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Department of Environmental Protection

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Lawton Chiles Governor Southwest District 3804 Coconut Palm Drive Tampa, Florida 33519

Virginia B. Wetherell Secretary

February 27, 1998

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. James E. Parsons General Manager CF Industries, Inc. 10608 Paul Buchman Highway Plant City, FL 33565-9007 RECEIVED

TAK U3 1998

BUREAU OF AIR REGULATION

Re:

EPA Objection to PROPOSED Title V Permit No. 0570005-007-AV

Facility Name: CF Industries

Dear Mr. Parsons:

On February, 18, 1998, the Department received a timely written objection from the United States Environmental Protection Agency to the referenced proposed permit. A copy of EPA's objection is attached.

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403.0872(8), Florida Statutes (F.S.), the Department must not issue a final permit until the objection is resolved or withdrawn.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 objection. 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 Mr. Gerald Kissel, P.E., 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. Since the Department may not be able to resolve the issues associated with the objection, we recommend that you set up a meeting with EPA to resolve the objection. Please contact Mr. Douglas Neeley, Chief, Air & Radiation Technology Branch or Ms. Carla Pierce, Chief, Operating Source Section at 404/562-9105. Please advise us of the date and time of the meeting so that we can attend.

If you should have any other questions, please contact Mr. Gerald Kissel, P.E. at (813) 744-6100 ext. 107.

Sincerely,

W.C. Thomas, P.E.

District Air Program Administrator

prc

Enclosures

cc: Clair Fancy, BAR

Douglas Neeley, USEPA w/o enclosures

Pat Comer, OGC w/enclosures Carla Pierce, USEPA w/o enclosures

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
100 ALABAMA STREET, S.W.
ATLANTA, GEORGIA 30303-3104

FEB 1 8 1998

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

for CF Industries, Inc.
Permit no. 0570005-007-AV

Dear Mr. Rhodes:

The purpose of this letter is to provide comments to the Florida Department of Environmental Protection (DEP) on the proposed title V operating permit for CF Industries, Inc., Plant City Phosphate Complex, which was posted on DEP's web site on January 6, 1998. Based on the Environmental Protection Agency's (EPA's) review of the proposed permit and the supporting information for this facility, EPA formally 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 title V permit for this facility on the basis that the permit does not fully meet the periodic monitoring requirements of § 70.6(a)(3)(i).

As you know, 40 C.F.R. § 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 40 C.F.R. Part 70. Section 70.8(c)(4) 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 addressed prior to the expiration of the 90-day period.

On February 6, 1998, EPA provided informal comments to the Southwest District Office on the proposed permit for CF Industries, Inc. The Southwest District provided responses to EPA's comments on February 12, 13, and 17, 1998. After several phone conversations between EPA and the Southwest District staff, one issue remained outstanding: the lack of adequate periodic monitoring to ensure compliance with the State Implementation Plan (SIP) opacity standard which applies to unit 001.

Conditions A.3 through A.8 of the proposed permit, establish a visible emissions limitation of 20% opacity with a two-minute period per hour of 40% opacity. The permit requires an annual test using Method 9, which can be waived on a year by year basis if fuel oil has not been used, or used for less than 400 hours. However, if the boiler operates more than 400 hours using #2 fuel oil, the permit only requires an annual Method 9 test. requirement for an annual Method 9 test does not constitute the basis for a credible certification of compliance with the visible emission standard for this unit. The Southwest District Office provided EPA with documentation to support the Method 9 waiver if the unit operated under 400 hours using #2 fuel oil. However, since the facility is not limited in the amount of hours that it may burn fuel oil once it has reached the 400 hour threshold established by the State's regulations (rule 62-297.310(7)(a)3. and 5., F.A.C.), the permit, at a minimum, should have required that, when burning fuel oil for more than 400 hours, daily visible emission observations be performed and, if any visible emissions are detected, the permittee would then be required to perform a Method 9 test. With regard to the imposition of periodic monitoring in title V permits, we also refer you to our objection letter of December 11. 1997, which clearly states EPA's position with regard to requiring additional monitoring in order to establish a credible basis for compliance certification.

