

ENVIRONMENTAL COMPLIANCE APPROVAL

NUMBER 8452-D26NEP
Issue Date: July 29, 2024

Millbank Sawmill Inc.
6870 Perth Road 121
Perth East, Ontario
N0K 1L0

Site Location: 6870 Perth Road 121
Perth East Township, County of Perth
N0K 1L0

You have applied under section 20.2 of Part II.1 of the Environmental Protection Act, R.S.O. 1990, c. E. 19 (Environmental Protection Act) for approval of:

a sawmill, producing dimensional softwood lumber, consisting of;

- logs receiving and handling operations;
- sawmill operations, such as debarking, sawing and trimming, performed in one (1) main saw building, passively venting into the atmosphere;
- bark and wood waste storage and handling operations;
- final product storage and shipping operation;
- one (1) 233 kilowatts diesel-fired generator set

all in accordance with the application for an Environmental Compliance Approval (Air) submitted by Millbank Sawmill, dated January 30, 2023, and signed by Sidney Martin; the supporting information, including the Emission Summary and Dispersion Modelling Report prepared by CCS Engineering Inc., dated January 30, 2023, and signed by Jim Anderson; the Acoustic Assessment Report prepared by CCS Engineering Inc. dated January 30, 2023 and signed by Jim Anderson; and an e-mail prepared by CCS Engineering Inc., dated February 1, 2024, and signed by Jim Anderson.

For the purpose of this environmental compliance approval, the following definitions apply:

1. "Acoustic Assessment Report" means the report, prepared in accordance with Publication NPC-233 submitted in support of the application, that documents all sources of noise emissions and Noise

Control Measures present at the Facility. "Acoustic Assessment Report" also means the Acoustic Assessment Report prepared by CCS Engineering Inc., dated January 30, 2023 and signed by Jim Anderson;

2. "Acoustic Audit" means an investigative procedure consisting of measurements and/or acoustic modelling of all sources of noise emissions due to the operation of the Facility, assessed to determine compliance with the Performance Limits for the Facility regarding noise emissions, completed in accordance with the procedures set in Publication NPC-103 and reported in accordance with Publication NPC-233;
3. "Acoustic Audit Report" means a report presenting the results of an Acoustic Audit, prepared in accordance with Publication NPC-233;
4. "Acoustical Consultant" means a person currently active in the field of environmental acoustics and noise/vibration control, who is familiar with Ministry noise guidelines and procedures and has a combination of formal university education, training and experience necessary to assess noise emissions from a Facility;
5. "Approval" means this Environmental Compliance Approval, including the application and supporting documentation listed above;
6. "Best Management Practices Plan" means a document or a set of documents which describe measures to minimize dust emissions from the Facility and/or Equipment;
7. "Company" means Millbank Sawmill Inc. that is responsible for the construction or operation of the Facility and includes any successors and assigns in accordance with section 19 of the EPA;
8. "Director" means a person appointed for the purpose of section 20.3 of the EPA by the Minister pursuant to section 5 of the EPA;
9. "District Manager" means the District Manager of the appropriate local district office of the Ministry, where the Facility is geographically located;
10. "EPA" means the *Environmental Protection Act*, R.S.O. 1990, c.E.19;
11. "Equipment" means the equipment described in the Company's application, this Approval and in the supporting documentation submitted with the application, to the extent approved by this Approval;
12. "ESDM Report" means the Emission Summary and Dispersion Modelling Report prepared in accordance with section 26 of O.Reg. 419/05 and the Procedure Document by Jim Anderson / CCS Engineering Inc. and dated January 30, 2023, submitted in support of the application including any addendum submissions made during the Ministry's review of the Company's application;
13. "Facility" means the entire operation located on the property where the Equipment is located;

