

Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

November 20, 1995

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Albert W. Townsend
Director, Technical Services
Tarmac America, Inc.
455 Fairway Drive
Deerfield Beach, Florida 33441

Re: Permit Extension PSD-FL-142
Pennsuco Cement Kiln No. 2

Dear Mr. Townsend:

The Department reviewed your extension request dated August 30, our discussions on that same date, and a letter from Hopping Green Sams and Smith (HGSS) on your behalf dated October 3, 1995 proposing a new Top-Down BACT determination for nitrogen oxides (NO_x). Please note that there was no agreement to revise the BACT determination or to defer enforcement of the current emission limit.

A revised Top-Down BACT determination is not necessary. The thrust of any effort should be toward discovering the reasons for high emissions and expeditiously achieving compliance with the present BACT limit.

As discussed during our August 30 meeting, we are interested in knowing why NO_x emissions from Kiln No. 2 exceed the BACT limit. We are also interested in knowing why they are so much higher than emissions from Kiln No. 3 which was the basis for the Kiln No. 2 BACT limit. We note that the limit for Kiln No. 3 was determined about 15 years ago and there should be more options available to Tarmac for NO_x control.

Attached is an extension to the construction permit through May 31, 1996 to provide time for further investigation as to the cause(s) of high NO_x emissions and to comply with the NO_x limits for Kiln No. 2.

Mr. Albert W. Townsend
Page Two
November 20, 1995

If you have any questions regarding this matter, please call me
or John Reynolds at (904)488-1344.

Sincerely,

AA Linero 11/20

A. A. Linero, Administrator
New Source Review Section

AAL/aal/l

cc: J. Harper
C. Fancy, DEP
J. Pennington, DEP
J. Kahn, SED
T. Tittle, SED
P. Wong, DCDERM
J. Braswell, DEP
J. Alves, HGSS
D. Buff, KBN



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Mr. Albert W. Townsend
Director, Technical Services
Tarmac Florida, Inc.
455 Fairway Drive
Deerfield Beach, Florida 33441

Dear Mr. Townsend:

Re: Extension of Permit No. PSD-FL-142/Kiln No. 2

The Department received Tarmac's August 30 request for an extension of the expiration date of the above permit. The expiration date is changed as shown below:

From: August 31, 1995

To: **May 31, 1996**

This letter shall become Attachment No. 16 to this permit.

A person whose substantial interests are affected by the Department's proposed permitting decision may petition for an administrative proceeding (hearing) in accordance with Section 120.57, Florida Statutes (F.S.). The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 2600 Blair Stone Road, Tallahassee, Florida 32399-2400. Petitions filed by the applicant of the amendment request/application and the parties listed below must be filed within 14 days of receipt of this amendment. Petitions filed by other persons must be filed within 14 days of the amendment issuance or within 14 days of their receipt of this amendment, whichever occurs first. Petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. Failure to file a petition within this time period shall constitute a waiver of any right such person may have to request an administrative determination (hearing) under Section 120.57, F.S.

The Petition shall contain the following information:

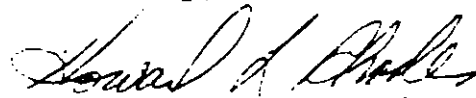
(a) The name, address and telephone number of each petitioner, the applicant's name and address, the Department Permit File Number and the county in which the project is proposed;

Mr. Albert W. Townsend
November 20, 1995
Page Two

- (b) A statement of how and when each petitioner received notice of the Department's action or proposed action;
- (c) A statement of how each petitioner's substantial interests are affected by the Department's action or proposed action;
- (d) A statement of the material facts disputed by Petitioner, if any;
- (e) A statement of facts which petitioner contends warrant reversal or modification of the Department's action or proposed action;
- (f) A statement of which rules or statutes petitioner contends require reversal or modification of the Department's action or proposed action; and,
- (g) A statement of the relief sought by petitioner, stating precisely the action the petitioner wants the Department to take with respect to the Department's action or proposed action.

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, the Department's final action may be different from the position taken by it in this amendment. Persons whose substantial interests will be affected by any decision of the Department with regard to the amendment request/application have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 14 days of receipt of this amendment in the Office of General Counsel at the above address of the Department. Failure to petition within the allowed time frame constitutes a waiver of any right such person has to request a hearing under Section 120.57, F.S., and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 28-5.207, Florida Administrative Code.

