TECHNICAL EVALUATION

AND

PRELIMINARY DETERMINATION

PROJECT

Project No. 0770010-016-AC/PSD-FL-282C
Georgia-Pacific Hosford Oriented Strand Board Plant
Facility ID No. 0770010
Minor Permit Modification Project

COUNTY

Liberty County, Florida

APPLICANT

Georgia-Pacific Wood Products LLC
Hosford Oriented Strand Board Plant
12995 Highway 65 North
Hosford, Florida 32334

PERMITTING AUTHORITY

Florida Department of Environmental Protection
Division of Air Resource Management
Office of Permitting and Compliance
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

March 2013

1. GENERAL PROJECT INFORMATION

Air Pollution Regulations

Projects at stationary sources with the potential to emit air pollution are subject to the applicable environmental laws specified in Section 403 of the Florida Statutes (F.S.). The statutes authorize the Department of Environmental Protection (Department) to establish regulations regarding air quality as part of the Florida Administrative Code (F.A.C.), which includes the following applicable Chapters: 62-4 (Permits); 62-204 (Air Pollution Control – General Provisions); 62-210 (Stationary Sources – General Requirements); 62-212 (Stationary Sources – Preconstruction Review); 62-213 (Operation Permits for Major Sources of Air Pollution); 62-296 (Stationary Sources - Emission Standards); and 62-297 (Stationary Sources – Emissions Monitoring). Specifically, air construction permits are required pursuant to Rules 62-4, 62-210 and 62-212, F.A.C.

In addition, the U.S. Environmental Protection Agency (EPA) establishes air quality regulations in Title 40 of the Code of Federal Regulations (CFR). Part 60 specifies New Source Performance Standards (NSPS) for numerous industrial categories. Part 61 specifies National Emission Standards for Hazardous Air Pollutants (NESHAP) based on specific pollutants. Part 63 specifies NESHAP based on the Maximum Achievable Control Technology (MACT) for numerous industrial categories. The Department adopts these federal regulations on a quarterly basis in Rule 62-204.800, F.A.C.

Facility and Location

The Georgia-Pacific Wood Products LLC (G-P) operates an oriented strand board (OSB) plant (SIC No. 2493) in Liberty County located at 12995 Highway 65 North, Hosford, Florida. The UTM coordinates of the existing facility are: Zone 17; 713.5 kilometers (km) East; and 3369.5 km North. This site is in an area that is in attainment (or designated as unclassifiable) for each air pollutant subject to a state or federal Ambient Air Quality Standard (AAQS).

Facility Regulatory Categories

- The facility is a major source of hazardous air pollutants (HAP).
- The facility operates no units subject to the acid rain provisions of the Clean Air Act.
- The facility operates a unit subject to the New Source Performance Standards (NSPS) of Title 40 of the Code of Federal Regulations, Part 60 (40 CFR 60).
- The facility operates units subject to the National Emission Standards of Hazardous Air Pollutants (NESHAP) of Title 40 of the Code of Federal Regulations, Part 63 (40 CFR 63).
- The facility is a Title V major source of air pollution in accordance with Chapter 62-213, F.A.C.
- The facility is a major stationary source in accordance with Rule 62-212.400, F.A.C. for the Prevention of Significant Deterioration (PSD) of Air Quality.

2. PROJECT DESCRIPTION AND DEPARTMENT REVIEW

On February 01, 2013, Georgia-Pacific submitted an application requesting the following revisions to Permit No. 0770010-002-AC/PSD-FL-282A.

Emissions Units(EU) EU-003 through EU-009 (Seven Baghouse Exhausts)

<u>Section III. Subsection C, Specific Condition 6 and 7.</u>

Request: The applicant requests the frequency of visible emission (VE) observation for EU-03 through 009 (baghouses) be reduced from daily to weekly. Based on a review of daily VE observation records from January 1, 2008 to December 31, 2012 there have been no visible emissions observed from any of the baghouses. In addition, Method 9 annual VE tests for the last 5 years have shown 0% opacity for EU-003 through 009.

Response: The Department agrees to revise the visible emissions observation frequency for EU-003 through 009 from daily to weekly. The facility has demonstrated reasonable assurance the permitted visible emission limits from each emissions unit does not exceed 5% opacity on a daily basis and finds the daily visible emission observations of EU-003 through 009 to be burdensome.

Emissions Units: Miscellaneous Fugitives (EU-010); Thermal Oil System Electrostatic Precipitator Exhaust (EU-011); and Miscellaneous Coating Operations (EU-014)

Section I. Facility Description, Project Details and Rule Applicability.

Section III. Subsection D, Emission Unit Description.

Section III. Subsection D, Specific Condition 9.

Appendix B. BACT/MACT Determination Summary.

Technical Evaluation and Best Available Control Technology (BACT)/Maximum Achievable Control Technology (MACT) Determination Section 7.3.

Request: The applicant requests EU-010, EU-011, and EU-014 be revised as indicated in the facility's Title V Air Operation Permit No. 0770010-012-AV. The correction would properly identify the Thermal Oil System ESP as EU-011; Miscellaneous Coating Operations-stencil, edge and stamps as EU-014; and classify EU-010 as various Fugitive sources.

Response: The Department agrees to make revisions to the applicable EU's. EU-014 was previously permitted as part of EU-010 (Fugitives), which were unregulated emission units. However, the stenciling, edge sealing, ultra sealing, guide/nail lines, and grade stamps are now regulated as Group 1 Miscellaneous Coating Operations under 40 CFR 63 subpart DDDD. EU-014 was incorporated in permit No. 0770010-007-AC when subpart DDDD became applicable to the facility's coating operation and does not need to be singled out in the facility's PSD-FL-282A permit since the Miscellaneous Coating Operation rule was not promulgated at that time.

