



**ONE BUCKEYE DRIVE
PERRY, FLORIDA 32348-7702**

Mr. Jeff Koerner, Administrator
Florida Department of Environmental Protection
Division of Air Resource Management
2600 Blair Stone Road (MS5500)
Tallahassee, FL 32399-2400

February 20, 2015

RE: Request for Boiler MACT (40 CFR 63, Subpart DDDDD) Compliance Extension
Foley Cellulose LLC Mill, Permit No. 1230001-045-AV, Nos. 1 and 2 Bark
Boilers (EU004 and EU019)

Dear Mr. Koerner:

The Foley Cellulose LLC (Foley) Mill (previously known as the Buckeye Florida, LP Mill) in Perry, FL, was acquired by Georgia-Pacific LLC on August 23, 2013. This facility is subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters (the Boiler MACT) contained in *40 CFR Part 63 Subpart DDDDD*, which has been adopted by the State of Florida. The Boiler MACT has a compliance date of January 31, 2016. The Foley Mill submitted an extension request on January 16, 2015. It has since been determined that the compliance deadline for the No. 1 Bark Boiler needs to be adjusted by one month. For the reasons set forth below, the Foley Mill requests a nine month extension of the compliance deadline for all applicable Boiler MACT requirements for the No. 1 Bark Boiler (EU004) and a ten month extension of the compliance deadline for the No. 2 Bark Boiler (EU019). Both of these units are subject to Subpart DDDDD. The new compliance date for all applicable requirements under the rule would be November 1, 2016, for No. 1 Bark Boiler and December 1, 2016, for No. 2 Bark Boiler. This request is being made pursuant to 40 CFR 63.6(i)(4) of the NESHAP General Provisions.

The Clean Air Act and implementing Part 63 regulations give the permitting authority broad discretion to approve MACT compliance extensions where “necessary for the installation of controls”. In its March 23, 2001 preamble to proposed changes to the compliance extension provisions, EPA stated that “[t]he compliance extension under section 112(i)(3) is available for adding controls and other compliance measures requiring time beyond that which we anticipated in establishing the compliance date for NESHAP.” 66 Fed. Reg. 16318, 16328 (Mar. 23, 2001). By “controls”, EPA meant not only “control equipment” but also other “control measures” necessary to come into compliance with the relevant MACT regulations. Examples for which EPA said a compliance extension may be appropriate “include obtaining or implementing technology hardware or software systems and process changes to accommodate pollution prevention or other emission reduction measures.” 66 Fed. Reg. 16328. Other factors that EPA said could contribute to a compliance delay and support an extension request include “shortages of skilled design and construction engineers who are needed to build new facilities to meet

relevant standards, as well as shortages of available technology to meet the demand from sources who must comply with industry-specific MACT requirements.”

In the preamble to the final Boiler MACT rule itself, EPA specifically encouraged states to grant an additional year for compliance on a case-by-case basis, stressing that the states have the “ultimate discretion” on such requests. EPA also stated that it would be reasonable for state permitting authorities to consider the likely competition between the manufacturing and power sectors for the same engineering and control equipment resources as supporting compliance extension requests.78 Fed. Reg. 7138, 7143 (Jan. 31, 2013). The Foley Mill will have to install additional control equipment and undertake additional upgrades to ensure compliance with Subpart DDDDD for the Nos.1 and 2 Bark Boilers.

The following are the specific reasons the Foley Mill requires the additional time.

- The initial compliance planning process was complicated and extended due to two unforeseen circumstances. First, the initial compliance concept included the conversion of No.1 Bark Boiler to a natural gas unit. However, once the Mill started looking into this option, physical limitations on the natural gas supply to the facility were identified that may not allow this option. This required an extensive evaluation of the options available to increase the natural gas supply to the Mill and the development of the associated costs. This also involved an evaluation of alternative operating strategies within the facility that would allow us to implement the natural gas conversion concept in the event that an increase in natural gas supply would not be practicable. In addition, as a result of the acquisition by Georgia-Pacific, we evaluated additional compliance options that had not previously been considered, including the assessment of compliance requirements associated with the Hybrid Suspension Grate (HSG) subcategory. These assessments were just recently completed.
- The Foley Mill has elected to comply with the Boiler MACT requirements by satisfying the requirements of the HSG subcategory. To accomplish this, both bark boilers will have to be retrofitted to meet the HSG criteria. The planned work will involve the following changes:

No. 1 Bark Boiler

- Replace existing mechanical bark spreaders with air blown spreaders and lower their location/elevation, and
- Replace four of the eight existing fuel oil burners with new natural gas burners and a new burner management system (BMS)

No. 2 Bark Boiler

- Install a new economizer between the boiler and the tubular air heater,
- Modify the existing ductwork to bypass and decommission the existing bark dryer, and
- Replace two existing fuel oil burners with two new dual-fuel (fuel oil and natural gas) burners and a new BMS

The design, construction, startup, and verification timeframes included in the overall project schedule (Attachment I) were developed with input from the equipment suppliers, design engineering and construction firms. Shortening these timeframes would not be realistic and would represent a serious compliance risk.

