



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

February 5, 2010

Ricardo Hillmann
General Manager
Uniboard USA LLC
985 Corinth Rd.
Moncure, North Carolina 27559

Re: Commercial & Solid Waste Incinerator Determination
Uniboard, Moncure, NC
Chatham County

Dear Mr. Hillmann:

This letter is in response to your October 13, 2009 letter requesting an applicability determination as to whether the New Source Performance Standards (NSPS) for new commercial and industrial solid waste incineration (CISWI) units applies to the wood-fired energy system at the medium density fiberboard plant (MDF) located at Uniboard's Moncure facility. As discussed below, the NCDAQ has determined that the clean wood and resinated wood, as described in your applicability request letter, is not a solid waste as defined under the Solid Waste Disposal Act. Therefore the CISWI NSPS standard is not applicable to the energy system. This determination is based your October 13th response addressing the multiple factors outlined in the September 28, 2009 letter from Marc Bernstein, NC Attorney General's Office, to Keith Overcash, Director, NC Division of Air Quality (NCDAQ).¹

1. Identification of Unit in Which the Material is Being Burned

The material is being burned in burners specially designed by the composite panel equipment suppliers to burn this material. The energy, in the form of heat, is then directed to a 2-stage dryer system, a thermal oil system (to be used to heat the MDF press), and a steam generating system (steam used in the refining process).

¹ Because the purpose of this memorandum is only to summarize and record the relevant facts and analysis, this memorandum does not provide a complete discussion of the issues and, because the determination of what is a "solid waste" is highly fact specific, this memorandum does not establish any requirements for future cases. In addition, this memorandum does not address the applicability of federal rules under §129 of the Clean Air Act. Considering that the materials discussed herein would not be "solid waste," the applicability of the §129 rules is not an issue.

Permitting Section

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

The materials to be burned are both clean wood and resinated wood. The clean wood includes bark, generated on site from the debarking of logs that are provided by outside vendors, and oversized wood chips, generated from screening following the chipping of logs that are provided by outside vendors. The resinated wood is generated onsite from trimming and sanding of the final MDF board.

3. Description of the Non-Combustion Facility Process

Logs are delivered to the facility where they are debarked and chipped. The bark and oversize chips are burned in the energy system. Remaining wood chips are steamed and ground into fiber. A resin is added to the fiber and placed into a 2-stage dryer. After drying the material is formed into a mat and pressed into an MDF board. The board is then sanded and trimmed, which generates both clean and resinated wood material. Some of these materials are returned to an appropriate stage for incorporation into MDF boards and some is burned in the energy system.

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

The bark and oversized wood chips are produced on-site from the logs delivered by outside vendors. This "clean wood," although physically altered by debarking and chipping, is generated on-site and has not been chemically treated. The resinated wood resulting from the trimming and sanding of MDF pressed board typically contains less than 15 weight percent urea formaldehyde resin.

Based on a review of the EPA website for listed wastes², the resinated wood is not an F-listed waste (40 CFR §261.30), K-listed waste (40 CFR §261.32), or a P-list and the U-listed waste (40 CFR §261.33).

5. Markets for Materials

Clean wood and resinated wood generated on-site is treated as a fuel. Clean wood is a traditional fuel used in the wood products industry. Similarly, resinated wood, as a result of its heating value, is a valuable fuel. As described in the October 13th response letter, both clean wood and resinated wood are treated as materials with positive economic value as evidenced by its collection and use in the production process as described in factor 3 above.

6. Any Treatment Processes Applied to the Materials

As described in the October 13th letter and summarized in factor 3 above, there is no treatment of the materials to allow them to be fully integrated into the existing process.

² <http://www.epa.gov/waste/hazard/wastetypes/listed.htm>

7. Describe General Market for the Material

All wood product facilities, including wood furniture manufacturers, employ the use of the clean wood, and to the extent that it is available resinated wood, in the production process as a traditional fuel. In the case of Uniboard the heat energy plant burners are specifically designed to burn this type of material. Moreover, the market for clean wood and resinated wood has been substantially enhanced by the recent market incentives for renewable energy including but not limited to actions like 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 Other Than Energy Production

There is strong probability that if clean wood and resinated wood were considered solid waste they would end up in the local landfill.

9. Third Party Handling

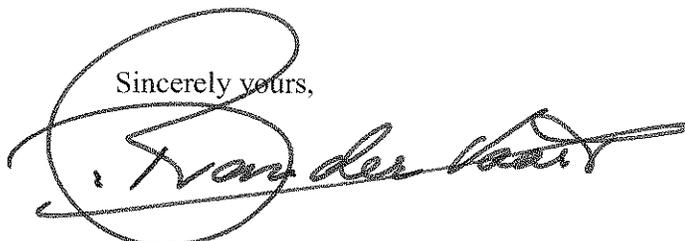
In this case there is no third party handling of the material. The material is generated onsite and used as part of the ongoing fully vertically integrated industrial process.

10. Other Information and Discard

In order to be a solid waste the material must have been discarded. Under the normal meaning of "discard" the materials to be burned in the energy plant at Uniboard are not discarded. For example, in this case none of the materials are transported offsite or stored for any significant time. None of the indices of "discard" apply to clean wood or resinated wood as they will be used in the process at Uniboard.

Should you have any questions concerning this matter, please feel free to contact me at (919) 715-6253.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Donald R. van der Vaart". The signature is written in a cursive style and is enclosed within a large, hand-drawn oval.

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

cc: Raleigh Regional Office
Central Files