Emissions Units: EU-001 (Five flake dryers with two RTO's); EU-002 (Panel press with one RTO); EU-003 through EU-009 (Seven Baghouse Exhausts); EU-010 Fugitives; and EU-011 Thermal Oil System Electrostatic Precipitator

Request: The applicant requests that the annual emissions tests for EU-001 through 011 be reduced to once per permit term, and that Air Construction/PSD Permit No. 0770010-002-AC (PSD-FL-282A) permit conditions Sections II.23[Note:], III.A.7 and 8, III.B.6 and 7, III.C.5, III.D.5, and Technical Evaluation and BACT/MACT Determination Section 7.1 and Section 9, be revised accordingly.

G-P performs continuous parametric monitoring on the control devises on the dryers and press, and the parameters being monitored were determined under representative operating conditions during which the facility was operating in compliance with the permit terms. This parametric monitoring satisfies the continuous compliance demonstration requirements contained in the Plywood and Composite Panels (PCWP) MACT. The results from all testing conducted from 2008 to 2012, have demonstrated compliance for all pollutants with an ample safety margin. G-P provided the information below summarizing the test results for the dryers and panel press obtained during the period from 2008 to 2012 and provided the maximum percent of permit limit for each pollutant based on the highest results obtained during this period.

Dryers/RTOs (EU-001)

Year	PM (lbs/hr)	CO (lbs/hr)	NOx (lbs/hr)	VOC (lbs/hr)
2008	15.6	26.1	39.4	6.7
2009	15.9	6.3	45.3	9.2
2010	16.3	20.1	36.1	6.5
2011	14.61	15.98	42.57	8.2
2012	14.63	19.28	43.11	7.52
Permit limit	42.7	42.4	75.8	79.7
Max % of Limit	38.2	56.8	62.0	11.5

Press/RTO (EU-002)

Year	PM (lbs/hr)	CO (lbs/hr)	NOx (lbs/hr)	VOC (lbs/hr)
2008	1.03	0.13	0.96	1.12
2009	2.6	1.7	1.3	4.6
2010	2.4	0	1.3	3.0
2011	1.69	0.3	1.54	4.28
2012	1.93	0.06	1.03	1.31
Permit limit	3.6	9.2	13.5	12.6
Max % of Limit	72.20	20.7	11.4	36.5

Response: The current permit No. 0770010-002-AC (PSD-FL-282A) requires annual pollutant specific testing for five flake dryers with two RTOs (EU-001) and the panel press with one RTO (EU-002). The baghouses (EU-003 through 009) and thermal oil system ESP (bypass stacks EU-011) are required to conduct an annual visible emissions evaluation per EPA Method 9.

The annual potential emissions of the Hosford OSB Plant are: PM/PM_{10} 296.8 tons per year (tpy), NO_X 449.6 tpy, CO 755.8 tpy, and VOC 413 tpy with a capacity of 600 million square feet per year on a 3/8-inch basis. Based on the fact G-P has emission limiting standards for which compliance testing is required and per Florida Administrative Code (F.A.C.), 62-297.310(7) Frequency of compliance tests, the facility must conduct a formal compliance test during each federal fiscal year (October1 – September 30) for visible emissions, VOC, NO_X, CO, and PM. The department cannot approve G-P's request to reduce the testing frequency for all pollutants to once per permit term.

3. PSD APPLICABILITY

General PSD Applicability

The Department regulates major stationary sources in accordance with Florida's PSD program pursuant to Rule 62-212.400, F.A.C. A PSD preconstruction review is required in areas currently in attainment with the state and federal Ambient Air Quality Standards or areas designated as "unclassifiable" for a given pollutant. A facility is considered "major" with respect to PSD if it emits or has the potential to emit: 250 tons per year or more of any regulated air pollutant; 100 tons per year or more of any regulated air pollutant and the facility belongs to one of the 28 PSD Major Facility Categories; or, 5 tons per year or more of lead.

New projects at existing PSD-major stationary sources are reviewed for PSD applicability based on net emissions increases from the project. Each PSD pollutant is evaluated for applicability based on emissions thresholds known as the Significant Emission Rates as defined in Rule 62-210.200, F.A.C. Pollutant emissions from the project exceeding these rates are considered "significant". In addition, applicants may choose to conduct a "PSD netting analysis" that includes all emissions increases as well as all emissions decreases for a 5-year period contemporaneous with the project to determine whether or not a PSD significant emissions increase will occur. Although a facility may be "major" for only one PSD pollutant, the project may be "significant" for several PSD pollutants. For each significant PSD pollutant, the applicant must employ the Best Available Control Technology (BACT) to minimize emissions and conduct an air quality analysis that demonstrates emissions from the project will not cause or contribute to adverse ambient impacts.

PSD Applicability for the Project

The project is located in Hosford, which is in an area that is currently in attainment with the state and federal Ambient Air Quality Standards or otherwise designated as unclassifiable. The existing facility is an existing PSD major stationary source. New projects must be reviewed for PSD applicability. There are no physical or operational changes being requested that will affect actual pollutant emissions. Therefore, the proposed changes do not trigger PSD preconstruction review and a 14-day public notice is required.

4. PRELIMINARY DETERMINATION

The Department makes a preliminary determination that the proposed project does not trigger preconstruction new source review under PSD, will remain in compliance with the terms and conditions contained in the current Title V operation permit. This determination is based on a technical review of the request, reasonable assurances provided by the applicant and the conditions contained in their current Title V operation permit. Leigh-Ann Pell is the project engineer responsible for reviewing the application and drafting the permit documents. Additional details of this analysis may be obtained by contacting Ms. Pell at 850-717-9033 or at leigh.pell@dep.state.fl.us or at the Department's Office of Permitting and Compliance at Mail Station #5505, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400.