Department of Environmental Protection

Jeb Bush
Governor

Northwest District
160 Governmental Center
Pensacola, Florida 32501-5794

David B. Struhs
Secretary

April 28, 2000

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MAY 01 2000
BUREAU OF AIR REGULATION

Certified, Receipt No. Z 539 637 856
F. Doug Owenby, V.P. and Operations Manager
Champion International Corporation
P O Box 87
Cantonment FL 32533-0087

Re: EPA Objection to PROPOSED Title V Permit No. 0330042-002-AV
Facility Name: Champion International Corp., Pensacola Mill

Dear Mr. Owenby:

On April 27, 2000, the Department received a timely written objection from the United States Environmental Protection Agency (EPA) to the referenced proposed permit. A copy of EPA's objection is enclosed.

In accordance with Section 403.0872(8), Florida Statutes (F.S.), the Department must not issue a final permit until the objection is resolved or withdrawn. Pursuant to Section 403.0872(8), F.S., the applicant may file a written reply to the objection within 45 days after the date on which the Department serves the applicant with a copy of the objections. The written reply must include any supporting materials that the applicant desires to include in the record relevant to the issues raised by the objection. The written reply must be considered by the Department in issuing a final permit to resolve the objection of EPA. Please submit any written comments you wish to have considered concerning the objection to Rick Bradburn at the above letterhead address.

Pursuant to 40 CFR 70.8(c)(4), the Department will have to resolve the objection by issuing a permit that satisfies EPA within 90 days of the objection, or EPA will assume authority for the permit.

If you have any questions, please contact Rick Bradburn at 850/595-8364, extension 1233.

Sincerely,

Ed K. Middleswart

Ed K. Middleswart, P.E.
Air Program Administrator

EKM:rbc
Enclosures

cc w/o enclosures:
Clair Fancy, FDEP Bureau of Air Regulation
Pat Comer, FDEP Office of General Counsel
Winston Smith, USEPA Region 4
Gregg Worley, USEPA Region 4

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

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Scott
Howard
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MAY 01 2000
DIVISION OF AIR
RESOURCES MANAGEMENT

4APT-ARB

Howard L. Rhodes, Director
Department of Environmental Protection
Division of Air Resources Management
Mail Station 5500
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

SUBJ: EPA's Review of Proposed Title V Permit No. 0330042-002-AV
Champion International Corporation - Pensacola Mill

Dear Mr. Rhodes:

The purpose of this letter is to notify the Florida Department of Environmental Protection (FDEP) that the U.S. Environmental Protection Agency (EPA) formally objects to the issuance of the above referenced proposed title V operating permit for the Champion International Corporation - Pensacola Mill in Cantonment, Florida, which was received by EPA, via e-mail notification and FDEP's web site, on March 14, 2000. This letter also provides our general comments on the proposed permit.

Based on EPA's review of the proposed permit and the supporting information received for this facility, EPA objects, under the authority of Section 505(b) of the Clean Air Act ("the Act") and 40 C.F.R. § 70.8(c) (see also Florida Regulation 62-213.450), to the issuance of the proposed title V permit for this facility. The basis for EPA's objection is that the permit does not fully meet the periodic monitoring requirements of 40 C.F.R. § 70.6(a)(3)(i), does not contain conditions that assure compliance with all applicable requirements, as required by 40 C.F.R. § 70.6(a), and has permit shield requirements that do not conform with the requirements of 40 C.F.R. § 70.6(f) . Pursuant to 40 C.F.R. § 70.8(c), this letter and its enclosure contain a detailed explanation of the objection issues and the changes necessary to make the permit consistent with the requirements of 40 C.F.R. part 70 and assure compliance with applicable requirements of the Clean Air Act. The enclosure also contains general comments applicable to the permit.

Section 70.8(c) requires EPA to object to the issuance of a proposed permit in writing within 45 days of receipt of the proposed permit (and all necessary supporting information) if EPA determines that the permit is not in compliance with the applicable requirements under the Act or the requirements of 40 C.F.R. Part 70. Section 70.8(c)(4) of the title V regulations and Section 505(c) of the Act further provide that if the State fails to revise and resubmit a proposed permit within 90 days to satisfy the objection, the authority to issue or deny the permit passes to EPA, and EPA will act accordingly. Because the objection issues must be fully addressed within

the 90 days, we suggest that the revised permit be submitted in advance in order that any outstanding issues may be resolved prior to the expiration of the 90-day period.

If you have any questions or wish to discuss this further, please contact Mr. Gregg Worley, Chief of the Operating Source Section, at (404) 562-9141. Should your staff need additional information, they may contact Ms. Gracy R. Danois, Florida Title V Contact, at (404) 562-9119 or Ms. Lynda Crum, Associate Regional Counsel, at (404) 562-9524.