- Scheduling of boiler downtime necessary for the completion of the planned changes must be coordinated in such a way that supply of manufactured products to our customers is not unduly impacted. The proposed schedule allows for this necessary coordination.

- Due to the age of these boilers (No.1 Bark Boiler was built in 1953 and No.2 Bark Boiler was built in 1954), the new carbon monoxide emission limits may require wall repairs to minimize air in-leakage. These actions have been incorporated into the proposed overall schedule as well.

Significant parts of the Boiler MACT rule, including critical emission limits, remain under reconsideration and in litigation. Motions by EPA for remand of certain issues and an associated suspension of the briefing deadlines by the Court in May 2014 extended an already-lengthy briefing schedule in this litigation, with final briefs not due until January 2015. Also, on December 1, 2014, EPA issued another reconsideration proposal for the Boiler MACT rule. Once the proposal is published in the *Federal Register*, the public comment period will run for 45 days, after which time EPA will have to review all comments before issuing a final rule. Given this schedule, it is widely projected that there will not be resolution of the legal challenges until at least late 2015, more than two years after issuance of the final reconsideration rule and just months before the January 2016 compliance date, or possibly after it. Completing final optimization of the planned changes with this uncertainty will be difficult.

The legal uncertainty associated with pending litigation and reconsideration heightens the risks associated with required capital spending. The 2004 BMACT rule was vacated by the federal court just before the final compliance date in 2007. Georgia-Pacific had invested significant people and financial resources in complying with that rule. Much of those investments were stranded due to the differences between the 2004 and 2011/2013 versions of the rule. Similar litigation uncertainty affects compliance planning for the current rule based on possible changes to the final emission limits.

The Foley Mill has historically demonstrated its commitment to achieving compliance with new requirements in a timely manner. The best good-faith schedule for installation of the necessary changes related to the Nos.1 and 2 Bark Boilers is shown in the schedule provided in Attachment I. Based on the attached schedule, the Foley Mill expects to need the entire period through November 1, 2016 for No. 1 Bark Boiler and through December 1, 2016 for No. 2 Bark Boiler to ensure compliance with Subpart DDDDD.

For the reasons summarized above, the Foley Mill respectfully requests a nine month extension of the compliance deadline for No. 1 Bark Boiler and a ten month extension of the compliance deadline for the No. 2 Bark Boiler. In order to finalize the compliance planning process, we would appreciate receiving a decision from the Department as soon as possible. Should the Department grant this request, we also respectfully request that the Department incorporate its approval of the extension into the facility's Title V permit as required under 40 CFR 63.6(i)(4)(i)(A).

Thank you for considering our request. If you have any questions, please contact Ray Andreu, Senior Manager, Environmental, at 850-933-4806.

I certify, based on information and belief formed after reasonable inquiry, that the statements and information in this document are true, accurate, and complete.

Sincerely,



Lee Davis
Vice President – General Manager
Foley Cellulose LLC

cc: Richard S. Rachal, P.G. (FDEP)

ACTIVITY	Start	Finish	2014				2015				2016							
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
HSG Option P2 Development	10/1/14	11/1/14																
P2 Funding	11/15/14	12/31/14																
Vendor Engineering	2/15/15	6/15/15																
Design Engineering	1/1/15	12/1/15																
Permitting	12/1/14	3/1/15																
P3 Full Project Funding	6/1/15	6/15/15																
Major Equipment Order (Econ./Air Dist./Burners/BMS)	6/15/15	7/1/15																
Major Equipment Delivery	2/1/16	2/15/16																
Construction:																		
Foundation/Structural Steel	10/1/15	1/1/16																
Outage Prework (Mech/Elec/Inst)	1/1/16	7/1/16																
#1 Bark Boiler Outage Installation	8/1/16	8/15/16																
#1 Bark Boiler Verification	8/15/16	11/1/16																
#2 Bark Boiler Outage Installation	10/1/16	10/15/16																
#2 Bark Boiler Verification	10/15/16	12/1/16																

Note: Major Equipment Engineering would need to be fully funded at P2 level.