UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STEET
ATLANTA, GEORGIA 30303-8960

September 29, 2002

4APT-APB

John S. Lyons, Director
Department for Environmental Protection
KY Natural Resources & Environmental
Protection Cabinet
803 Schenkel Lane
Frankfort, Kentucky 40601

Dear Mr. Lyons:

The purpose of this letter is to notify the Kentucky Division for Air Quality that the United States Environmental Protection Agency (EPA) formally objects to the issuance of the proposed Title V operating permit for Quebecor World Franklin located in Franklin, Kentucky.

Based on our review of the proposed permit, 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), to the issuance of the Title V permit for this facility. The basis of EPA's objection is that the permit does not include operational requirements and limitations to assure compliance with prevention of significant deterioration requirements of 401 KAR 51:017 Section 2. Therefore, the permit is not in compliance with 40 C.F.R. § 70.6(a)(1) and 401 KAR 52:030 Section 10, which require the inclusion of operational requirements and limitations to assure compliance with applicable requirements.

Section 505(b)(1) of the Act and 40 C.F.R. § 70.8(c) require 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 it is not in compliance with the applicable requirements under the Act or 40 C.F.R. Part 70. Pursuant to 40 C.F.R. § 70.8(c), a detailed explanation of the objection issues and the changes necessary to make the permit consistent with the requirements of 40 C.F.R. Part 70 are provided in the enclosure to this letter. 40 C.F.R. § 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 to satisfy the objection within 90 days of receipt of this letter, the authority to issue or deny the permit passes to EPA. Because the objection issues must be fully addressed within the 90 days, we suggest that the revised permit be submitted in advance so that any outstanding issues may be addressed prior to the expiration of the 90-day period.

We are committed to working with you to resolve these issues. Please let us know if we may provide assistance to you and your staff. If you have any questions or wish to discuss

this matter further, please contact Ms. Jeaneanne Gettle, Chief of the Air Permits Section, at (404) 562-8979. Should your staff need additional information they may contact Mr. César Zapata, Kentucky Title V Contact, at (404) 562-9139, or Ms. Lynda Crum, Associate Regional Counsel, at (404) 562-9524.

Sincerely,

/s/

Winston A. Smith
Director
Air, Pesticides & Toxics
Management Division

Enclosure

cc: Thomas Flynn, Vice President and General Manager
Quebecor World Atglen, Inc.

Enclosure
Quebecor World Franklin Title V Proposed Permit
EPA Objection Issue

Missing Operational Restrictions for Synthetic Minor Limits for Boilers

Comment: The permit contains a sulfur dioxide emission limitation to restrict the potential to emit of the boilers to avoid the prevention of significant deterioration (PSD) requirements of the Clean Air Act, Title I, part C. This limit is 36 tons of sulfur dioxide per 12 consecutive months. In addition, the permit contains a condition intended to limit the use of # 2 fuel oil based on a monthly calculation of sulfur dioxide emissions. Although the "Operating Limitations" in the permit provide that the facility shall use #2 oil such that sulfur dioxide emissions during any 12 consecutive months period are less than or equal to 36 tons, the permit does not provide a method or a requirement for the facility to determine what quantity of oil may be burned that will ensure the 36 tons per 12 consecutive months will not be exceeded. Even though the permit contains a fuel usage restriction for fuel oil for which the sulfur content has not been determined, the facility is still allowed to use fuel oil over this usage restriction if the sulfur content is ascertained. This option does not establish an operational restriction. The permit appears to contemplate that the facility will merely demonstrate that the limit has not been exceeded at the end of each month. This is a method of emissions monitoring, not a restriction on potential emissions. We view the emission limitation as a blanket emission limit without operational restrictions. As required in 40 C.F.R. § 70.6(a)(1) and 401 KAR 52:030 Section 10, the permit must be revised to include operational requirements and limitations to assure compliance with prevention of significant deterioration requirements of 401 KAR 51:017 Section 2.

Recommendation: To appropriately limit potential to emit consistent with the opinion in the United States v. Louisiana-Pacific Corporation, 682 F. Supp. 1122 (D. Colo. Oct. 30, 1987) and 682 F. Supp. 1141 (D. Colo. March 22, 1988), all permits must contain a production or operational limitation in addition to the emission limitation. This is true for all cases where the emission limitation does not reflect the maximum emissions of the source operating at full design capacity without pollution control equipment.

As stated in EPA's guidance memorandum of June 13, 1989, "Guidance on Limiting Potential to Emit in New Source Permitting," production and operational limits must be stated as conditions that can be enforced independently of one another. For example, restrictions on fuel which relate to both type and amount of fuel combusted should each be stated as an independent condition in the permit. This is necessary for purposes of practical enforcement so that, if one of the conditions is found to be difficult to monitor for any reason, the other may still be enforced.

Therefore, to make the emission limitation enforceable as a practical matter and to allow for the operating flexibility desired by the permittee, we recommend that a calculation of the allowable fuel usage be required prior to its use. This calculation can be performed as often as the permittee desires, but in any case, no less than once per month.