

June 23, 2023

Ms. Becky Radulski Senior Environmental Engineer EGLE Air Quality Division 2100 West M-32 Gaylord, Michigan 49735

Re: SRN: B1476, Alpena County Violation Notice 20230601 dated June 1, 2023 Decorative Panels International Inc. – Alpena Hardboard Mill

Dear Ms. Radulski:

We are responding to the Violation Notice ("VN") dated June 1, 2023 issued to Decorative Panels International ("DPI" or "the Company") by the Michigan Department of Environment, Great Lakes, and Energy ("EGLE"). Additionally, we thank you for the one-day extension granted.

The VN states the alleged violations occurred on May 23, 2023 in relation to Rule 901. As requested by the VN, this written response addresses the dates of the alleged violations, explains possible causes and durations, explains whether the alleged violations are ongoing, provides a summary of the corrective actions that have been taken by DPI, and identifies steps being taken to prevent a reoccurrence of the alleged circumstances.

Process Description: "Burnt wood odor"

Alleged Rule/Permit Condition Violated: "Rule 336.1901(b)"

Alleged Violation/Comment: "On May 23, 2023, AQD staff followed up on complaints of wood odors coming from this facility and were able to verify that these burnt woody odors were a violation of Rule 901(b)."

The VN further stated that the odors identified at a level 3 on the odor scale were observed by EGLE on Ford Avenue, NE of the DPI driveway, at 2:50 pm. Additionally, the NV states that at 3:28 pm burnt wood odors at a level 3 were observed on Ford Ave between Miller and Lake downwind of Biofilter #1.

Possible Causes and Corrective Actions

On May 23, 2023 EGLE inspector, Becky Radulski, notified me via phone to discuss odors described above on her visit to Alpena. My meeting with Ms. Radulski was from approximately 1533 hrs to 1540 hrs. She stated she had identified odors and a haze she felt was coming from the 3 Line process area that was hanging or pooling along River Street. She stated she wanted to give me an opportunity to observe the odors myself. She stated she had also identified odors in other locations along Ford Avenue that potentially included the 1 Line process area and the Cooker Tower. I informed Ms. Radulski that I had gotten a call regarding odors identified on 2nd Ave at approximately noon that day and as a result had already begun an investigation attempting to assess the extent of odors. I traversed Ford Avenue, 2nd Avenue and every cross street between along the plant boundary for approximately an hour from approximately 1230 hrs to 1330 hrs; and, while I had detected odors, I did not detect sustained odors that would constitute a Rule 901 violation in my own opinion. I did however agree that a potential upset resulting in elevated odors was probable though I had not ascertained where at the time of the conversation. I informed her that I was actively attempting to evaluate potential upsets. We discussed the weather as a contributing factor to elevated odors and I informed her that winds were swirling at the time of my driving assessment. On shore light breezes were observed with varying wind direction.

Potential 'burnt wood' odors are associated with the drying and pressing operations. Starting on May 23 and concluding on May 25 the following activities were undertaken:

- Confirmed operations with supervisors, the wet end was operational as well as both press lines on May 23.
- Internal inspection inside the mill to observe operations which appeared to be operating normally.
- DPI had several departments, including environmental, press lines, maintenance, forming, engineering, along with the plant manager and additional supervisors, attempting to determine the potential source of elevated odors.
- Review of temperatures and pressure drops on both biofilters and the RCO which were within expected ranges, although there were some low readings (addressed below).
- Roof inspection and observed what appears to be fugitive/hazy type emissions in the area of No. 3 Line. It appeared that some emissions were coming from the roof vent above the unload area. This is the first vent above the process immediately after the press and cooler. This was confirmed with further inspection inside the mill. We found some corrosion which led to holes in the cooler ductwork after the hood, which is not a typically accessed location during operation, allowing some emissions to migrate to the vent above the unload area. We immediately shut the powered fan off at the unload area. No. 3 Line was taken off line the next day for a scheduled maintenance "down day". The hood/duct holes were repaired.

