July 2, 1998

Wayne Morgan
Air Pollution Control Officer
North Coast Unified AQMD
2300 Myrtle Avenue
Eureka, CA 95501

Dear Mr. Morgan:

The purpose of this letter is to provide our comments on the proposed North Coast AQMD title V permit for Pacific Lumber Co., which was received by EPA on May 21, 1998. In accordance with 40 CFR §70.8(c), and the North Coast Unified AQMD Rule 540(d), the EPA has reviewed the proposed permits during our 45-day review period.

While in general the permit contains good monitoring provisions, EPA believes additional monitoring is necessary for particulate emissions from Mill B. Our comments on this and other issues are attached.

We look forward to working with you to resolve any outstanding issues. Please do not hesitate to call me or Roger Kohn of my staff at (415) 744-1238 if you have any questions.

Sincerely,

Matt Haber
Chief, Permits Office
Air Division

Enclosures

cc: Ray Menebroker, ARB
John Campbell, Pacific Lumber Co.

EPA Region 9 Comments on Proposed Title V Permit
Pacific Lumber Co.

1. EPA believes that the periodic monitoring for particulate matter (PM) from the cyclone collectors in Mill B is insufficient. The District s evaluation of the Mill B systems indicates that PM emissions are “very close to the allowable process weight rate limit”, since cyclones don t perform well with dry material like that handled in Mill B. Given this scenario, a proposed testing frequency of once per permit term, with a possible

exclusion if an evaluation using the District s emission factors indicates compliance, could result in many consecutive years without a source test.

EPA expressed concern that testing once per permit term (with a possible exclusion) would not adequately demonstrate compliance with the grain loading and process weight emission limits in section III.A. In response, the District revised its proposed periodic monitoring on June 8 and suggested an annual source test, with a possible exclusion. This exclusion would be based on an engineering evaluation that correlates opacity with particulate emissions.

EPA remains concerned that the revised periodic monitoring proposal does not assure compliance with the particulate emission limits. The proposal could result in the source being tested only once every five years, provided that it could comply with a 20% opacity limit (based on the District s grain loading vs. opacity chart). Historically, EPA has never been able to correlate opacity with particulate emission rates with any degree of certainty. For this reason, EPA recommends that the District require annual source testing, with the possibility of waiving the remaining source tests in the permit term if two or three consecutive source tests show that the source is emitting less than one half of both its allowable grain loading and process weight limits.

2. All terms and conditions of District New Source Review (NSR) permits (and local Permits to Operate, if NSR permits expire upon issuance of operating permits), with the exception of certain state air toxics provisions, environmentally insignificant conditions, and obsolete conditions relating to actual construction, are federally enforceable and must be incorporated into title V permits. The District has not transferred the 5% opacity requirement for the six cyclone systems, found in permit number HC-373. This applicable requirement is based on the District s NSR program, and cannot be revised or deleted without following the District s NSR procedures.

EPA s “White Paper for Streamlined Development of Part 70 Operating Permit Applications” (July 10, 1995) contains a discussion of how NSR permit terms can be revised, deleted, or reclassified as a State-only enforceable term during the title V permit issuance process. Specifically, the White Paper states:

> *The EPA believes that the part 70 permit issuance process, involving as it does review by the permitting authority, public, and EPA, presents an excellent opportunity for the permitting authority to make appropriate revisions to a NSR permit contemporaneously with the issuance of the part 70 permit. The public participation procedures for issuance of a part 70 permit satisfy any procedural requirements of Federal law associated with any NSR permit revision. This parallel processing approach is also an excellent opportunity to minimize the administrative burden associated with such an exercise. By conducting a simultaneous revision to the NSR permit, the permitting authority would be revising the "applicable NSR requirement" for purposes of determining what must be included in the part 70 permit.* (page 12)

Thus while a permitting authority may delete or revise federally enforceable applicable requirements that originate in NSR permits, it must follow its NSR procedures and document the process in its title V analysis. In order to pursue the parallel processing approach, the District must explicitly state in its public notice for a proposed title V permit that NSR conditions are being revised or deleted. The District has not done this for the Pacific Lumber permit. EPA could object to the issuance of a proposed title V permit on the basis that it failed to include all applicable requirements, including federally enforceable NSR conditions. However, EPA understands that the District removed this condition because of the difficulty in obtaining reliable visible emissions readings on the cyclone systems, which are located in a row and sometimes have overlapping plumes. Thus since compliance testing for particulate emissions is planned for these units, and EPA does not wish to delay issuance of the title V permit, EPA is not objecting to the permit.

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3. Boiler C has 24-hour averaging times for its NOx and CO emission limits, while Boilers A and B have 3-hour averaging times. Although these are the applicable limits, EPA is concerned that a 24-hour CO averaging time does not assure compliance with the 1-hour and 8-hour CO NAAQS (National Ambient Air Quality Standards). It is possible that a source could be in compliance with the 24-hour limit, while a short term peak in CO emissions could cause an exceedance of the 1-hour CO NAAQS. EPA recommends that District permits (ATCs and operating permits) include either a short term limit, or a tiered approach with both a short and long term limit, in order to protect the NAAQS.

4. The District includes language in the cover page that states that "All previous operating permits and Authority To Construct (ATC) permits issued by the District or the USEPA are rescinded upon issuance of this permit." As noted in our April 30 letter, the District cannot void existing NSR permits issued by the District or EPA via the title V permit issuance process. This is a problem that must be addressed in all the final title V permits the District has issued so far, either by replacing the cover pages with new cover pages (with the recision language deleted), or by reopening the permits. EPA urges the District to not to issue another final permit with this language, so that the number of final permits with this outstanding issue will not increase.