14. "Independent Acoustical Consultant" means an Acoustical Consultant who is not representing the Company and was not involved in preparing the Acoustic Assessment Report or the design/implementation of Noise Control Measures for the Facility and/or Equipment. The Independent Acoustical Consultant shall not be retained by the Acoustical Consultant involved in the noise impact assessment or the design/implementation of Noise Control Measures for the Facility and/or Equipment;
15. "Manager" means the Manager, Technology Standards Section, Standards Development Branch, or any other person who represents and carries out the duties of the Manager, Technology Standards Section, Standards Development Branch, as those duties relate to the conditions of this Approval;
16. "Manual" means a document or a set of documents that provide written instructions to staff of the Company;
17. "Minister" means the Minister of the Environment, Conservation and Parks or such other member of the Executive Council as may be assigned the administration of the EPA under the Executive Council Act;
18. "Ministry" means the ministry of the Minister;
19. "Noise Control Measures" means measures to reduce the noise emission from the Facility including, but not limited to silencers, acoustic louvres, enclosures, absorptive treatment, plenums and barriers;
20. "O. Reg. 419/05" means Ontario Regulation 419/05, Air Pollution - Local Air Quality, as amended;
21. "Point of Impingement" has the same meaning as in section 2 of O. Reg. 419/05;
22. "Pre-Test Plan" means a plan for the Source Testing including the information required in Section 5 of the Source Testing Code;
23. "Procedure Document" means Ministry guidance document titled "Procedure for Preparing an Emission Summary and Dispersion Modelling Report", dated March 2018, as amended;
24. "Publication NPC-103" means the Ministry Publication NPC-103 of the Model Municipal Noise Control By-Law, Final Report, August 1978, published by the Ministry, as amended;
25. "Publication NPC-233" means the Ministry Publication NPC-233, "Information to be Submitted for Approval of Stationary Sources of Sound", October, 1995 as amended;
26. "Publication NPC-300" means the Ministry Publication NPC-300, "Environmental Noise Guideline, Stationary and Transportation Sources – Approval and Planning, Publication NPC-300", August, 2013, as amended;
27. "Source Testing" means sampling and testing to measure emissions resulting from operating the Targeted Sources under conditions which yield the worst case emissions within the approved

operating range of the Targeted Sources which satisfies paragraph 1 of subsection 1(1) of O. Reg. 419/05;

28. "Source Testing Code" means the Ontario Source Testing Code, dated June 2010, prepared by the Ministry, as amended;
29. "Targeted Source" means the diesel-fired generator set that is the main power supply to the Facility, described in the Company's application, this Approval and in the supporting documentation submitted with the application, to the extent approved by this Approval;
30. "Test Contaminant" means the contaminants listed in Schedule A.
31. "Technical Bulletin: Management Approaches for Industrial Fugitive Dust Sources" means the Ministry publication "Technical Bulletin: management approaches for industrial fugitive dust sources", March 8, 2017, as amended;

You are hereby notified that this environmental compliance approval is issued to you subject to the terms and conditions outlined below:

TERMS AND CONDITIONS

1. OPERATION AND MAINTENANCE

1. The Company shall ensure that the fuel used to operate the Target Source contains a maximum sulphur content of no more than fifteen (15) parts per million.
2. The Company shall ensure that the Equipment is properly operated and maintained at all times. The Company shall:
 - a. prepare, not later than three (3) months after the date of this Approval, and update, as necessary, a Manual outlining the operating procedures and a maintenance program for the Equipment, including:
 - i. routine operating and maintenance procedures in accordance with good engineering practices and as recommended by the Equipment suppliers;
 - ii. emergency procedures, including spill clean-up procedures;
 - iii. procedures for any record keeping activities relating to operation and maintenance of the Equipment; and
 - iv. all appropriate measures to minimize noise and odorous emissions from all potential sources; and

- b. implement the recommendations of the Manual.

2. SOURCE TESTING

1. The Company shall ensure that the emissions of the Test Contaminant in the undiluted gases emitted from the stack of the Targeted Source shall not be greater than the emission limits specified in Schedule A of this Approval.
2. The Company shall perform Source Testing, initially and every two (2) calendar years thereafter, in accordance with the procedures in Schedule B, to determine the rate of emission of the Test Contaminant from the Targeted Source.

