applicant does not and shall not be construed as barring, diminishing, adjudicating or in any way affecting any legal, administrative or equitable rights or claims, actions, suits, causes of action or demands whatsoever that the Department may have against the Applicant for violations based on facts and circumstances alleged to have occurred or existed prior to the effective date of this permit, including, but not limited to, any enforcement action authorized pursuant to the provisions of applicable federal law, the Environmental Conservation Law of the State of New York (ECL) and Chapter III of the Official Compilation of the Codes, Rules and Regulations of the State of New York (NYCRR). The issuance of this permit also shall not in any way affect pending or future enforcement actions under the Clean Air Act brought by the United States or any person.

Item N: Federally Enforceable Requirements - 40 CFR 70.6 (b)

All terms and conditions in this permit required by the Act or any applicable requirement, including any provisions designed to limit a facility's potential to emit, are enforceable by the Administrator and citizens under the Act. The Department has, in this permit, specifically designated any terms and conditions that are not required under the Act or under any of its applicable requirements as being enforceable under only state



regulations.

FEDERAL APPLICABLE REQUIREMENTS
The following conditions are federally enforceable.

Condition 1-1: Prohibition of Reintroduction of Collected Contaminants to the air
Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable Federal Requirement:6 NYCRR 201-1.8

Item 1-1.1:

No person shall unnecessarily remove, handle or cause to be handled, collected air contaminants from an air cleaning device for recycling, salvage or disposal in a manner that would reintroduce them to the outdoor atmosphere.

Condition 1-2: Required Emissions Tests
Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable Federal Requirement:6 NYCRR 202-1.1

Item 1-2.1:

For the purpose of ascertaining compliance or non-compliance with any air pollution control code, rule or regulation, the commissioner may require the person who owns such air contamination source to submit an acceptable report of measured emissions within a stated time. Such person shall bear the cost of measurement and preparing the report of measured emissions. Failure of such person to submit a report acceptable to the commissioner within the time stated shall be sufficient reason for the commissioner to suspend or deny a certificate to operate.

Condition 1-3: Compliance Demonstration
Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable Federal Requirement:6 NYCRR 201-1.4 (a)

Item 1-3.1:

The Compliance Demonstration activity will be performed for the facility:
The Compliance Demonstration applies to:

Emission Unit: 1-00000

Process: 009

Emission Source: 00022

Regulated Contaminant(s):

CAS No: 0NY075-00-0 PARTICULATES

Item 1-3.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES

Monitoring Description:

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Facility shall maintain the physical integrity of the plastic strip curtains that enclose the open wall of the kiln dried receiving bin. The dry nature of the sawdust that is dumped and contained herein is known to cause this material to escape and become airborne. Facility shall monitor the curtains and keep records of performed maintenance. Curtain deterioration is not to be considered unavoidable.

Monitoring Frequency: MONTHLY
Reporting Requirements: ANNUALLY (CALENDAR)
Reports due 30 days after the reporting period.
The initial report is due 1/30/2011.
Subsequent reports are due every 12 calendar month(s).

Condition 1: Facility Permissible Emissions
Effective between the dates of 08/14/2006 and Permit Expiration Date

Applicable Federal Requirement:6 NYCRR 201-7.2

Item 1.1:

The sum of emissions from the emission units specified in this permit shall not equal or exceed the following

Potential To Emit (PTE) rate for each regulated contaminant:

CAS No: 000630-08-0 (From Mod 1) PTE: 187,902 pounds
per year

Name: CARBON MONOXIDE

Condition 1-4: Capping Monitoring Condition
Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable Federal Requirement:6 NYCRR 201-7.2

Item 1-4.1:

Under the authority of 6 NYCRR Part 201-7, this condition contains an emission cap for the purpose of limiting emissions from the facility, emission unit or process to avoid being subject to the following applicable requirement(s) that the facility, emission unit or process would otherwise be subject to:

6 NYCRR 201-6.1 (a)
6 NYCRR 231-2.2

Item 1-4.2:

Operation of this facility shall take place in accordance with the approved criteria, emission limits, terms, conditions and standards in this permit.

Item 1-4.3:

The owner or operator of the permitted facility must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility regulated by this Subpart,

New York State Department of Environmental Conservation

Permit ID: 6-2148-00037/00001

Facility DEC ID: 6214800037



during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations or law.

Item 1-4.4:

On an annual basis, unless otherwise specified below, beginning one year after the granting of an emissions cap, the responsible official shall provide a certification to the Department that the facility has operated all emission units within the limits imposed by the emission cap. This certification shall include a brief summary of the emissions subject to the cap for that time period and a comparison to the threshold levels that would require compliance with an applicable requirement.

