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BUREAU OF AIR REGULATION

Georgia-Pacific Corporation

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P.O. Box 105605
Atlanta, Georgia 30348-5605
(404) 652-4000
www.gp.com

October 4, 2005

Jeffery F. Koerner P.E.
Florida Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, Florida 32399

Re: Georgia-Pacific Corporation Palatka Sawmill Particulate Matter Issue Update

Mr. Koerner:

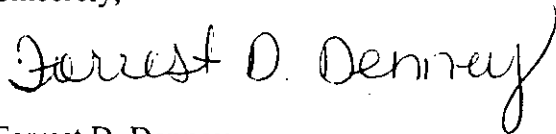
Georgia-Pacific Corporation (GP) has continued to make significant progress in resolving our particulate matter issues at our Palatka Sawmill. Our modeling analyses completed in May and July this year indicated predicted exceedances of the National Ambient Air Quality Standards and PSD Class II allowable increments. The analyses implicated the modeled emission rates at the sawmill were primarily responsible. We appreciate the opportunity to work with the Department to resolve these issues. We submitted a work plan to the Department on September 16th. At this time, we would like to advise you of several developments relevant to the first few milestones on the work plan:

1. We have obtained more representative particle size distribution data for many sources. The data reduces the PM10 fraction of total PM emissions from 50% or greater to less than 1%. For example, sawdust from block saws was provided to our control equipment vendor, Fischer-Klausterman for their design of a cyclone system for this material. Their analyses indicate less than 1% is PM10. Using the new data dramatically reduces modeled emissions and predicted impact for these sources. We have completed other sensitivity analyses for the remaining sources.
2. We have reviewed draft AERMOD guidance presented at the 8th Modeling Conference by USEPA (September 22, Research Triangle Park) and continue to evaluate AERMET. Cleve Holladay has provided us with a template from EPA Region IV (Stan Krivo) to request a case-by-case approval of using AERMOD.

3. We have hired DEECO as a stack test contractor to measure PM emissions from our lumber kilns. The sampling is scheduled for the week of October 17, 2005. A brief description of the testing protocol is attached for your review.

Should you have any questions regarding this, feel free to contact me at (404) 652-5042 or by email at fddenney@gapac.com or Mark Aguilar at (404) 652-4293, mjaguila@gapac.com.

Sincerely,



Forrest D. Denney
Senior Environmental Manager
Environmental Affairs

Cc:

Chris Kirts, PE Regional Air Administrator
Scott Matchett
Mark Aguilar
Lawrence Otwell
Glenn Moseley
Fritz Mason
Dan Bowen
Myra Carpenter

**Georgia Pacific Corporation
Palatka, FL Sawmill
Lumber Kiln Particulate Testing Protocol
October 2005**

Emission Unit No: 001
Kilns 1 and 2
Each fired by a direct-fired sawdust burners (26 MMBtu/hr)

Emission Points: EP01 – Kiln No. 1
EP02 – Kiln No. 2

Test Methods: EPA Methods 3, 4 and 14 for determining velocity, flow rate, oxygen and carbon dioxide content and moisture.

EPA Method 5 for determining filterable particulate matter

Testing will be conducted with a field staff of three with one recovery trailer. Flue gas flowrate will be monitored continuously for each of the twelve kiln vents during the entire kiln drying cycle. Particulate will be measured over the entire cycle (which averages 19 hours) with four sample systems (two on each side). Sampling boxes constructed out of plywood lined with sheet metal will cover each kiln vent. Field erected stacks will be attached to the sampling boxes. A man-lift will be used to access the sampling locations.



Department of Environmental Protection

Jeb Bush
Governor

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Colleen M. Castille
Secretary

September 23, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Theodore D. Kennedy, V.P Palatka Operations
Georgia-Pacific Corporation
P.O. Box 919
Palatka, FL 32178

Re: **Request for Additional Information – Project Status Update**
Georgia-Pacific Corporation, Palatka Mill
Project No. 1070005-030-AC - Lime Kiln Shell Replacement
Project No. 1070005-033-AC - No. 4 Combination Boiler Modification

Dear Mr. Kennedy:

The purpose of this letter is to remind you that the above applications for air permits remain incomplete. However, there are several ongoing related issues at the Palatka Mill. This letter will also serve as a general summary of each of these issues.