Sincerely,

Douglas Neeley for

Winston A. Smith
Director
Air, Pesticides and Toxics
Management Division

Enclosure

cc: Mr. F. D. Owenby, Champion International Corporation
Mr. Scott Sheplak, P.E., FDEP (via E-Mail)

Enclosure

U.S. EPA Region 4 Objection
Proposed Part 70 Operating Permit
Champion International Corporation
Pensacola Mill
Permit no. 0330042-002-AV

I EPA Objection Issues

1. Applicable Requirements - Subpart S: Section II, condition 12 of the permit establishes that the facility shall comply with the requirements of Part 63, subpart S. However, the permit fails to incorporate the applicable subpart S requirements. All applicable requirements for the source must be included in the Title V permit. Subpart S became effective on April 15, 1998, and the mill has been required to comply with several items of the rule since then. For example, the mill was required to submit an initial notification report on April 15, 1999, and to submit updates to the report every two years until the source achieves compliance with the requirements of Subpart S. Also, the mill is subject to the requirements of Subpart S, Table 1, which outlines the applicable portions of Part 63, Subpart A, General Provisions. At a minimum, these conditions must be in the permit along with a requirement to submit a permit modification request within a specified time frame before the compliance date of the compliance option selected by the facility.

2. Periodic Monitoring - Capacity: Conditions B.1, C.1, D.1, E.1, G.1, I.1, K.1, L.1, M.1, N.1, O.1 and S.1 specify the maximum capacity for the units at this facility. For all the conditions listed above, periodic monitoring requirements sufficient to assure compliance with these capacity limitations need to be included in the permit or clarifying language explaining the purpose of these conditions (similar to the language contained in conditions A.1, F.1, H.1 and R.1) needs to be added to the permit.

3. Parameter Monitoring - Particulate Matter, Visible Emissions, Sulfur Dioxide, TRS, Chlorine, Chlorine Dioxide and Chloroform: Parametric monitoring for the pollutants listed above is contained in the permit as follows:

   a. Particulate Matter: Condition N.11 requires the scrubber pressure drop to be maintained at 24 inches of H_2O, measured in one-hour averages. Condition O.8 requires that the green liquor flow rate to the wet scrubber be above 80 gal/min.

   b. Visible Emissions: Condition B.13 requires the scrubber pressure drop to be maintained at 9.1 inches of H_2O, measured in three-hour averages.

Condition C.13 requires the scrubber pressure drop to be maintained at 10.0 inH_2O, measured in three hour averages.

c. Sulfur Dioxide: Conditions B.13 and C.13 establish that, when firing coal, the pH of the scrubbing medium should be maintained at 5.5 with a minimum of no less than 4. Condition G.20 establishes that the pH of the scrubbing medium should be maintained at a minimum of 7.5.

d. TRS: Condition F.4 of the permit establishes that the source must maintain a minimum scrubber differential pressure drop of 3.5 inH2O, based on a twelve-hour average. Condition H.3 requires that the white liquor flow to the scrubber be maintained at a minimum of 35 gal/min, based on a twelve-hour average.

e. Chlorine, Chlorine Dioxide and Chloroform: Conditions I.5 and K.4 establish that the source must maintain a minimum white liquor pH at 12 and 10, respectively. Condition I.5 also establishes that, when the white liquor scrubber is not operational, two chilled water scrubbers will be used in its place with a maximum temperature of 50°F and a minimum flow rate of 25 gal/min.

The statement of basis must contain demonstrations (historical data, performance tests, etc.) supporting the numerical values assigned to the parameters and how they assure compliance with the limitations. Also, the procedure used to establish the parametric ranges that are representative of proper operation of the control equipment, and the frequency for re-evaluating the ranges must be specified in the permit.

4. Periodic Monitoring - Fuel Records: For units 002 and 003, the permit must require the facility to maintain fuel usage records to demonstrate compliance with the applicable NO_x, CO and VOC limits. Since this recordkeeping will be used to determine compliance with a pound per MMBTU limitation, at a minimum, the permit must contain a requirement to maintain a daily log of the fuel usage for these units.

