



North Carolina Department of Environment and Natural Resources
Division of Air Quality

Beverly Eaves Perdue
Governor

B. Keith Overcash, P.E.
Director

Dee Freeman
Secretary

March 8, 2010

Mr. Kim Church
Co-Owner/Partner
KMB Power Systems, Inc. – Select Hardwoods
P.O. Box 619
Millers Creek, NC 28651

SUBJECT: Solid Waste Determination
Applicability Determination No. 1555
Facility ID No. 9700133

Dear Mr. Church:

The North Carolina Division of Air Quality (NC DAQ) is reviewing new and modified sources that involve the combustion of materials that may be considered "solid waste" under Section 129 of the Clean Air Act (CAA). In response to NC DAQ's request for additional information dated December 18, 2009, Church & Church Lumber, LLC provided information about the sawdust it is proposing to fire in a new wood-fired boiler (**ID No. WB-1**). NC DAQ has determined that the sawdust, as described by Church & Church Lumber, is not a solid waste as defined under the Solid Waste Disposal Act. Therefore, the New Source Performance Standard (NSPS) for commercial and industrial solid waste incineration (CISWI) units will not apply to the new boiler. As discussed below, the determination is based on the discussion of relevant law provided by the North Carolina Attorney General's Office in its September 28, 2009 memorandum to Keith Overcash, Director, NC DAQ.

1. Unit in Which the Material is Being Burned

Church & Church Lumber, LLC is proposing to burn the sawdust in a new wood-fired boiler (**ID No. WB-1**). The new boiler will produce steam that will be supplied to the six (6) existing dry kilns that are used to dry lumber. Sawdust will be the primary fuel in the new boiler.

2. Process by Which the Material to be Burned was Developed

The sawdust fired will be derived from timber that is harvested and sawn into lumber at Church & Church Sawmill located in Wilkesboro, North Carolina. Dust will be collected directly from the sawmill, loaded onto trailers, and transported to the Church & Church Lumber facility in Millers

Permitting Section

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Creek, North Carolina. The sawdust will be stored in on-site storage bins until it is used in the proposed wood-fired boiler. Church & Church Lumber, LLC anticipates that sawdust brought on-site will typically be fired within 24 hours of arrival.

3. Description of the Non-Combustion Facility Process

This facility dries lumber in six (6) steam-heated kilns. "Green" hardwood and some white pine is stacked and moved by yard lift trucks into the kilns wherein the wood is cured and dried for customers. Last year, the facility processed approximately 10.8 million board feet of lumber through the kilns. Except for scheduled downtime for cleaning the kilns, and for performing boiler inspection and maintenance, the system operates 24 hours per day, year round.

The facility has an existing wood-fired boiler and an existing No. 2 fuel oil fired boiler with a combined heat input capacity of less than 30 MMBtu/hr. Steam from the boilers is used to provide heat to the dry kilns.

4. Physical and Chemical Characteristics of the Material to Be Burned.

The sawdust particles vary in thickness between 0.2" and 0.125". The chemical characteristics of the sawdust are identical to the virgin timber processed at the sawmill. The sawdust will not be chemically treated prior to combustion in the proposed wood-fired boiler.

5. Markets for Materials

Sawdust is a traditional fuel used in the lumber and wood products industry. The material will be treated as a material with positive economic value as evidenced by its collection and use in the production process as described in Factor 2 above.

6. Any Treatment Process Applied to the Materials

There will be no treatment of the sawdust prior to combustion. The fired sawdust will be chemically identical to the virgin timber processed at the sawmill.

7. General Market for the Material

The market for biomass fuels, including wood, has been substantially enhanced by recent market incentives for renewable energy including, but not limited to, the enactment of the North Carolina Renewable Energy and Energy Efficiency portfolio Standard. N.C. Gen. Stat. § 62-133.7.

8. Benefit Derived From Burning of Material Aside from Energy Production

There are no on-site benefits derived from the firing of sawdust aside from the production of steam for use in the dry kilns.

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9. Third-Party Handling

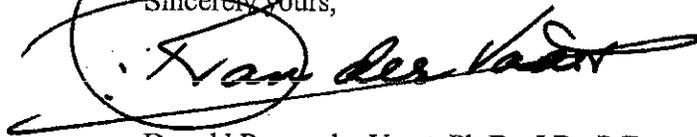
The sawdust will be delivered to the Church & Church Lumber facility in Millers Creek, North Carolina directly from the sawmill. There will be no 3rd-party handling of the material.

10. Other Information, Including Whether the Material Was Ever Discarded

To be classified as a solid waste, the material must have been discarded. Under the normal meaning of "discard", the materials that will be burned at Church & Church Lumber, LLC are not discarded. The material will be treated as a material with positive economic value as evidenced by its collection and use in the production process as described in Factor 2 above. In addition, the material will not be stored for long periods of time before its combustion in the proposed wood-fired boiler. Church & Church Lumber, LLC anticipates that sawdust brought on-site will typically be fired within 24 hours of arrival.

The purpose of this determination is only to summarize and record the facts and analysis relevant to the proposed fuel source at this facility. Because the determination of what is a "solid waste" under CAA § 129 is highly fact specific, this letter does not establish any requirements for future cases. Should you have any questions concerning this determination, please contact Ms. Fern Paterson, P.E. at (919) 715-6242.

Sincerely yours,



Donald R. van der Vaart, Ph.D., J.D., P.E.
Chief

cc: ✓ Winston-Salem Regional Office
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