Item 1-4.5:

The emission of pollutants that exceed the applicability thresholds for an applicable requirement, for which the facility has obtained an emissions cap, constitutes a violation of Part 201 and of the Act.

Item 1-4.6:

The Compliance Demonstration activity will be performed for the facility:
The Compliance Demonstration applies to:

Emission Unit: 1-00000

Emission Point: 00001

Regulated Contaminant(s):

CAS No: 000630-08-0 CARBON MONOXIDE

Item 1-4.7:

Compliance Demonstration shall include the following monitoring:

Capping: Yes

Monitoring Type: MONITORING OF PROCESS OR CONTROL
DEVICE PARAMETERS AS SURROGATE

Monitoring Description:

Facility shall limit carbon monoxide emissions to 21.5 lbs/hr, an emission threshold that had been achieved during a stack test on 2/11/09 while combusting at elevated temperatures (>1700 F). Furnace is known to have the capability to exceed this limit as proven on 10/23/08 when aborted performance testing demonstrated that the SWP burner eluted CO at 81 lbs/hr while firing at lower combustion temperatures (1400 F). To comply, facility shall fire at or above 1700F and monitor this temperature continuously via SCADA system. Ongoing compliance shall be verified via re-test (RM10) on a five year interval.

Parameter Monitored: TEMPERATURE

Upper Permit Limit: 21.5 pounds per hour

Reference Test Method: EPA Reference Method 10 (not continuously)

Monitoring Frequency: CONTINUOUS

Averaging Method: 1-HOUR AVERAGE

Reporting Requirements: ANNUALLY (CALENDAR)

Reports due 30 days after the reporting period.

The initial report is due 1/30/2011.



Subsequent reports are due every 12 calendar month(s).

Condition 1-5: Compliance Demonstration
Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable Federal Requirement: 6 NYCRR 212.4 (c)

Item 1-5.1:

The Compliance Demonstration activity will be performed for the facility:
The Compliance Demonstration applies to:

Emission Unit: 1-00000	Emission Point: 00003
Emission Unit: 1-00000	Emission Point: 00004
Emission Unit: 1-00000	Emission Point: 00006
Emission Unit: 1-00000	Emission Point: 00008
Emission Unit: 1-00000	Emission Point: 00009

Regulated Contaminant(s):
CAS No: 0NY075-00-0 PARTICULATES

Item 1-5.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: MONITORING OF PROCESS OR CONTROL
DEVICE PARAMETERS AS SURROGATE

Monitoring Description:

Emissions of solid particles are limited to less than 0.05 grains of particulates per cubic foot of exhaust gas, expressed at standard conditions and on a dry gas basis.

Performance testing (EPA RM 5) is the only true method to prove compliance with this standard and shall be conducted at the discretion of the Department.

In the absence of a formal stack test, facility shall attest to compliance by visually monitoring and recording the exhaust plume from each involved emission point. These observations shall be recorded in a log book which shall be submitted annually and shall be retained for a five year period.

Parameter Monitored: PARTICULATES
Upper Permit Limit: 0.05 grains per dscf
Reference Test Method: EPA Reference Methods 1 thru 5 (intent: not daily)
Monitoring Frequency: DAILY
Averaging Method: 1-HOUR AVERAGE
Reporting Requirements: ANNUALLY (CALENDAR)



Reports due 30 days after the reporting period.
The initial report is due 1/30/2011.
Subsequent reports are due every 12 calendar month(s).

Condition 1-6: Compliance Demonstration
Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable Federal Requirement: 6 NYCRR 212.6 (a)

Item 1-6.1:

The Compliance Demonstration activity will be performed for the facility:
The Compliance Demonstration applies to:

Emission Unit: 1-00000	Emission Point: 00003
Emission Unit: 1-00000	Emission Point: 00004
Emission Unit: 1-00000	Emission Point: 00006
Emission Unit: 1-00000	Emission Point: 00008
Emission Unit: 1-00000	Emission Point: 00009

Regulated Contaminant(s):
CAS No: 0NY075-00-0 PARTICULATES

Item 1-6.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: MONITORING OF PROCESS OR CONTROL
DEVICE PARAMETERS AS SURROGATE

Monitoring Description:

No person shall cause or allow emissions to the outdoor atmosphere having an average opacity of 20% or greater for any consecutive six-minute period from any process emission source subject to 6 NYCRR 201.