5. Appropriate Averaging Times: In order for the emissions standard for particulate matter (conditions A.4, B.4, C.4, E.6, F.3, G.7, N.4 and O.3), sulfur dioxide (conditions B.5, C.5 and G.10), carbon monoxide (conditions D.5), TRS (condition N.5), chorine (conditions I.3, K.3.1 and 2), chlorine dioxide (conditions I.4, K.3.1 and 2.), chloroform (conditions K.3, K.3.1 and 2) and nitrogen oxides (conditions B.6, C.6 and D.4) contained in the permit to be practicably enforceable, the appropriate averaging time must be specified in the permit. An approach that can be used to address this deficiency is to include general language

in the permit to indicate that the averaging times for all specified emission standards are tied to or based on the run time of the test method(s) used for determining compliance.

6. Practical Enforceability - Monitoring of Operations: Conditions B.13, C.13, G.20, O.8 contain the following statement: "For the purpose of periodic monitoring, continuous monitoring shall be considered 90% of emitting unit operating hours." This statement was added after the posting of the revised draft in the State's web page on January 25, 2000, and it was not a documented change in the Proposed Permit Determination dated March 14, 2000. EPA does not consider this statement to be appropriate permit language unless the applicable requirement specifically allows for 10% monitor downtime. Facilities must be continuously monitored at all times when operating, and EPA could not find anything in the underlying applicable requirements that would allow for a different interpretation. The State must remove this language from these conditions or provide the regulatory basis for the monitor downtime allowance.

7. Federally Enforceable Requirements: Section II, conditions 7 and 8 consist of control and work practice standards for VOCs and particulate matter, respectively. These conditions are labeled as "not federally enforceable." However, these conditions are federally enforceable because they are contained in the federally approved portion of the Florida SIP. Therefore, the permit must be changed to reflect that these conditions are federally enforceable.

8. Permit Shield: Appendix PS-1 is entitled, "Summary of Title V Permit Shield Requests." This portion of the permit lists requirements indicated as not applicable to the source and the justification of non-applicability for each one as provided by the applicant. While the appendix appears to be intended as a permit shield, the permit does not actually state that a shield from any requirements is provided. A mere summary of the permit applicant's request for a permit shield does not constitute a permit shield itself.

   In addition, the cover page to Appendix PS-1 states that "the justification of the non-applicability provided should be carefully reviewed by the mill for accuracy." In accordance with 40 C.F.R. §70.6(f)(1)(ii), a permit shield for non-applicable requirements must be supported by a written determination *from the permitting authority* that the requirements specifically identified are not applicable to the source. Therefore, Appendix PS-1 is not allowable as a permit shield because the permitting authority has not made its own determination regarding the applicability of the requirements listed. The appendix must be removed from the permit, or the permitting authority must provide its own written determination of its accuracy.

   Moreover, please note that the purpose of the permit shield provision at 40 C.F.R.

§70.6(f)(1)(ii) is to clarify the applicability of certain requirements where that applicability is questionable or unclear. Region 4 recommends that the permitting authority not include a permit shield consisting of an extensive account of all requirements that are obviously not applicable to the source. The accuracy of such a shield is difficult to confirm, and appropriate enforcement action may be thwarted where errors are made.

II General Comments

1. General Comment: Please note that our opportunity for review and comment on this permit does not prevent EPA from taking enforcement action for issues that have not been raised in these comments: After final issuance, this permit shall be reopened if EPA or the permitting authority determines that it must be revised or revoked to assure compliance with applicable requirements.

2. General Comment: Please ensure that all changes done to the permit after the public comment period are documented in the Proposed Permit Determination document. Although the proposed permit determination prepared for this permit stated that no changes were made to the draft title V permit, several significant differences were noted between the draft and the proposed title V permits sent to EPA.

3. Compliance Certification: Section II, condition 11 of the permit should specifically reference condition 51 of Appendix TV-3, which lists the compliance certification requirements of 40 C.F.R. §70.6(c)(5)(iii), to ensure that complete certification information is submitted to EPA.

4. Subpart S Requirements: The State should try to incorporate as many applicable standards and monitoring, reporting and recordkeeping requirements from Subpart S as possible. For example, the requirements for LVHC systems can be included in the permit, as well as any other requirements for which the facility has already decided upon a compliance option to follow, even if the requirements will become effective at some point after permit issuance. The permit should establish when the source is expected to begin demonstrating continuous compliance with the requirements. Any changes to specific parameters listed under a compliance option may be incorporated by minor permit modification.

   In addition, the statement of basis should contain a description of the compliance option being considered by the facility, the compliance status of the facility at the time of permit issuance, and the expected date for compliance to be achieved. A note could be added to this information to clarify that the information given is non binding and that the source may change the schedule.