3. RECORD RETENTION

1. The Company shall retain, for a minimum of two (2) years from the date of their creation, all records and information related to or resulting from the recording activities required by this Approval, and make these records available for review by staff of the Ministry upon request. The Company shall retain:
 - a. all records on the maintenance, repair and inspection of the Equipment;
 - b. all records associated with the Source Testing; and
 - c. all records of any environmental complaints, including:
 - i. a description, time and date of each incident to which the complaint relates;
 - ii. wind direction at the time of the incident to which the complaint relates; and
 - iii. a description of the measures taken to address the cause of the incident to which the complaint relates and to prevent a similar occurrence in the future.

4. NOTIFICATION OF COMPLAINTS

1. The Company shall notify the District Manager, in writing, of each environmental complaint within two (2) business days of the complaint. The notification shall include:
 - a. a description of the nature of the complaint; and
 - b. the time and date of the incident to which the complaint relates.

5. FUGITIVE DUST CONTROL

1. The Company shall develop in consultation with the District Manager, a Best Management Practices Plan for the control of fugitive dust emissions. This Best Management Practices Plan

shall:

- a. at minimum, be prepared in accordance with Ministry Technical Bulletin: Management Approaches for Industrial Fugitive Dust Sources; and
 - b. include a list of all Ministry comments received, if any, on the development of the Best Management Practices Plan, and a description of how each Ministry comment was addressed in the Best Management Practices Plan.
2. The Company shall submit the Best Management Practices Plan to the District Manager not later than three months after the date of this Approval or as otherwise indicated by the District Manager.
 3. Upon acceptance of the Best Management Practices Plan by the District Manager, the Company shall immediately implement the Best Management Practices Plan for the control of fugitive dust emissions to provide effective dust suppression measures to any potential sources of fugitive dust emissions resulting from the operation of the Facility.
 4. The Company shall update the Best Management Practices Plan as necessary or at the direction of the District Manager.

6. NOISE

1. The Company shall, at all times, ensure that the noise emissions from the Facility comply with the limits set in Ministry Publication NPC-300.
2. The Company shall restrict the operation of the Equipment to the daytime hours from 7 a.m. to 7 p.m.

7. ACOUSTIC AUDIT

1. The Company shall carry out Acoustic Audit measurements on the actual noise emissions due to the operation of the Facility. The Company:
 - a. shall carry out Acoustic Audit measurements in accordance with the procedures in Publication NPC-103;
 - b. shall submit an Acoustic Audit Report on the results of the Acoustic Audit, prepared by an Independent Acoustical Consultant, in accordance with the requirements of Publication NPC-233, to the District Manager and the Director, not later than six (6) months from the date of this Approval.
2. The Director:
 - a. may not accept the results of the Acoustic Audit if the requirements of Publication NPC-233

were not followed;

- b. may require the Company to repeat the Acoustic Audit if the results of the Acoustic Audit are found unacceptable to the Director.

8. CHANGE OF OWNERSHIP

1. The Company shall notify the Director in writing, and forward a copy of the notification to the District Manger, within thirty (30) days of the occurrence of any changes to facility operations;
 - a. the ownership of the Facility;
 - b. the operator of the Facility;
 - c. the address of the Company;
 - d. the partners, where the Company is or any time becomes a partnership and a copy of the most recent declaration filed under the *Business Names Act*, R.S.O. 1990, c. B.17, shall be included in the notification;
 - e. the name of the corporation where the Company is or at any time becomes a corporation, other than a municipal corporation, and a copy of the most current information filed under the *Corporations Information Act*, R.S.O. 1990, c. C.39, shall be included in the notification.
2. In the event of any change in ownership of the Facility, the Company shall notify the successor of the existence of this Approval and provide the successor with a copy of this Approval, and the Company shall provide a copy of the notification to the District Manager and the Director.