We regret that we were unable to reach an agreement prior to the expiration of the 45-day review period. However, we commend the efforts of Mr. Gerald Kissel and Mr. Roger Cawkwell, Southwest District Office, for providing EPA with prompt responses to the informal comments and making themselves available for conference calls with EPA staff. If you have any questions or wish to discuss this further, contact Ms. Carla E. Pierce, Chief, Operating Source Section at (404)562-9105. Should your staff need additional information they may contact Ms. Gracy R. Danois, Florida Title V Contact, at (404) 562-9119, Mr. David McNeal, Regional Monitoring Expert, at(404) 562-9102, or Ms. Lynda Crum, Associate Regional Counsel, at (404) 562-9524.

Sincerely,
Whist a. Simth

Winston A. Smith

Director

Air, Pesticides & Toxics Management Division

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MAR 02 1998

BUREAU OF AIR REGULATION

February 25, 1998

To: Dr. Garrity

From: J. Kissel

Re: EPA Rejection of SWD Air Permit (see attached)

There has been a recent emphasis within EPA on a stricter interpretation of a rule on periodic monitoring, which states that permits shall specify "periodic monitoring sufficient to yield reliable data and demonstrate compliance with the permit" (62-213.440(1)(b). The wording of this rule leaves much room for interpretation as to what is "sufficient".

The emission unit in question is an industrial-size boiler fired on new No. 2 fuel oil, with a 20% opacity standard. EPA has suggested a requirement in our permit (see their attached letter) for a daily observation of opacity. Boilers of this type essentially run at 0% (or 5% opacity at worst). One would have to purposely badly foul up the combustion controls to get these boilers to smoke. According to EPA's guidance on this subject, the criterion for determining whether periodic monitoring is required is "Is a violation likely to occur?" We believe, and can support this with hundreds of manyears of experience, that a violation is extremely unlikely to occur. Thus we intend to provide documentation to EPA that additional periodic monitoring should not be required. We do not want to establish the precedent of requiring daily visual emission observations for units which do not have visual emissions.

We are on a cordial basis with EPA, and we expect to resolve this situation amicably. There is a much more major similar case where EPA has rejected a series of Florida Power and Light permits issued by Tallahassee. In that case, there are some major legal issues which are the basis of Tallahassee's/FP&L's case. Although we could claim the same legal issues as in the FP&L case and we ultimately may do so if we do not prevail in our present approach (or Tallahassee may require us to do so), we would prefer to establish the precedent as discussed above.

ELECTRONIC TRANSMISSION

Date:

February 6, 1998

To:

Roger Cawkwell, FDEP Southwest District

Scott Sheplak, FDEP Tallahassee

From:

Gracy R. Danois, EPA Region 4

Subject:

Informal Comments on Proposed Title V Permit

CF Industries, Inc.

Permit no. 0570005-007-AV

Below are informal comments from EPA Region 4 on the above referenced source. Please note that the comments are divided into two categories: Significant and General Comments. If resolution of any of the comments outlined under Significant Comments is not achieved, EPA Region 4 will issue a formal objection to the proposed permit on or before February 10, 1998. Please call me at your convenience so that we may discuss our comments and your resolution. You can reach me at 404/562-9119. Thanks