5. Periodic Monitoring: As you are aware, on April 14, 2000, the U.S. Court of Appeals for the D.C. Circuit issued an opinion addressing industry's challenge to the validity of portions of EPA's periodic monitoring guidance. See, Appalachian Power Co. v. EPA, No. 98-1512 (D.C. Cir., April 14, 2000). The Court found that "State permitting authorities [ ] may not, on the basis of EPA's guidance or 40 C.F.R. 70.6(a)(3)(i)(B), require in permits that the regulated source conducts more frequent monitoring of its emission than that provided in the applicable State or federal standard, unless that standard requires no periodic testing, specifies no frequency, or requires only a one-time test." While the permit contains testing from "time to time," as discussed in the court opinion, EPA does not consider these conditions sufficient to ensure compliance. In light of the court case, EPA is withholding formal objection on the following items.

   a. Particulate Matter: The permit does not contain adequate periodic monitoring for particulate matter emissions from units 029, 030, 033, 037, 003, 032, 038 and 028. Although condition V.1 of the Common Conditions requires that compliance tests for particulate matter be conducted, annual testing is not sufficient to provide reasonable assurance of compliance with the particulate matter emission limit. All Title V permits must contain monitoring that is sufficient to assure compliance with the applicable permit requirements. In particular, 40 C.F.R. Part 70.6 (a)(3)(B) requires that permits include periodic monitoring that is sufficient to yield reliable data from the relevant time period that are representative of the source's compliance with the applicable emission limits. In addition to demonstrating compliance, a system of periodic monitoring will also provide the source with an indication of an emission unit's performance, so that periods of excess emissions and violations of the emission limits can be minimized or avoided. Therefore, the permit should include a periodic monitoring scheme that will provide data which is representative of the source's actual performance.

      Since several of the emission units are equipped with a control device to control particulate matter emissions, EPA recommends using parametric monitoring to assure that particulate matter emissions are adequately controlled. For example, a parametric range that is representative of the proper operation of the control equipment could be established using source data to develop a correlation between control equipment parameter(s) and particulate matter emissions. The parametric range and/or procedure used to establish the range, as well as the frequency for re-evaluating the range should be specified in the permit.

   b. Visible Emissions: Conditions A.7, F.6, G.12, N.7, O.5, P.3 and Q.6 of the permit require that Method 9 tests be conducted annually. In most cases,

annual testing does not constitute adequate periodic monitoring to ensure continuous compliance with the visible emissions standard. Since most of these units have control equipment, it may be assumed that under normal operating conditions, no opacity may be observed. If this is the case, the permit should require the source to conduct visible emissions observations on a daily basis (Method 22), and that a Method 9 test be conducted within 24 hours of any abnormal qualitative survey. However, if the units normally operate under conditions where opacity can be observed, then the permit should require that Method 9 testing be conducted on a frequent basis.

As an alternative to the approaches described above, a technical demonstration should be included in the statement of basis that explains why no additional visible emissions testing for these units is required. The demonstration needs to identify the rationale for basing the compliance certification on data from a short-term test performed once a year.

c. NO_x, CO and VOC: Section III, Subsection G does not contain adequate periodic monitoring requirements to provide reasonable assurance of compliance with the limitations for NO_x, CO and VOC. The permit only requires testing on an annual basis. Specifically, the testing frequency does not provide a reasonable assurance of compliance with the pollutant limitations contained in this subsection. A technical demonstration should be included in the statement of basis that explains why no additional monitoring is warranted to ensure compliance with the limits. The demonstration should identify the rationale for basing the compliance certification on data from an annual short-term test. If it is determined that additional monitoring is necessary to ensure compliance with the permit conditions, more frequent testing requirements must be included in the permit.

d. Sulfur Dioxide: Condition G.20 of the permit specifies that the pH should be monitored once per shift. The pH should be continuously monitored rather than conducting once per shift measurements because the increased frequency will provide the source with a better indication of their emission unit's performance, so that periods of excess emissions and violations of the emission limits can be minimized or avoided.

e. TRS: In the revised draft permit, condition H.3 required hourly measurement of white liquor flow. This frequency offers better data to evaluate white liquor flow on a 12-hr average than the once per shift measurement specified in the proposed permit. EPA recommends reinstating the hourly frequency for measuring white liquor flow. In the

alternative, an explanation should be provided that addresses how the infrequent measurements of the parameter will provide assurance of compliance.

f. Chlorine, Chlorine Dioxide and Chloroform: A demonstration should be provided that supports the once per shift pH measurement for units 049, 050 and 051. EPA strongly believes that the parameters selected need to be monitored on a continuous basis to adequately assess the emission units' performance, so that periods of excess emissions and violations of the emission limits can be minimized or avoided. In addition, condition I.5 should provide more specificity regarding the frequency of monitoring of the flow rate and the temperature for the two chilled water scrubbers when the white liquor scrubber is not operational.