SCHEDULE A

Emission Limits for Internal Combustion Engines used for Non-Emergency Power Generation

Contaminant	Maximum Limit (kg/MWh)⁽¹⁾
Nitrogen Oxides	0.4
Suspended Particulate Matter	0.02
Non-Methane hydrocarbons	0.19
Carbon Monoxide	3.5

(1) "kg/MWh" means kilogram per megawatt hour.

SCHEDULE B

Source Testing Procedures

1. The Company shall, for the initial Source Testing, submit, not later than three (3) months after the date of this Approval, a Pre-Test Plan to the Manager for the Source Testing of the Targeted Source, required under this Approval. The Company shall finalize the Pre-Test Plan in consultation with the Manager.
2. The Company shall not commence the Source Testing required under this Approval until the Manager has approved the Pre-Test Plan.
3. The Company shall perform the initial Source Testing within three (3) months after the Pre-Test Plan is approved.
4. For subsequent Source Testing:
 - a. The Company shall submit either a written notification of intent to use a previous approved Pre-Test Plan (with version reference if there were more than one (1) previously approved Pre-Test Plan), or a new Pre-Test Plan, to the Manager not later than two (2) months of the planned date of the Source Testing for approval.
 - b. If the Company submitted a written notification of intent to use a previously approved Pre-Test Plan, the Manager may either accept the use of a previously approved Pre-Test Plan, or, request the submission of a new Pre-Test Plan for approval. The Company shall submit the requested new Pre-Test Plan within two (2) months after the Manager requested the submission.
 - c. The Company shall complete the subsequent Source Testing no later than three (3) months after the Manager has either agreed with the written notification or approved the new Pre-Test Plan.
5. The Company shall notify the Manager, the District Manager and the Director in writing of the location, date and time of any impending Source Testing required by this Approval, at least fifteen (15) days prior to the Source Testing.
6. The Company shall submit a report (hardcopy and electronic format) on the Source Testing to the Manager, the District Manager and the Director not later than three (3) months after completing the Source Testing. The report shall be in the format described in the Source Testing Code, and shall also include, but not be limited to
 - a. an executive summary;
 - b. an identification of the applicable North American Industry Classification System code (NAICS) for the Facility;

- c. records of operating conditions at the time of Source Testing, including but not limited to the following:
 - i. production data;
 - ii. Facility/process information related to the operation of the Targeted Source;
 - iii. description of the emission sources controlled by the Targeted Source at the time of testing; and
 - iv. operational description of the general building ventilation at the time of testing;
 - d. results of Source Testing, including the emission rate, emission concentration, and relevant emission factor of the Test Contaminant from the Targeted Source; and
 - e. a tabular comparison of calculated emission rates and emission factors based on Source Testing results for the Test Contaminants to relevant estimates described in the ESDM Report;
7. The Director may not accept the results of the Source Testing if:
- a. the Source Testing Code or the requirements of the Manager were not followed;
 - b. the Company did not notify the Manager, the District Manager and Director of the Source Testing; or
 - c. the Company failed to provide a complete report on the Source Testing.
8. If the Director does not accept the results of the Source Testing, the Director may require re-testing. If re-testing is required, the Pre-Test Plan strategies need to be revised and submitted to the Manager for approval. The actions taken to minimize the possibility of the Source Testing results not being accepted by the Director must be noted in the revision.
9. If any of the calculated emission factors or calculated emission rates are higher than the predicted rates in the ESDM report, the Company shall update their ESDM Report in accordance with Section 26 of O. Reg. 419/05 and the Procedure Document with the results from the Source Testing, not later than three (3) months after the submission of the Source Testing report and make these records available for review by staff of the Ministry upon request.
10. The District Manager may not require subsequent Source Testing or relax the frequency of subsequent Source Testing if the results of the Source Testing indicate that the environmental impact from the Test Contaminant are insignificant.

