Montana Department of
ENVIRONMENTAL QUALITY

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August 26, 2013

David Garland
Sidney Sugars Incorporated
35140 County Road 125
Sidney, MT 59270

Dear Mr. Garland:

Montana Air Quality Permit #1826-12 is deemed final as of August 24, 2013, by the Department of Environmental Quality (Department). This permit is for a sugar refining plant. All conditions of the Department's Decision remain the same. Enclosed is a copy of your permit with the final date indicated.

For the Department,

Julie A. Merkel
Air Permitting Supervisor
Air Resources Management Bureau
(406) 444-3626

Deanne Fischer, P.E.
Environmental Engineer
Air Resources Management Bureau
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JM:DF
Enclosure

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
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FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Sidney Sugars Incorporated
35140 County Road 125
Sidney, MT 59270

Montana Air Quality Permit Number (MAQP#): 1826-12

Preliminary Determination Issued: July 23, 2013
Department Decision Issued: August 8, 2013
Permit Final: August 24, 2013

1. *Legal Description of Site:* The Sidney Sugars Incorporated (Sidney Sugars) sugar beet facility is located in the NW¼ of the NW¼ of Section 34, Township 23 North, Range 59 East, Richland County, Montana.

2. *Description of Project:* Sidney Sugars proposed to include coke breeze as a fuel to supplement the lignite coal for the two CE boilers. Coke breeze refers to the undersized screenings collected during the loading of coke.

3. *Objectives of Project:* Sidney Sugars would be adding coke breeze as a portion of the solid fuel that is to be combusted in the CE boilers in order to put the coke by-product to beneficial use and to promote efficiency and reduced waste in operations, for continued business and revenue for the company.

4. *Alternatives Considered:* In addition to the proposed action, the Department also considered the "no-action" alternative. The "no-action" alternative would deny issuance of the air quality preconstruction permit to the proposed facility. However, the Department does not consider the "no-action" alternative to be appropriate because Sidney Sugars demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the "no-action" alternative was eliminated from further consideration.

5. *A Listing of Mitigation, Stipulations, and Other Controls:* A list of enforceable conditions, including a BACT analysis, would be included in MAQP #1826-12.

6. *Regulatory Effects on Private Property*: The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and do not unduly restrict private property rights.

7. *The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The "no-action" alternative was discussed previously.*

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Terrestrial and Aquatic Life and Habitats			x			Yes
B	Water Quality, Quantity, and Distribution				x		Yes
C	Geology and Soil Quality, Stability and Moisture				x		Yes
D	Vegetation Cover, Quantity, and Quality				x		Yes
E	Aesthetics				x		Yes
F	Air Quality			x			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources				x		Yes
H	Demands on Environmental Resource of Water, Air and Energy				x		Yes
I	Historical and Archaeological Sites			x			Yes
J	Cumulative and Secondary Impacts				x		Yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS: The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats
Any impacts resulting from the proposed project to terrestrial and aquatic life and habitats would be minor because the current permitting action would involve the addition of coke breeze to the fuel for existing boilers, which would take place at an existing facility, and air emissions would not increase. There will be no new habitat destruction as a result of this project. In addition there is no evidence of any unique, threatened, rare, or endangered species in the area, or any wetlands or riparian areas. Further, because the facility is an existing industrial site, terrestrials that routinely inhabit the area are accustomed to the industrial character of the facility. In addition, because Sidney Sugars is not proposing to directly discharge any material to surface or ground water sources in the area, aquatic life and habitats would realize little or no impact from the proposed facility. Overall, any impact to terrestrial and aquatic life and habitats from the proposed project would be minor.

B. Water Quality, Quantity and Distribution
The proposed project would not result in any impacts to water quantity or distribution in the area of operation because the addition of coke breeze to the fuel for the existing CE boilers would take place at an existing facility and would not require additional water for proper operation nor discharge to any area surface water resource. Increased air pollutant emissions from the proposed project are not anticipated. Overall, there would be no impact to water quality, quantity, and distribution in the surrounding area.

C. Geology and Soil Quality, Stability and Moisture

The actions addressed in this permit would not change the soil stability, quality, moisture, or geologic substructure. The proposed changes would not result in impacts to productivity or fertility at or near the site. No unique geologic or physical features would be disturbed. Therefore, no impact to geology or soil quality, stability, and moisture would occur.

D. Vegetation Cover, Quantity, and Quality

Currently, the surrounding area is residential and commercial. There is no evidence that any rare plants, or vegetative communities exist in the area. The current permit action would take place in the existing facility, and would involve the addition of coke breeze to the fuel for existing boilers and air emissions would not increase. Overall, there would be no impact on the quantity or quality of vegetation cover in the surrounding area.

E. Aesthetics

The site is an established sugar beet processing facility near the town of Sidney, Montana. The proposed project at this existing facility would not alter any scenic vista or create any additional noise at the site because the permitting action would involve the addition of coke breeze to the fuel for existing boilers and air emissions would not increase. There would be no aesthetic impact on the surrounding area.

F. Air Quality

The Sidney Sugars facility is located in an area considered unclassified/attainment for all National and Montana Ambient Air Quality Standards (NAAQS and MAAQS). Burning the coke breeze in the CE boilers will emit pollutants. However, MAQP#1826-12 would limit the amount of coke breeze burned to less than 3 tons/day and allowable emissions of pollutants would not increase as a result of the addition of coke breeze to the fuel for existing boilers. Therefore, allowable emissions would remain below the National Ambient Air Quality Standards and Montana Ambient Air Quality Standards. Overall, any impacts to air quality from the proposed project would be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The proposed project would not result in increased emissions and would take place in the existing facility. There would be no impact to any unique endangered, fragile or limited environmental resources.