Multiple Contemporaneous Applications

Within the past year, Georgia-Pacific submitted separate PSD applications for the bark hog project, the lime kiln shell replacement project, and the No. 4 combination boiler project. Georgia-Pacific is also preparing to submit a separate application to modify the existing No. 4 recovery boiler. In addition, Georgia-Pacific intends to modify the application for the lime kiln shell replacement project to add petcoke as an authorized fuel. These projects are being planned within the same relative time frame and the Department believes the projects are sufficiently related in terms of PSD preconstruction review. The projects should be combined for review to determine PSD applicability, BACT determinations, and modeled impacts. The Department is concerned with the proper application of the PSD preconstruction review requirements for the pending projects. These concerns have been previously relayed to the plant through the permitting process and phone conversations as well as during the recent September 12th teleconference.

Permit No. PSD-FL-341 - Bark Hog Expansion Project

During January of 2005, the Department issued a permit to expand the wood/bark hog handling operations at the plant. This project now appears to be related to the increased wood/bark feed rate for the No. 4 combination boiler project. Emissions impacts from the related projects should be reviewed together. The bark hog emissions should be included in your modeling and analysis for the lime kiln and No. 4 combination boiler projects.

Project No. 1070005-030-AC - Lime Kiln Shell Replacement

This PSD application to modify the existing lime kiln was submitted in September of 2004. By July 2005, it appeared that Georgia-Pacific and the Department had resolved most of the outstanding issues. However, the latest submittal of additional information included an ambient air quality analysis that indicated modeled exceedances of the Ambient Air Quality Standard and PSD Increment for particulate matter. The area of concern is near a saw mill facility that is also owned by Georgia-Pacific. In a July 26th letter, the Department indicated that the modeled exceedances must be investigated and resolved before a draft permit for the lime kiln project could be issued. This problem, as well as the Department's concerns regarding the multiple contemporaneous applications, was discussed during a September 12th teleconference with Georgia-Pacific.

On September 13th, we discussed several issues by phone with personnel from the Palatka Mill. The plant intends to modify the application for the lime kiln shell replacement project to add petcoke as an authorized fuel. This is expected to

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substantially change the emissions for the project as well as PSD applicability. This application remains incomplete due to the issues regarding potential adverse particulate matter impacts, multiple contemporaneous applications, and petcoke firing.

Project No. 1070005-033-AC - No. 4 Combination Boiler

In June of 2005, the Department received your application for a PSD air construction permit for the existing No. 4 combination boiler at the Palatka Mill. To increase the bark/wood firing capacity of the boiler, the following modifications are proposed: install a bark/wood feed system including replacement of the existing bark bin with a live bottom bark/wood bin; upgrade the bark/wood fuel delivery system to accommodate the modified feed system; install an underfire air (UFA) system; upgrade the existing overfire air (OFA) system; install a new ash removal system to handle increased ash generation; and repair warped plates on existing electrostatic precipitator and optimize rapping rates to improve control efficiency. The Department requested additional details to clarify the netting analysis (Table 3-3) used to determine which pollutants would be subject to PSD preconstruction review. For example, the lime kiln replacement project was included in this analysis as if a PSD permit were issued and the project had commenced construction, which is not the case.

On August 26th, the Department received your response to our initial request for additional information. The response seems to indicate the following as Georgia-Pacific's position: each of the identified projects is separate and distinct; all contemporaneous increases and decreases were included in the netting analysis; and the netting analysis properly includes all permitted projects. It also mentions that another PSD application will be submitted shortly for the No. 4 recovery boiler, which is again identified as a separate and distinct project. The response also suggests that the No. 4 recovery boiler project could be constructed before the No. 4 combination boiler project, in which case the netting analysis would be revised. The Department has concerns with regard to this approach to PSD preconstruction review for multiple projects.

GP Palatka Sawmill - Particulate Matter Issues

As previously mentioned, the air quality modeling analysis supporting the lime kiln shell replacement project shows modeled potential exceedances near Georgia-Pacific's Palatka sawmill facility. On September 12th, Georgia-Pacific and the Department held a teleconference to clarify this issue. Georgia-Pacific identified that the saw mill facility appeared to be causing the predicted exceedances and that options to mitigate the problem were being developed. The Department intends to treat the issue as it would if the facilities were separately owned.