Significant Comments

- A. Section III, A: Unit 001
 - 1. <u>Periodic Monitoring</u>: Conditions A.1 and A.2. limit the heat input of the boiler and the fuel that should be burned. However, the permit does not contain any requirements to monitor and record fuel usage in the permit. The permit must require that the facility maintain hourly fuel usage records to demonstrate compliance with the applicable hourly heat input limit.
 - 2. Periodic Monitoring: Conditions A.3 through A.8 establish a visible emissions limitation of 20% opacity with a two-minute period per hour of 40% opacity. The permit requires an annual test using Method 9. However, if fuel oil has not been used, or used for less than 400 hours, the test can be waived on a year by year basis, except for the test required 6 months prior to submitting a permit renewal application. The permit only requires the facility to record the hours of operation using fuel oil. As written, the permit does not contain any permit requirements that will demonstrate compliance with the visible emissions limit. It is unclear if an annual emission test alone will constitute the basis for a credible certification of compliance with the visible emission standard for this unit. Therefore, the statement of basis should be revised to identify the rationale for basing the compliance certification only on data from a short-term annual test or the permit should be revised to identify additional monitoring that must be conducted in order to gather the data used for the annual compliance certification. For example, the permit may require that, when burning fuel oil, daily visible

emission observations be performed and, if any visible emissions are detected, the permittee would then be required to perform a Method 9 test.

B. Section III.C: Units 004 and 009

1. <u>Applicable Requirements:</u> Condition C.11 allows the permittee to substitute, at its option, "continuous monitoring and strip chart recordings for the manual recordkeeping required by condition C.10. Condition C.10. includes a reporting requirement for the "pressure drop across the scrubbing system or fan amperes". The continuous monitoring of fan amperes in this permit seems to have been included to satisfy the requirement to continuously measure pressure drop across the scrubbing system contained in 40 C.F.R. §60.203(c). Therefore, condition C.11. needs to be revised to exclude the fan amperes measurements.

C. Section III.E.: Units 011, 012, and 013

1. <u>Applicable Requirements:</u> The permit needs to better specify the origin of the limitations in condition E.2. If it is the County's intent to streamline multiple applicable requirements on the same emissions unit, then the procedures in White Paper 2 should be followed. The streamlined limit should list both the streamlined applicable requirement and the subsumed applicable requirement as the permit term authority. In addition, the streamlining must be supported by an adequate technical demonstration included in the public record for the permit.

General Comments

A. Section II: Facility-wide Conditions

- 1. Condition 1: The permit needs to reference Appendix TV-1, dated 12/2/97.
- 2. Condition 6: This condition needs to be identified as "not Federally enforceable."
 - 3. Condition 10: We believe that this condition should refer to operating "outside the numerical range established in a compliance test". As written, this condition can be misconstrued as allowing the source to violate a permit condition, which is not accurate in this situation.

Furthermore, since operation of the control equipment outside the parameters established by the permit constitutes the indicator of a potential compliance problem, the County needs to change the following sentence to read: "Acceptance of the test(s) by the Department and EPCHC will establish the fact that whether the operation of the pollution...." In this way, the permitting authority preserves its right to seek enforcement action if the test(s) shows noncompliance with the applicable standard.

- 4. Condition 11: The way this condition is written leads the reader to believe that there may be a schedule of compliance in the permit. If the facility is being required to install monitoring equipment, the permit needs to clearly establish that fact. From the data in the application, it seems that the continuous monitors referred to in the permit are already in place.
- 5. Condition 21: Needs to require that all correspondence be sent to the Air & EPCRA Enforcement Branch.

B. Section III.B: Units 002, 003, 007, 008

- 1. In the references listed at the end of the table, the County should consider including the contents of condition B.16, as it seems to be related to the explanation that is given.
- 2. The permit should clarify how the data collected from conditions E.9 and E.12 will be used to evaluate the performance of the scrubbers for compliance purposes.

C. Section III.F.: Unit 014

1. Condition F.4 allows testing for fluorides to be omitted if no GTSP has been produced for 15 days during the previous 12 months. The County may consider clarifying whether they mean any 15 days or 15 "consecutive" days.

D. Section III.L: Unit 032

1. The County should consider moving condition L.2. to the "Brief Description" portion of this subsection or to the statement of basis, since it seems to be more of an explanatory note than a permit condition.