Sincerely,



Howard L. Rhodes, Director
Division of Air Resources
Management

HLR/jr/l

cc: J. Harper, EPA
J. Pennington, DEP
I. Goldman, DEP
P. Wong, DCDERM
J. Braswell, DEP
J. Alves, HGSS
D. Buff, KBN

Fold at line over top of envelope to the

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Albert Townsend
Tarmac America, Inc
455 Fairway Dr.
Deerfield Bch, FL
33441

4a. Article Number

2127 632 577

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

11/27/95

5. Signature (Addressee)

[Handwritten Signature]

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991

U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

2 127 632 577



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Albert Townsend
Tarmac America
Deerfield Bch, FL

Postage	\$
Registration Fee	
Restricted Delivery Fee	
Return Receipt for Merchandise Fee	
Signature Required (See Reverse)	
Signature Required (See Reverse)	
Total Postage & Fees	\$

PS Form 3800, March 1993

PS Form 3800
PSD-FI-142 11-21-95
P. Cement KEX #2

I N T E R O F F I C E M E M O R A N D U M

Date: 15-Nov-1995 07:34am EST
From: Patricia Comer TAL
COMER_P
Dept: Office General Counsel
Tel No: 904/488-9730
SUNCOM: 278-9730

TO: Alvaro Linero TAL (LINERO_A)
CC: Jeff Braswell TAL (BRASWELL_J)
Subject: RE: FWD: Pennsucco Kiln No. 2 (1)

If you do extend by even one day, the rule extension would take over, but that doesn't necessarily mean that they can blow the problem off. You can't mess around with the automatic extension, but you can approve the pre-Sept 1 extension only if there are some compliance requirements to be met until these guys get their Title V permit. I think they have to come in with their Title V app by June 15 because they are exisiting on Oct 25, 95. The auto extension was intended (at least by me) to apply to "new" facilities that haven't commenced operation by October 25, 95. This facility doesn't meet that requirement. they will have to show how and when they'll come into compliance because we have to have either reasonable assurances or an approvable compliance plan to issue the Title V permit. (Of course, they wouldn't have to worry about that until we actually start processing and they can continue to operate under the construction permit until the Title V permit is issued).

I don't think that Title V fees are of any real significance. I realize that these could accumulate for past payments, but if we didn't bill them, they don't have to pay anyway, so there really isn't any "past fee" consideration. The statute and rule both say, "specific condition of the source's most recent construction or operation permit" so I don't know why they wouldn't be billed. Ask John Brown about that.

I don't do litigation anymore, so I hesitate to recommend any particular action that might affect (or even effect) litigation, but I thought BACT was close to sacred cow status,-- not to be altered once established, so I'd be curious to know why a BACT limit that was presumably OK when they wanted to construct is suddenly not OK when they want to operate. I'd also be curious to know what Barry expected when he did the BACT. I know I was involved with this once, but I'm an attorney not an engineer, so I make no judgment about BACT limits.

I N T E R O F F I C E M E M O R A N D U M

Date: 13-Oct-1995 08:36am EST
From: Alvaro Linero TAL
LINERO_A
Dept: Air ReSources Management
Tel No: 904/921-9532
SUNCOM: 291-9532

TO: Patricia Comer TAL (COMER_P)
CC: John Reynolds TAL (REYNOLDS_J)
CC: Jeff Braswell TAL (BRASWELL_J)
Subject: Pennsucco Kiln No. 2 (1)

Pat. Please refer to attached draft letter in response to a request from Tarmac to extend the expiration date for construction (actually modification to convert to coal) at Kiln No. 2, Pennsucco Cement, Miami, Florida.