- The roof inspection included observation around the #1 press and cooler. There were no noticeable emissions coming from the #1 unloader stack. An internal inspection was conducted and no unusual conditions were identified at the time of the initial inspection. A return inspection of the process area revealed fugitive emissions from board off-gas were intermittently carried over outside of the cooler enclosure, which was determined to be the most likely potential source. The fan directing airflow into the cooler was turned down to minimize the potential for emissions trailing into the unload area when board is unloaded from the cooler. Because the condition occurred intermittently, several return inspections were conducted in an attempt to validate the issue was resolved. To date, the condition is not believed to have occurred again since the intake air was reduced.
- Additionally, Biofilter #3 and humidifier were inspected. Although within acceptable water flow range, two nozzles on the humidifier were found plugged and this was resolved on May 25. The result was higher recirculating water flow. The biofilter media beds were determined to be at an appropriate moisture content but had settled since installation last year. DPI made arrangements to 'top off' with some extra media as insurance (this activity was completed the week of June 5), which was not believed to contribute to the elevated odors but did increase the differential pressure across the beds. The humidifier operation was not identified as a likely contributor to elevated odors.
- Biofilter #1 with recent media change was inspected. The poppet valve was in the proper position confirming no bypass. The media appeared dryer than ideal, so all beds were watered. It was noted that the media had settled as well, so arrangements were made to 'top off' the media beds, which also increased the differential pressure. This activity took place and was completed the week of June 12, along with additional watering.
- No upsets were identified within the wet end process areas, including cooker tower permitted emissions.

Duration

As noted in the NV, the winds were light and on shore on May 23. A review of the weather from the North Side Station confirms these wind conditions started mid-morning until early evening. The on-shore winds varied in direction and were observed to be generally swirling so odor strength varied. There were 2 episodes of very consistent wind direction, first in the late morning and then again in the midafternoon. These were the times where the odors would be the strongest. The winds on May 24 were much more variable, on shore light breeze happened only sporadically. Therefore, we do not believe that odors at the strength observed by EGLE on May 23 were persistent.

As noted on the previous page, DPI identified a problem that would have led to stronger than typical burnt wood odors from our #3 line and rectified the issue on May 25.

Identify Steps Being Taken to Prevent a Reoccurrence of This Alleged Circumstance

As noted above, we have completed repairs on the cooler enclosure to prevent excessive fugitive emissions from occurring around the #3 press and cooler area. DPI will commit to adding cooler recovery hood/duct work to the startup procedure during maintenance "down days", which are approximately monthly. Additionally, DPI will add review of the cooler intake air flow setting prior to the startup procedure following "down days" and other restart activities.

Process Description: "Sweet woody odor"

Alleged Rule/Permit Condition Violated: "Rule 336.1901(b)"

Alleged Violation/Comment: "On May 23, 2023, AQD staff followed up on complaints of wood odors coming from this facility and were able to verify that these sweet woody odors were a violation of Rule 901(b)."

Possible Causes and Corrective Actions

We confirmed with our operators that the digesters were operating properly. The normal production scenario has up to 3 digesters operating at one time. Each of the digesters operate in a batch cycle of approximately 16 minutes while steam is applied to the pressurized vessel of wood chips. The pressure is then released, with a total release time of no more than 45 seconds, and it is at this time that odors may be noticed. DPI staggers the operation of the digesters such that we never have more than one digester venting at any one time. As a result, the odors from the digesters are sporadic.

The weather that day included a high dew point and very high relative humidity. This 'heavy' air results in less than typical 'lift' from our exhaust stacks in general, but particularly the digester stacks that are already saturated with water vapor. The 'heavy' air can also cause the plume to 'hang' in the air for longer periods of time than typical.

Our digester process remains the same as it has for decades. We confirmed that we have not been processing any different species of tree or made any changes to the temperatures, pressures, or times in our digester cycles. The last time any change was made was when we transitioned from chipping almost of our own raw material from logs to purchasing the majority of our raw material already chipped. This change was made about 20 years ago.

DPI does not agree that the emissions from the digester towers constitute a violation of Rule 901 based on the sporadic nature of the operation and consistency of permitted activities that involve the natural odor of the process. DPI is concluding that if odors from the cooker tower/wet end process were elevated, it was an effect of atmospheric conditions. Additionally, nothing has changed in the operation of the digesters and no malfunction has occurred.

Closing

Thank you for your consideration of our above response and related measures. Additionally, we would like to thank you for contacting us on the same day you investigated the issue. Your communication of the issue in "real-time" better helps the Company potentially locate and correct issues. If you have any questions regarding any of the above, please don't hesitate to contact me. As indicated in previous correspondence, the Company is proceeding in good faith to amicably resolve these issues; however, DPI's subsequent remedial measure should not be construed as an admission of any violation.

Sincerely,

Decorative Panels International, Inc.

Timothy D. Rombach, PE Sr. Environmental Engineer

Copy: Dan VanMassenhove, DPI Shane Nixon, EGLE