H. Demands on Environmental Resource of Water, Air and Energy

No significant demands would be placed on environmental resources such as water, air and energy. The proposed project would occur in an existing facility and would involve the burning coke breeze generated from processing the existing coke source for the lime kiln. Therefore no additional resources would be required to operate. Overall, there would be no additional demands for environmental resources of water, air, and energy.

I. Historical and Archaeological Sites

Since this facility is existing and the plant property would not be disrupted by the proposed project, no affects on historical and archeological findings are expected to occur.

J. Cumulative and Secondary Impacts

Because the proposed area of operation would occur at an existing facility, the proposed project could result in cumulative physical and biological impacts; however, as previously described in this environmental assessment, any cumulative impacts would be minor. In addition, the proposed project would not result in any known secondary impacts.

Air pollution from the facility would be controlled by Department-approved BACT and conditions in MAQP #1826-12. This facility would be expected to operate in compliance with all applicable rules and regulations as outlined in MAQP #1826-12.

The following table summarizes the potential economic and social effects of the proposed project on the human environment. The "no-action" alternative was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Social Structures and Mores				x		Yes
B	Cultural Uniqueness and Diversity				x		Yes
C	Local and State Tax Base and Tax Revenue				x		Yes
D	Agricultural or Industrial Production				x		Yes
E	Human Health				x		Yes
F	Access to and Quality of Recreational and Wilderness Activities				x		Yes
G	Quantity and Distribution of Employment				x		Yes
H	Distribution of Population				x		Yes
I	Demands for Government Services			x			Yes
J	Industrial and Commercial Activity				x		Yes
K	Locally Adopted Environmental Plans and Goals				x		Yes
L	Cumulative and Secondary Impacts			x			Yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores
The proposed project would not cause a disruption to any native or traditional lifestyles or communities (social structures or mores) in the area because the site is an existing facility and the proposed project does not change the purpose or means of operation of the sugar refining plant. Therefore, use of the immediate surrounding area would remain the same.

B. Cultural Uniqueness and Diversity
The proposed project would not cause a change in the cultural uniqueness and diversity of the area because the site is an existing facility and is currently used predominantly for light industrial purposes. Further, the proposed project would not change the existing industrial character of the area.

C. Local and State Tax Base and Tax Revenue
The proposed changes would not have an effect on the local and state tax base and tax revenue because Sidney Sugars would not hire any additional employees and therefore would not add to the overall income base of the area.

D. Agricultural or Industrial Production
Because the proposed project would operate within the existing boundaries of the Sidney Sugars facility, the project would not displace or otherwise affect any agricultural land or practices. Although, utilization of the coke breeze would reduce the amount of waste material generated and requiring disposal, it would not result in additional industrial production.

E. Human Health
There would be no effects on human health since there would not be an increase in emissions of pollutants. MAQP #1826-12 would incorporate conditions to ensure that the facility would be operated in compliance with all applicable rules and standards. These rules and standards are designed to be protective of human health.

F. Access to and Quality of Recreational and Wilderness Activities
The proposed operations would not affect any access to or quality of any recreational or wilderness activities in the area because the site is an existing facility which currently operates for industrial purposes.

G. Quantity and Distribution of Employment
Activities from the proposed operations would have no affect on the quantity and distribution of employment in the area. The proposed project would not increase the number of permanent employees at the plant.

H. Distribution of Population
The proposed operations would not increase the normal population distribution in the area because the number of permanent employees would not increase as a result of the proposed project.

I. Demands for Government Services
Government services would be required for acquiring the appropriate permits from government agencies (including a state air quality permit). In addition, the permitted source of emissions would be subject to periodic inspections by government personnel. Therefore, the project would have a minor effect on the demands of government services.

J. Industrial and Commercial Activity
No additional industrial or commercial activity is expected as a result of the proposed changes because the site is an existing facility, which is an industrial operation.

K. Locally Adopted Environmental Plans and Goals
The Department is not aware of any locally adopted environmental plans or goals that would be affected by the current permit action. The state standards would protect the proposed site and the environment surrounding the site.

L. Cumulative and Secondary Impacts
Overall, cumulative and secondary impacts from the proposed project on the economic and social resources of the human environment in the immediate area would be minor due to the fact that the proposed area of operation would take place at an existing industrial operation the predominant use of the surrounding area would not change as a result of the modified operations. In addition, the proposed project would not result in any known secondary impacts.

Air pollution from the facility would be controlled by Department-approved BACT and conditions in MAQP #1826-12. This facility would be expected to operate in compliance with all applicable rules and regulations as outlined in MAQP #1826-12.

Recommendation: No Environmental Impact Statement (EIS) is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permitting action is for the addition of coke breeze as a supplemental fuel for the CE boilers. MAQP #1826-12 includes conditions and limitations to ensure the facility will operate in compliance with all applicable rules and regulations. In addition, there are no significant impacts associated with this proposal.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

Individuals or groups contributing to this EA: Department of Environmental Quality – Air Resources Management Bureau.

EA prepared by: Deanne Fischer
Date: July 5, 2013