On September 16th, the Department received an email from Georgia-Pacific that committed to resolving the modeled exceedances as quickly as possible and presented an action plan. The Department appreciates the prompt response to this issue. For pending projects to proceed, the Department believes the following are necessary:

- The recent projects for the Palatka Mill should be combined and reviewed as a single project. The combined emissions impacts should be modeled to determine whether or not the "combined project" is causing or contributing to a significant impact near the sawmill facility. As stated previously, these activities constitute one PSD project and must be reviewed as such.
- If it is determined that the "combined project" does not cause or contribute to the modeled problems, a draft permit may be issued for the combined project. The Department will continue to work with Georgia-Pacific to resolve the sawmill issue independently.
- If it is determined that the "combined project" causes or contributes to the modeled problems, the issue must be resolved before a draft permit can be issued. The Department will need a federally enforceable plan of action for this sawmill prior to issuing the combined project.

To resolve the modeled particulate matter problems, it is recommended that the sawmill facility apply for a minor source air construction permit. This would require a 14-day public notice and comments period. The application should include an ambient air quality analysis that shows the modeled problems will be resolved by implementing the conditions specified in the permit. Many of the items included in the action plan should be included in the application. The purpose of the draft permit would be to identify the measures being taken to mitigate the problem and provide the necessary enforceable mechanism. Once the enforceable air construction permit is issued, the reduced emissions from the sawmill facility can be used in an ambient air quality analysis to support an air permit application for the Palatka Paper Mill. It will be possible to modify the draft permit as necessary to support the actual corrective actions to be taken.

Conclusion

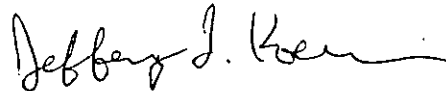
The applications for the lime kiln shell replacement and the No. 4 combination boiler are incomplete. The Department requests a revised PSD netting analysis to include all contemporaneous emissions increases and decreases. At this point, the

Department believes that the bark hog project, lime kiln shell replacement (plus petcoke), the No. 4 combination boiler modifications, and the No. 4 recovery boiler modifications should be reviewed for PSD applicability as a single project.

The Department will resume processing your applications after receipt of the requested information. Rule 62-4.050(3), F.A.C. requires that all applications for a Department permit must be certified by a professional engineer registered in the State of Florida. This requirement also applies to responses to Department requests for additional information of an engineering nature. For any material changes to the application, please include a new certification statement by the authorized representative or responsible official. You are reminded that Rule 62-4.055(1), F.A.C. requires applicants to respond to requests for information within 90 days or provide a written request for an additional period of time to submit the information.

It is our understanding that Georgia-Pacific is internally reviewing the issue of multiple contemporaneous applications and may have a different opinion. We welcome the opportunity to meet with you to discuss further details and develop a strategy for proceeding. If you have any questions regarding this matter, please call me at 850/921-9536.

Sincerely,



Jeffery F. Koerner, P.E.
Air Permitting North Program

cc: Myra Carpenter, GP
David Buff, Golder Associates Inc
Greg Worley, EPA Region 4
John Bunyak, NPS
Chris Kirts, NED



Palatka Pulp and Paper Operations
Consumer Products Division

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(386) 325-2001

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BUREAU OF AIR REGULATION

August 18, 2005

Mr. Jeff Koerner, P.E., Permitting North Administrator
Bureau of Air Regulation
Florida Department of Environmental Protection
Division of Air Resource Management
Twin Towers Office Building, MS #5505
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Re: Georgia-Pacific Palatka Mill
Modification to the No. 4 Combination Boiler
Project No.: 1070005-003-AC/PSD-FL-357

Dear Mr. Koerner:

Georgia-Pacific Corporation (GP) has received the Florida Department of Environmental Protection's (FDEP's) request for additional information (RAI), dated July 1, 2005. Responses to each of the Department's requests are provided in the attached letter prepared by David Buff, P.E.

If you have any questions please call Myra Carpenter at (386) 329-0918.