The reasons for the imposition of these terms and conditions are as follows:

1. Condition No. 1 is included to emphasize that the Equipment must be maintained and operated according to a procedure that will result in compliance with the EPA, the regulations, and this Approval.
2. Condition No. 2 is included to require the Company to gather and retain accurate information so that compliance with the EPA, the regulations, and this Approval can be verified.
3. Condition No. 3 is included to require the Company to keep records and to provide information to staff of the Ministry so that compliance with the EPA, the regulations, and this Approval can be verified.
4. Condition No. 4 is included to require the Company to notify staff of the Ministry so as to assist the Ministry with the review of the site's compliance.
5. Conditions No. 5 and 6.1 are included to provide the minimum performance requirements considered necessary to prevent an adverse effect resulting from the operation of the Facility.
6. Condition No. 6.2 is included to ensure that operation of the Equipment is not extended beyond the stated hours to prevent an adverse effect resulting from the operation of the Equipment.
7. Condition No. 7 is included to require the Company to gather accurate information and submit an Acoustic Audit Report in accordance with procedures set in the Ministry's noise guidelines, so that the environmental impact and subsequent compliance with this Approval can be verified.
8. Condition No. 8 is included to require the Company to notify/report to the Ministry so that compliance with the EPA, the regulations and this Approval can be verified.

In accordance with Section 139 of the *Environmental Protection Act*, you may by written notice served upon me, the Ontario Land Tribunal and in accordance with Section 47 of the *Environmental Bill of Rights*, 1993, the Minister of the Environment, Conservation and Parks, within 15 days after receipt of this notice, require a hearing by the Tribunal. The Minister of the Environment, Conservation and Parks will place notice of your appeal on the Environmental Registry. Section 142 of the *Environmental Protection Act* provides that the notice requiring the hearing ("the Notice") shall state:

- a. The portions of the environmental compliance approval or each term or condition in the environmental compliance approval in respect of which the hearing is required, and;
- b. The grounds on which you intend to rely at the hearing in relation to each portion appealed.

The Notice should also include:

1. The name of the appellant;
2. The address of the appellant;
3. The environmental compliance approval number;
4. The date of the environmental compliance approval;
5. The name of the Director, and;
6. The municipality or municipalities within which the project is to be engaged in.

And the Notice should be signed and dated by the appellant.

This Notice must be served upon:

Registrar*
Ontario Land Tribunal
655 Bay Street, Suite 1500
Toronto, Ontario
M5G 1E5
OLT.Registrar@ontario.ca

and

The Minister of the Environment,
Conservation and Parks
777 Bay Street, 5th Floor
Toronto, Ontario
M7A 2J3

and

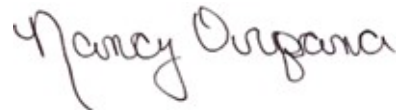
The Director appointed for the purposes of
Part II.1 of the *Environmental Protection Act*
Ministry of the Environment,
Conservation and Parks
135 St. Clair Avenue West, 1st Floor
Toronto, Ontario
M4V 1P5

* **Further information on the Ontario Land Tribunal's requirements for an appeal can be obtained directly from the Tribunal at: Tel: (416) 212-6349 or 1 (866) 448-2248, or www.olt.gov.on.ca**

This instrument is subject to Section 38 of the *Environmental Bill of Rights*, 1993, that allows residents of Ontario to seek leave to appeal the decision on this instrument. Residents of Ontario may seek leave to appeal within 15 days from the date this decision is placed on the Environmental Registry. By accessing the Environmental Registry at <https://ero.ontario.ca/>, you can determine when the leave to appeal period ends.

The above noted activity is approved under s.20.3 of Part II.1 of the *Environmental Protection Act*.

DATED AT TORONTO this 29th day of July, 2024



Nancy E Orpana, P.Eng.
Director
appointed for the purposes of Part II.1 of the
Environmental Protection Act

ML/

c: District Manager, MECP London - District
Jim Anderson, CCS Engineering Inc.