

August 29, 1985

Mr. C. H. Fancy, P. E., Deputy Chief
Bureau of Air Quality Management
Department of Environmental Regulation
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32301-8241

Dear Mr. Fancy:

This is in response to your letter of July 12, 1985, regarding proposed construction at Buckeye Cellulose Corporation. On August 6, Roger Pfaff discussed the answers to your questions with Bruce Mitchell by telephone. This letter will document the guidance transmitted in that conversation.

Regarding banking of emissions not used up during a PSD review, emissions of pollutants which were subject to PSD review cannot be banked. For example, suppose that, in 1980, the source shut down a boiler with actual emissions of 200 tons per year (TPY) SO₂ and 40 TPY particulate matter. In 1982, the source obtained a PSD permit for a new boiler emitting 250 TPY SO₂ and 30 TPY particulate matter. That construction was subject to PSD only for SO₂, since the net increase in particulate matter was de minimis. In 1985, the source applies for a permit for another boiler which emits 100 TPY SO₂ and 30 TPY particulate. This boiler would be subject to PSD for SO₂, but not particulate. That is because, after a PSD permit is issued for a particular pollutant (SO₂ in 1982), none of the increases or decreases at or before that time can ever be used again in the netting calculation. However, if a PSD permit has not been issued, all increases and decreases in the contemporaneous time frame may be used. Thus, for SO₂, the increase in emissions of the new boiler is 100 TPY, and for particulate the increase is 20 TPY (-40 + 30 + 30).

In answer to the second question, the actual pollutant decreases from unpermitted sources may be used for creditable decreases if the decreases are made federally enforceable.

The decreases in TRS, which you described in the third question, are not creditable beyond those allowed by the TRS rule. The PSD regulations allow credit for decreases in the actual or allowable emissions, whichever is lower. The definition of allowable emissions includes SIP limitations with a future compliance date. Therefore, if the Florida SIP contains a TRS rule with a future compliance date, no credit can be given for emissions exceeding that rule.

If you or your staff desire further clarifications on these issues, please write me or call Mr. Roger Pfaff at 404/881-4253.

Sincerely yours,

Bruce P. Miller, Acting Chief
Air Programs Branch

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL REGULATION

TWIN TOWERS OFFICE BUILDING
BOB GRAHAM
2600 BLAIR STONE ROAD
TALLAHASSEE, FLORIDA 32301-8241

GOVERNOR

VICTORIA J. TSCHINKEL
SECRETARY

July 12, 1985

Mr. James T. Wilburn, Chief
Air Engineering Branch
U.S. EPA - Region IV
345 Courtland Street, N.E.
Atlanta, Georgia 30365

Dear Mr. Wilburn:

Re: PSD Review Policy Applicable to New Source Construction

During a preapplication meeting on June 13, 1985, with Buckeye Cellulose Corporation, whose mill is located in Perry, Florida (Taylor County), they requested that three issues be presented to you for policy interpretation under PSD review as it pertains to new source (federal facility) construction. Mr. Roger Pfaff has already had some discussions with Mr. Bruce Mitchell, who is a review engineer in our Central Air Permitting section. These issues are:

- Would the mill be allowed to bank any pollutant emissions not used up during a PSD review for any future projects?
- If quantifiable, can the actual pollutant emissions from existing unpermitted sources be utilized for creditable decreases if they are going to be shutdown and dismantled?
- Since the State of Florida has a TRS rule, which became effective April 10, 1985, the mill is proposing to comply with the maximum allowable emissions standard earlier than the rule's compliance date. Can any creditable decrease in TRS be allowed under a PSD review? Comments from the bureau: It is the bureau's contention and policy that no credit should be granted to any project requiring PSD review when the pollutant reductions are made by operational procedures or installation of mechanical control systems, or both, to meet the maximum allowable emissions standard set forth in a rule. However, if the source's emissions are reduced below the rule's standard, then credit would be appropriate from the rule's maximum allowable emission standard to the emission level below the rule's standard.

Mr. James T. Wilburn
Page Two
July 12, 1985

If there are any questions, please call Bruce Mitchell at (904)488-1344 or write to me at the above address. Your prompt attention to these matters is very much appreciated.

Sincerely

C. H. Faney, P.E.
Deputy Chief
Bureau of Air Quality
Management

CHF/BM/s