The issues are:

- o Tarmac has been operating since the conversion under the construction permit which, after several extensions, expired on August 31, 1995.
- o They requested another extension before the previous one expired.
- o They submitted a Certificate of Completion to the District at least one year ago.
- o They have not been able to comply with the Department's BACT Determination for NO_x (4.55 lbs/ton of clinker) or the "window" allowed by the stipulation agreed to by Tarmac and DEP (4.55-6.77 lbs/ton). If their compliance tests fell within the window, we were to reset our BACT to a level higher than our determination.
- o The District has not revised the facility operating permit, presumably because they have not demonstrated compliance with the NO_x limit.
- o Through HGSS, they submitted a plan (I faxed to you) to arrive at an "endpoint" on these matters. We don't see a commitment to meet our BACT limit in their endpoint.
- o If we extend by a single day, we wonder if they get an automatic subsequent extension through the new DEP rule which automatically extends construction permit to September 1996 (if they are due to expire after September 1, 1995).
- o If they continue to operate on their construction permit, we wonder if they don't have to pay Title V fees (because present operating permit has no NO_x limits). They were already avoiding Title V fees which should have accrued from the PSD BACT NO_x limit on Kiln No. 3 which

was never rolled over into the operating permit by the SED. The losses to the Title V program are roughly \$100,000 over the years.

- o Any compliance/enforcement issues will be handled separately.
- o We might be willing to extend the permit but only to allow time for them to comply - not to just produce reports.
- o Can you comment on the attached draft letter - particularly on any right we have to consider the extension to be the operating permit for the purpose of Title V fees?. After all the automatic extension are in lieu of operating permits.
- o Can we limit the automatic (rule -based) extension due to non-compliance? At least can we put conditions on the automatic extension?

We want to respond very soon. Can you handle any interactions with HGSS? I told them (when they called me to say they were going to send their letter) that I preferred they interact with OGC on these matters. Right now I only see a need to tell Tarmac what our intent is and copy HGSS and KBN.

I N T E R O F F I C E M E M O R A N D U M

Date: 09-Oct-1995 03:39pm E
From: John Reynolds TAL
REYNOLDS_J
Dept: Air Resources Management
Tel No: (904)488-1344
SUNCOM: 278-1344

TO: Alvaro Linero TAL

(LINERO_A)

Subject: Tarmac Memo Dated Oct. 3, 1995

I don't recall that we agreed to a BACT "re-determination" as Jim Alves implied. We said we would like more information regarding why the NOx numbers were so high relative to Kiln No. 3, but we didn't say we would use that information to redetermine BACT.

I suggest we respond with the following:

"This is in response to your letter dated October 3. As indicated during the Tarmac meeting on August 30, the Department would like more information as to why the NOx emissions from Kiln No. 2 exceed the BACT limit and why they are so much higher than Kiln No. 3 which was the basis for the Kiln No. 2 BACT limit. However, please understand that no agreement has been made to revise the BACT determination or to avoid enforcement of the current emission limit.

Rather than spending a lot of time and money developing an extensive report on various wet kiln technologies geared toward a revised BACT, Tarmac should be zeroing in on specific peculiarities of Kiln No. 2 affecting NOx emissions, perhaps conducting additional testing with another burner and/or employing kiln/burner design consultants to see if the problem can be solved through non-major physical/operational modifications. The Department will agree to a 7-month time period to accomplish this, which means that Tarmac must present evidence of its modification investigation and the results to the Department by May 15, 1996. "

HOPPING GREEN SAMS & SMITH

JAMES S. ALVES
BRIAN H. BIBEAU
KATHLEEN L. BLIZZARD
ELIZABETH C. BOWMAN
RICHARD S. BRIGHTMAN
PETER C. CUNNINGHAM
RALPH A. DEMEO
THOMAS M. DEROSE
WILLIAM H. GREEN
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FRANK E. MATTHEWS
RICHARD D. MELSON
DAVID L. POWELL
WILLIAM D. PRESTON
CAROLYN S. RAEPPE
DOUGLAS S. ROBERTS
GARY P. SAMS
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MICHAEL P. PETROVICH
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R. SCOTT RUTH
JULIE R. STEINMEYER

OF COUNSEL
CARLOS ALVAREZ
W. ROBERT FOKES

October 3, 1995

RECEIVED
OCT 3 1995

Bureau of
Air Regulation

VIA HAND DELIVERY

Mr. Al Linero
New Source Review Section
Florida Department of Environmental Protection
111 S. Magnolia Avenue, Suite 4
Tallahassee, FL 32302

RE: Tarmac Florida, Inc.
Kiln No. 2

Dear Al:

As discussed by telephone last month, Tarmac Florida requests that in addition to extending the expiration date of its PSD permit, DEP also include, as a minor modification, a schedule for resolving the pending issues concerning the final BACT determination for NOx. More specifically, this schedule would consist of the following three steps in development and consideration of pertinent information:

- (1) January 15, 1996 -- KBN to complete and submit to DEP results of a literature search compiling available information related to NOx emissions and NOx control technologies potentially applicable to wet process kilns. The results will be provided in narrative, tabular, and graphic format, as indicated from the data. The following potential sources of information will be consulted: EPA (Research Triangle Park Regional Offices, and BACT Clearinghouse); State of California; Portland Cement Association; air pollution control equipment vendors; supplies of coal burners; and sources operating NOx control systems on wet process kilns.
- (2) April 15, 1996 -- KBN to prepare and to submit a report addressing technically feasible NOx control technologies applicable to wet process cement kilns along

Al Linero
October 3, 1995
Page 2

with economic evaluations of feasible alternatives. With respect to technical feasibility, an engineering analysis will be conducted of the cement kiln process, process variables, and factors affecting NOx emissions. Areas investigated will include the species of NOx generated, the formation steps in the kiln, and the potential magnitude and species of NOx formed. Both Tarmac's cement kiln and other operating wet process cement kilns may be visited during this task, to assess the feasibility of various technologies. A written discussion of the results will be provided, along with supportive tables, graphs, etc. With regard to the economic evaluation of the technically feasible alternative control technologies, capital and annual operating costs will be developed for each alternative, and the total and incremental cost effectiveness for each will be determined. Costs will be based upon vendor information and standard cost estimating procedures published by EPA.

- (3) May 15, 1996 -- Based on the results of the economic evaluation and other information gathered during the study, KBN's BACT recommendation will be submitted. This recommendation will follow the EPA's "top-down" approach for determining BACT. A report describing the information and analysis gathered in all tasks will be developed for presentation to the Department. A meeting with the Department will be convened to present the results of the study and to discuss the analysis.

This process would facilitate the orderly development of relevant information, and allow DEP and Tarmac to address and evaluate pertinent questions in a systematic manner. Certainly a major advantage to this requested permit modification is that it identifies an endpoint to negotiations on this issue.

Please let me know at your earliest convenience whether this suggestion is acceptable to DEP. Of course, David Buff of KBN and I would be pleased to answer any questions regarding this proposal.

Very truly yours,



James S. Alves

JSA:lb

I N T E R O F F I C E M E M O R A N D U M

Date: 30-Aug-1995 05:48pm EST
From: Alvaro Linero TAL
LINERO_A
Dept: Air Resources Management
Tel No: 904/921-9532
SUNCOM: 291-9532

TO: Patrick Wong MIAMI

(WONG_P @ A1 @ EPIC66)

CC: Thomas Tittle WPB

(TITTLE_T @ A1 @ WPB1)

Subject: Tarmac Kiln 2 Coal Conversion

Today we met with Tarmac. They have been unable to meet their PSD limit on Kiln 2 for NO_x following the coal conversion project. They are unable to meet the limit of 4.55 lb NO_x/ton of clinker. In fact, after a year-long test program, they have been unable to meet a level between 4.55 and 6.77 lb/ton which according to condition 12 of AC 13-169901, PSD-FL-142 would make them eligible for a lower limit. This condition was in there as a result of a stipulation with OGC which resulted in Tarmac dropping a hearing request at the time the psd permit was issued.

They request a revision of the BACT/permit limit to 11 lb/ton. They have reasons and are trying to get together an explanation. This will take a long time to resolve. They have requested from us another extension of their construction permit in the meantime. I believe however that they submitted a Certificate of Completion long ago.

This is to alert you of the situation. The permit conditions remain in force regardless of any possible future changes in the NO_x limit. Please use your procedures for handling this kind of case.

I N T E R O F F I C E M E M O R A N D U M

Date: 29-Aug-1995 12:33pm EST
From: Patricia Comer TAL
COMER_P
Dept: Office General Counsel
Tel No: 904/488-9730
SUNCOM: 278-9730

TO: John Reynolds TAL (REYNOLDS_J)

CC: Alvaro Linero TAL (LINERO_A)

Subject: RE: Tarmac

you raise a good point about the legal argument, but I'd like you to not raise the legal arguments at tomorrow's meeting, since neither Jim Alves nor I will be there. there's probably plenty of scope for discussion in the why-they- didn't-meet-their-BACT and how-they-can-meet-it issues. Thanks

