Department of
Environmental Protection

Northeast District

Jeb Bush
Governor

7825 Baymeadows Way, Suite B200
Jacksonville, Florida 32256-7590

Colleen Castille
Secretary

<u>CERTIFIED - RETURN RECEIPT</u>

September 28, 2005

Mr. F.J. Perret, General Manager
Rayonier Performance Fibers, LLC.
The Foot of Gum Street
P.O. Box 2002
Fernandina Beach, FL 32035-2002

Dear Mr. Perret:

> Nassau County – Air Permitting
> Rayonier Performance Fibers, LLC. - Fernandina Mill
> 0890004-018-AC
> <u>Construction Permit Application</u>

On September 12, 2005 the Northeast District of the Department of Environmental Protection, (NED), received an application for a minor modification. NED transmitted a copy of the application to the Division of Air Resource Management, (DARM), in Tallahassee.

Please find that the following presents a background in relation to discussions that took place between NED and DARM as it relates to the subject application.

The Department's Northeast District received a request for a minor modification to modify the mill by increasing the production capacity from 153,205 ADMT/yr to 175,000 ADMT/yr. On February 5, 2002, the Northeast District issued an air construction permit, No. 0890004-010-AC, for the installation of a new batch digester (No. 6), which would allow the mill to avoid a loss in production while the existing batch digesters (Nos. 1 thru 5) were being rebuilt/rebricked. In this permit, a federally enforceable facility and annual production rate limitation of 153,205 ADMT/yr was placed in the specific conditions, specifically Nos. 3 and 4, respectively; and, the justification for each of these conditions was Rule 62-212.400(2)(g), F.A.C. In Chapter 62-212, F.A.C., this rule is titled "Relaxations of Restrictions on Pollutant Emitting Capacity" and states:

> "If a previously permitted facility or modification which would be subject to the preconstruction review requirements of this rule if it were a proposed new facility or modification solely by virtue of a relaxation in any federally enforceable limitation on the capacity of the facility or modification to emit a pollutant (such as a restriction on hours of operation), which limitation was established after August 7, 1980, then at the time of such relaxation the preconstruction review requirements of this rule shall apply to the facility or modification as though construction had not yet commenced on it."

In a RAI (request for additional information) response letter from Mr. Michael Burch, General Manager, dated August 23, 2001, regarding project 0890004-010-AC, it seems very apparent that the representatives of the mill understood the implications of Rule 62-212.400(2)(g), F.A.C. On page 2, specifically the last sentence in the next-to-last paragraph, it is stated:

> "It is understood that pursuant to Rule 62-212.400(2)(g) any request to increase production over the limits placed in the permit now to avoid PSD review will result in a full PSD review of number 6 batch digester as if it were a new source at the time of the request for an increase in the production rate."

In conclusion, per determinations made by DARM, the Department's Northeast District is returning your application request for a minor modification of the facility, received September 12, 2005, because the request is a relaxation in a federally enforceable limit that triggers PSD new source review (NSR) requirements at Rule 62-212.400(5), F.A.C. In addition, the application for a PSD NSR permit should be submitted to the Department's Bureau of Air Regulation, located in Tallahassee, and should include the appropriate processing fee pursuant to Rule 62-4.050, F.A.C.

In regards to questions concerning PSD applicability as it relates to this project, please feel to call Bruce Mitchell , at (850) 488-0114.

Sincerely,

Christopher L. Kirts, P.E
District Air Program Administrator

CC: Trina Vielhauer – DARM
        Jeff Koerner – DARM
        Bruce Mitchell - DARM