EPA Reference Method 9 is the only formal determinate of opacity compliance and the Department reserves the right to perform or require the performance of a RM 9.

In the absence of a formal RM 9, facility shall attest to opacity compliance by visually monitoring and recording the magnitude of optical density of the exhaust plume from each referenced emission point. This observation shall be made once per day and while the source is operating. The observer shall not consider that portion of the plume that is due to water vapor. These observations shall be recorded in a log book which shall be submitted annually and shall be retained for a five-year period.

If dense emissions (any that are greater than "clear" or

New York State Department of Environmental Conservation

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Facility DEC ID: 6214800037



- 2) Conduct a certified EPA Reference Method 9 visible emission test
- 3) Notify the NYSDEC, Division of Air Resources, Region 6
- 4) If the Method 9 test determines that the opacity is less than 20%, then an appropriate log entry of "very minimal" shall be recorded.
- 5) If the RM9 certified observer detects opacity greater than 20%, then facility shall make an equivalent entry in the log.

Parameter Monitored: OPACITY

Upper Permit Limit: 20 percent

Reference Test Method: EPA Reference Method 9 (intent: not daily!)

Monitoring Frequency: DAILY

Averaging Method: 6-MINUTE AVERAGE (METHOD 9)

Reporting Requirements: ANNUALLY (CALENDAR)

Reports due 30 days after the reporting period.

The initial report is due 1/30/2011.

Subsequent reports are due every 12 calendar month(s).



STATE ONLY ENFORCEABLE CONDITIONS
****** Facility Level ******

NOTIFICATION OF GENERAL PERMITTEE OBLIGATIONS

This section contains terms and conditions which are not federally enforceable. Permittees may also have other obligations under regulations of general applicability

Item A: Public Access to Recordkeeping for Facilities With State Facility Permits - 6 NYCRR 201-1.10 (a)

Where emission source owners and/or operators keep records pursuant to compliance with the operational flexibility requirements of 6 NYCRR Subpart 201-5.4(b)(1), and/or the emission capping requirements of 6 NYCRR Subparts 201-7.2(d), 201-7.3(f), 201-7.3(g), 201-7.3(h)(5), 201-7.3(i) and 201-7.3(j), the Department will make such records available to the public upon request in accordance with 6 NYCRR Part 616 - Public Access to Records. Emission source owners and/or operators must submit the records required to comply with the request within sixty working days of written notification by the Department of receipt of the request.

Item B: General Provisions for State Enforceable Permit Terms and Condition - 6 NYCRR Part 201-5

Any person who owns and/or operates stationary sources shall operate and maintain all emission units and any required emission control devices in compliance with all applicable Parts of this Chapter and existing laws, and shall operate the facility in accordance with all criteria, emission limits, terms, conditions, and standards in this permit. Failure of such person to properly operate and maintain the effectiveness of such emission units and emission control devices may be sufficient reason for the Department to revoke or deny a permit.

The owner or operator of the permitted facility must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility regulated by this Subpart, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations or law.

STATE ONLY APPLICABLE REQUIREMENTS

The following conditions are state only enforceable.



Condition 9: Contaminant List

Effective between the dates of 08/14/2006 and Permit Expiration Date

Applicable State Requirement:ECL 19-0301

Item 9.1:

Emissions of the following contaminants are subject to contaminant specific requirements in this permit(emission limits, control requirements or compliance monitoring conditions).

CAS No: 000630-08-0
Name: CARBON MONOXIDE

CAS No: 0NY075-00-0
Name: PARTICULATES

CAS No: 0NY210-00-0
Name: OXIDES OF NITROGEN

CAS No: 0NY998-00-0
Name: VOC

Condition 1-11: Unavoidable noncompliance and violations

Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable State Requirement:6 NYCRR 201-1.4

Item 1-11.1:

At the discretion of the commissioner a violation of any applicable emission standard for necessary scheduled equipment maintenance, start-up/shutdown conditions and malfunctions or upsets may be excused if such violations are unavoidable. The following actions and recordkeeping and reporting requirements must be adhered to in such circumstances.

(a) The facility owner and/or operator shall compile and maintain records of all equipment maintenance or start-up/shutdown activities when they can be expected to result in an exceedance of any applicable emission standard, and shall submit a report of such activities to the commissioner's representative when requested to do so in writing or when so required by a condition of a permit issued for the corresponding air contamination source except where conditions elsewhere in this permit which contain more stringent reporting and notification provisions for an applicable requirement, in which case they supercede those stated here. Such reports shall describe why the violation was unavoidable and shall include the time, frequency and duration of the maintenance and/or start-up/shutdown activities and the identification of air contaminants, and the estimated emission rates. If a facility owner and/or operator is subject to continuous stack monitoring and quarterly reporting requirements, he need not submit reports for equipment maintenance or start-up/shutdown for the facility to the commissioner's representative.

