January 29, 2003 (AR-18J)

Steven Dunn
Wisconsin Department of Natural Resources
101 South Webster Street
P.O. Box 7921
Madison, Wisconsin 53707-7921

Dear Mr. Dunn:

This letter is in regards to your October 3, 2002, letter requesting assistance for a permit determination for P.H. Glatfelter Company. In your letter, you state that P.H. Glatfelter proposes to replace approximately 1060 steam tubes in one of its boilers with new steam tubes. The question you raised is whether the proposed project qualifies for the "routine maintenance, repair and replacement" PSD exemption under the definition of "major modification" as approved into the Wisconsin State Implementation Plan in Natural Resources (NR) chapter 405.02(21).

As you are aware, it is Wisconsin's responsibility, as the permitting authority, to determine whether P.H. Glatfelter's project is routine maintenance, repair or replacement. However, based on the information made available to us and as explained below, the United States Environmental Protection Agency's (USEPA) opinion is that the planned project should not be considered routine maintenance, repair or replacement under Wisconsin's regulations and USEPA guiding policies.

When assessing whether changes can be considered routine under the Clean Air Act's PSD regulations, we considered the nature, extent, purpose, frequency, cost, as well as other relevant factors. An example of this is provided in a letter from us dated May 23, 2000, concerning changes at a Detroit Edison power plant. This letter can be obtained from USEPA's NSR Internet database at http://www.epa.gov/ttn/nsr/gen/letterf3.pdf.

Our assessment of the proposed project is provided for your consideration as follows:

Nature and extent- The project will include replacing 1060 steam tubes in boiler number 1. This replacement differs from the more typical maintenance activities that are performed annually in that it involves a complete replacement of the tubes in a major component of the boiler, as opposed to replacement of just a few worn or damaged tubes on an as-needed basis. Additionally, the project is expected to require 5 weeks to complete.

Replacement done on an as-needed basis has been stated to take no more than a day or two. The amount of time required for the project is significant compared to previous tube replacement project.

Purpose- It appears that the project may also serve to extend the useful life of the boiler. The boiler was built in 1968, a 34 year old boiler, and although the WDNR did not provide data on the average age of other similar boilers, the proposed project can be viewed as a significant repair of a major boiler component.

Frequency- As your letter indicates, this would be the first time in the 35 year life of the boiler where all the tubes would be replaced. Moreover, the infrequency of such replacement at this boiler supports our understanding that complete boiler tube replacements are not performed on a frequent basis.

Cost- According to your letter, this project is expected to cost $450,000. In a follow-up discussion with the WDNR, it was stated that a typical tube repair cost would be approximately $50,000. The project cost is significantly higher than the expected maintenance general replacement costs.

P.H. Glatfelter maintains that this project, when complete, will have no net effect on emissions or on the way the boiler is utilized in the existing operating mode, and as such, should not be subject to PSD review. Your letter does not provide sufficient information to make a determination of whether this project's change in emissions is greater than the PSD significance emissions threshold. However, as you are aware, a modification that results in a significant emissions increase comparing the unit's past actual to its future potential emissions, requires the modification to go through PSD review. The exception to this is the provision commonly known as the "WEPCO test", where past actual emission are compared to projected future emissions. It is our opinion, the unit in question is not an electric utility steam generating unit, and would therefore not be eligible for the WEPCO test.

In conclusion, with respect to this project's eligibility for an exemption from PSD pursuant to NR 405.02(21), we believe that this project does not represent routine maintenance, repair or replacement activities.

If you have any further questions, please feel free to contact me, or contact Constantine Blathras at (312) 886-0671.

Sincerely yours,

Robert B. Miller, Chief
Permits and Grants Section