Sincerely,

Theodore D. Kennedy
Vice President

mjc

cc: W.M. Jernigan
S.D. Matchett
T. Wyles
E. Jamro
D. Buff - Golder Asso.



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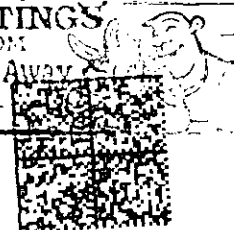


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Mr. Jeff Koerner, P.E.
Bureau of Air Regulation
FL Dept. of Environmental Protection
Twin Towers Office Building, MS #5505
2600 Blair Stone Road
Tallahassee, FL 32399-2400

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Fax (352) 336-6603
www.golder.com



August 17, 2005

0437562

Florida Department of Environmental Protection
Bureau of Air Regulation, New Source Review Section
2600 Blair Stone Road, MS# 5505
Tallahassee, FL 32399-2400

Attention: Mr. Jeff Koerner, P.E., Permitting North Administrator

RE: MODIFICATION TO THE NO. 4 COMBINATION BOILER
PROJECT NO.: 1070005-003-AC/PSD-FL-357

Dear Mr. Koerner:

Georgia-Pacific Corporation (GP) has received the Department's request for additional information (RAI) regarding the PSD application for modification of the No. 4 Combination Boiler at the Palatka Mill. Responses to each of the Department's requests are provided below, in the same order as contained in the RAI.

Comment 1. Please expand Table 3-3, and other tables if necessary, to include the upcoming modification of the No. 4 Recovery Boiler. If this expansion of the table results in projected emission impacts greater than PSD significance for other pollutants in addition to CO, please evaluate appropriately per Rule 62-212.400(5), F.A.C., PSD Preconstruction Review Requirements. This includes evaluating these impacts on the appropriate ambient air quality standards and increments.

Response 1. GP will be submitting a separate PSD permit application, which includes the modification to the No. 4 Recovery Boiler. The No. 4 Recovery Boiler project is a separate project from the No. 4 Combination Boiler project. As required by the PSD rules, each of these projects takes into consideration creditable increases and decreases in emissions that take place during the respective contemporaneous periods. Current plans call for the Combination Boiler project to be completed first. As such, the netting analysis for the project at hand is structured in that manner. If there are internal scheduling changes that cause the Recovery Boiler project to go first, the netting analyses will be updated and resubmitted. In the absence of that, FDEP should continue to process the applications in the order received.

We feel that we have adequately and thoroughly addressed this issue with FDEP in the past, most recently in our response to the Agency's Request for Additional Information (RAI) on the Lime Kiln maintenance project. We are well informed as to the rules, conditions, and history for both project aggregation and netting. We feel that we have performed this analysis appropriately for the project at hand and it will be addressed appropriately for any future projects.

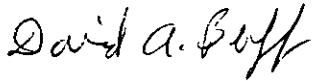


- Comment 2. In addition to issue No. 1, above, please identify any other emissions units/activities that will be affected upstream and down stream by the increase in production and steam output due to the proposed modification of the No. 4 Combination Boiler. Also, please include in the analysis any increases in production and associated pollutant emissions, including any collateral emission changes and increases (NCG's TRS to SO₂, etc.) for these emissions units/activities.
- Response 2. The purpose of the proposed No. 4 Combination Boiler project is to increase bark/wood firing in the boiler and decrease fossil fuel consumption, while improving emissions of a number of pollutants. This will also save GP on future fuel costs. No change in steam production by the Boiler will result from the project. Affects upon the Bark Handling System were addressed in a previous PSD application submitted to the Department (Permit No. 1070005-028-AC/PSD-FL-341). Contemporaneous emissions changes resulting from that project have been included in the netting calculation for the No. 4 Combination Boiler project. As such, no upstream or downstream emissions units will be affected by the proposed No. 4 Combination Boiler project.
- Comment 3. If any responses to the above issues affect the application submittal, please correct and/or change the application to reflect the additional analyses and submit.
- Response 3. Based on the above responses, no changes to the application are required.

Thank you for consideration of this information. Please call if you have any questions concerning this matter.

Sincerely,

GOLDER ASSOCIATES INC.



David A. Buff, P.E., QEP
Principal Engineer
Florida P.E. #19011
SEAL

DB/nav