(b) In the event that emissions of air contaminants in excess of any emission standard in 6 NYCRR Chapter III Subchapter A occur due to a malfunction, the facility owner and/or operator shall report such malfunction by telephone to the commissioner's representative as soon as possible during normal working hours, but in any event not later than two working days after

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becoming aware that the malfunction occurred. Within 30 days thereafter, when requested in writing by the commissioner's representative, the facility owner and/or operator shall submit a written report to the commissioner's representative describing the malfunction, the corrective action taken, identification of air contaminants, and an estimate of the emission rates. These reporting requirements are superceded by conditions elsewhere in this permit which contain reporting and notification provisions for applicable requirements more stringent than those above.

(c) The Department may also require the owner and/or operator to include in reports described under (a) and (b) above an estimate of the maximum ground level concentration of each air contaminant emitted and the effect of such emissions depending on the deviation of the malfunction and the air contaminants emitted.

(d) In the event of maintenance, start-up/shutdown or malfunction conditions which result in emissions exceeding any applicable emission standard, the facility owner and/or operator shall take appropriate action to prevent emissions which will result in contravention of any applicable ambient air quality standard. Reasonably available control technology, as determined by the commissioner, shall be applied during any maintenance, start-up/shutdown or malfunction condition subject to this paragraph.

(e) In order to have a violation of a federal regulation (such as a new source performance standard or national emissions standard for hazardous air pollutants) excused, the specific federal regulation must provide for an affirmative defense during start-up, shutdowns, malfunctions or upsets.

Condition 11: Emission Unit Definition

Effective between the dates of 08/14/2006 and Permit Expiration Date

Applicable State Requirement:6 NYCRR Subpart 201-5

Item 11.1(From Mod 1):

The facility is authorized to perform regulated processes under this permit for:

Emission Unit: 1-00000

Emission Unit Description:

This emission unit includes all emission sources at this facility, whose functions may be defined as "wood pellet manufacturing".

Building(s): #1
#5

Condition 1-12: Compliance Demonstration

Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable State Requirement:6 NYCRR 201-5.1 (a) (1)

Item 1-12.1:

The Compliance Demonstration activity will be performed for the facility:

The Compliance Demonstration applies to:

Emission Unit: 1-00000

Emission Point: 00001

Process: 001

Emission Source: 00001

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Regulated Contaminant(s):
CAS No: 000630-08-0 CARBON MONOXIDE

Item 1-12.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

Facility shall re-conduct RM 10 on a five-year interval to determine that carbon monoxide (CO) emissions do not exceed this 21.5 lbs/hr compliance standard (the major source threshold). Facility shall provide to the Department, an approvable test protocol at least 30 days prior to the test date. Stack test reports shall be maintained at the facility for a period of not less than five years.

Upper Permit Limit: 21.5 pounds per hour

Reference Test Method: EPA Reference Method 10

Monitoring Frequency: Once every five years

Averaging Method: 1-HOUR AVERAGE

Reporting Requirements: ONCE / BATCH OR MONITORING OCCURRENCE

Condition 1-13: Compliance Demonstration

Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable State Requirement:6 NYCRR 201-5.1 (a) (1)

Item 1-13.1:

The Compliance Demonstration activity will be performed for the facility:

The Compliance Demonstration applies to:

Emission Unit: 1-00000 Emission Point: 00001
Process: 001 Emission Source: 00001

Regulated Contaminant(s):
CAS No: 0NY998-00-0 VOC

Item 1-13.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

Facility shall re-conduct RM 25A on a five-year interval to determine that VOC emissions do not exceed this 10.5 lbs/hr compliance standard (the major source threshold). Facility shall provide to the Department, an approvable test protocol at least 30 days prior to the test date. Stack test reports shall be maintained at the facility for a period of not less than five years.

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Upper Permit Limit: 10.5 pounds per hour
Reference Test Method: EPA Reference Method 25A
Monitoring Frequency: Once every five years
Averaging Method: 1-HOUR AVERAGE
Reporting Requirements: ONCE / BATCH OR MONITORING OCCURRENCE

Condition 1-14: Compliance Demonstration
Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable State Requirement:6 NYCRR 201-5.1 (a) (1)

Item 1-14.1:

The Compliance Demonstration activity will be performed for the facility:
The Compliance Demonstration applies to:

Emission Unit: 1-00000 Emission Point: 00001
Process: 001 Emission Source: 00001

Regulated Contaminant(s):
CAS No: 0NY210-00-0 OXIDES OF NITROGEN

Item 1-14.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

Facility shall re-conduct Reference Method 7 on a five-year interval to determine that NOx emissions do not exceed this 21.5 lbs/hr compliance standard (the major source threshold). Facility shall provide to the Department, an approvable test protocol at least 30 days prior to the test date. Stack test reports shall be maintained at the facility for a period of not less than five years.

Upper Permit Limit: 21.5 pounds per hour
Reference Test Method: EPA Reference Method 7
Monitoring Frequency: Once every five years
Averaging Method: 1-HOUR AVERAGE
Reporting Requirements: ONCE / BATCH OR MONITORING OCCURRENCE

Condition 1-15: Compliance Demonstration
Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable State Requirement:6 NYCRR 201-5.1 (a) (1)

Item 1-15.1:

The Compliance Demonstration activity will be performed for the facility:
The Compliance Demonstration applies to:

Emission Unit: 1-00000 Emission Source: 00019
Process: 008

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Emission Unit: 1-00000

Process: 008

Emission Source: 00021

Regulated Contaminant(s):

CAS No: 0NY075-00-0 PARTICULATES

Item 1-15.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES

Monitoring Description:

Facility shall calculate and report wind-driven fugitive particulate emissions that emanate from the outdoor area that is south of Building #1, the main production building. Sawdust particles are known to be generated in Process 008, from Sources 00019 and 00021, which includes 4 outdoor silos, several conveyors, the fire dump box, the outdoor yard area, front loader/Bobcat movement and other chip piles. In November 2009, this emission rate was reported to be 0.01% by weight of the total wood material processed (mass of finished pellets). There is no emission point for these Sources. Facility shall record and report the total wood material processed and then apply the appropriate emission factor on each Annual Monitoring Report.

Monitoring Frequency: ANNUALLY

Averaging Method: ANNUAL TOTAL

Reporting Requirements: ANNUALLY (CALENDAR)

Reports due 30 days after the reporting period.

The initial report is due 1/30/2011.

Subsequent reports are due every 12 calendar month(s).

Condition 1-16: Air pollution prohibited

Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable State Requirement:6 NYCRR 211.2

Item 1-16.1:

No person shall cause or allow emissions of air contaminants to the outdoor atmosphere of such quantity, characteristic or duration which are injurious to human, plant or animal life or to property, or which unreasonably interfere with the comfortable enjoyment of life or property. Notwithstanding the existence of specific air quality standards or emission limits, this prohibition applies, but is not limited to, any particulate, fume, gas, mist, odor, smoke, vapor, pollen, toxic or deleterious emission, either alone or in combination with others.

Condition 1-17: Compliance Demonstration

Effective between the dates of 05/07/2010 and Permit Expiration Date

Applicable State Requirement:6 NYCRR 211.2

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Item 1-17.1:

The Compliance Demonstration activity will be performed for the Facility.

Item 1-17.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES

Monitoring Description:

Facility shall establish a complaint response procedure to manage complaints related to air emissions from this facility. The procedure shall be designed to ensure that complaints from officials or neighbors are adequately received and documented, and that appropriate response is taken by the facility. The facility shall:

1. Have a complaint phone line available 24 hours a day, 7 days a week.
2. Investigate any possible causes of any complaint received.
3. Take prompt action to abate any circumstance which is found to be the cause of the complaint.
4. Fully document the complaint, results of investigation, and any action taken.
5. Report in a format acceptable to the Department. In each Annual Monitoring Report, facility shall provide a list of all such complaints. If no complaints were received, this report shall denote that case as well.

Monitoring Frequency: DAILY

Reporting Requirements: ANNUALLY (CALENDAR)

Reports due 30 days after the reporting period.

The initial report is due 1/30/2011.

Subsequent reports are due every 12 calendar month(s).

****** Emission Unit Level ******

**Condition 13: Emission Point Definition By Emission Unit
Effective between the dates of 08/14/2006 and Permit Expiration Date**

Applicable State Requirement:6 NYCRR Subpart 201-5

Item 13.1(From Mod 1):

The following emission points are included in this permit for the cited Emission Unit:

Emission Unit: 1-00000

Emission Point: 00001

Height (ft.): 70

Diameter (in.): 48

NYTMN (km.): 4770.698 NYTME (km.): 490.112 Building: #1

Emission Point: 00003



Height (ft.): 23 Diameter (in.): 20
NYTMN (km.): 4770.726 NYTME (km.): 490.147 Building: #1

Emission Point: 00004
Height (ft.): 22 Diameter (in.): 15
NYTMN (km.): 4770.722 NYTME (km.): 490.147 Building: #1

Emission Point: 00006
Height (ft.): 22 Diameter (in.): 15
NYTMN (km.): 4770.711 NYTME (km.): 490.147 Building: #1

Emission Point: 00008
Height (ft.): 28 Length (in.): 36 Width (in.): 30
NYTMN (km.): 4770.692 NYTME (km.): 490.157 Building: #5

Emission Point: 00009
Height (ft.): 52 Length (in.): 68 Width (in.): 68
NYTMN (km.): 4770.706 NYTME (km.): 490.143 Building: #1

Condition 14: Process Definition By Emission Unit
Effective between the dates of 08/14/2006 and Permit Expiration Date

Applicable State Requirement:6 NYCRR Subpart 201-5

Item 14.1(From Mod 1):

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: 1-00000
Process: 001 Source Classification Code: 1-03-009-03
Process Description:

Dried woodchips fuel a wood-fired furnace in order to generate a hot-exhaust energy source. Wet woodchips are conveyed into plant, resized in the green hammermill, dried (to 12% water content) in a rotary kiln drier, these dried chips are removed from airstream in a gang of six parallel cyclones and then conveyed into (for temporary storage) two outdoor silos. Airstream is induced by a blower. The maximum designed drying capacity is 15 oven-dried tons of chips per hour. Combustion exhaust & water vapor (from drying kiln) is then discharged via 70 foot stack (emission point 00001). Rooftop emission point 00009 will emit combustion-only emissions during times of start-up or during plant idling. The green hammermill exhaust air is vented through a baghouse (Source 00023) and to sidewall emission point 00004.

Emission Source/Control: 00001 - Combustion
Design Capacity: 50 million Btu per hour

Emission Source/Control: 00017 - Control
Control Type: CENTRIFUGAL



Emission Source/Control: 00023 - Control
Control Type: FABRIC FILTER

Emission Source/Control: 00003 - Process
Design Capacity: 15 tons per hour

Emission Source/Control: 00006 - Process
Design Capacity: 15 tons per hour

Item 14.2(From Mod 1):

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: 1-00000
Process: 007 Source Classification Code: 3-02-016-12

Process Description:

Pellets are formed from previously kiln-dried woodchips (chips that were dried in Process 001). This process involves: 1 dry hammermill, 3 pellet mills, 1 pellet cooler, 2 baghouses, air/pellet conveyance ducts, belt conveyors & augers.

Emission Source/Control: 00010 - Control
Control Type: FABRIC FILTER

Emission Source/Control: 00014 - Control
Control Type: FABRIC FILTER

Emission Source/Control: 00004 - Process
Design Capacity: 15 tons per hour

Emission Source/Control: 00005 - Process
Design Capacity: 15 tons per hour

Emission Source/Control: 00008 - Process
Design Capacity: 15 tons per hour

Emission Source/Control: 00009 - Process
Design Capacity: 15 tons per hour

Item 14.3(From Mod 1):

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: 1-00000
Process: 008 Source Classification Code: 3-07-008-03

Process Description:

Fugitive PM generation from 4 outdoor silos, outdoor conveyors, fire dump box, outdoor yard area, front loader movement and chip piles. Fines are driven by winds.

Emission Source/Control: 00019 - Process



Emission Source/Control: 00021 - Process

Item 14.4(From Mod 1):

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: 1-00000

Process: 009

Source Classification Code: 3-07-008-03

Process Description:

This Process consists of the unloading of dry chips/sawdust into the kiln-dried receiving bin. A plastic strip curtain (Control source 00022) works to reduce the dispersion of buoyant wood dust. An air collection system and a baghouse (Control source 00020) activate while and after trucks unload, baghouse exhausts to emission point 00008. A live floor transports offloaded chips from tipping floor to a conveyor. Conveyor moves these materials into two outdoor silos (dry chip silos).

Emission Source/Control: 00020 - Control

Control Type: FABRIC FILTER

Emission Source/Control: 00022 - Control

Control Type: PARTICULATE TRAP

Emission Source/Control: 00018 - Process

