



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAR 31 2005

REPLY TO THE ATTENTION OF

(AE-17J)

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Brian Lochner
Environmental Coordinator
Georgia-Pacific Corporation
1220 West Railroad Street
Duluth, Minnesota 55802

Re: Notice of Violation and
Finding of Violation
Georgia-Pacific
Corporation
Duluth, Minnesota

Dear Mr. Lochner:

The United States Environmental Protection Agency (U.S. EPA) is issuing the enclosed Notice of Violation and Finding of Violation (NOV/FOV) to Georgia-Pacific Corporation (you). We find that you have violated Section 111 of the Clean Air Act, 42 U.S.C. § 7411, and the Minnesota State Implementation Plan (SIP) at your Duluth, Minnesota facility.

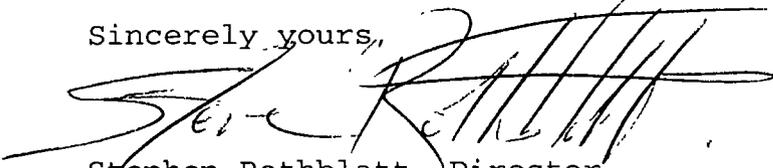
We have several enforcement options under Sections 113(a)(1) and (3) of the Clean Air Act, 42 U.S.C. §§ 7413(a)(1) and (3). These options include issuing an administrative compliance order, issuing an administrative penalty order, and bringing a judicial civil or criminal action. The options we select may depend on, among other things, the length of time you take to achieve and demonstrate continuous compliance with the rules cited in the NOV/FOV.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you the opportunity to present information on the specific findings of violation, the efforts you have taken to comply, and the steps you will take to prevent future violations.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The U.S. EPA contact in this matter is Brian Dickens. You may call him at (312) 886-6073 to request a conference. You should make the request as soon as possible, but no later than 10 calendar days after you receive this letter. We should hold any conference within 30 calendar days of your receipt of this letter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Steve Rothblatt", written over a horizontal line.

Stephen Rothblatt, Director
Air and Radiation Division

Enclosure

cc: Ann Foss, MPCA
Bob Beresford, MPCA

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:)
)
Georgia-Pacific Corporation) **NOTICE OF VIOLATION AND**
1220 West Railroad Street) **FINDING OF VIOLATION**
Duluth, MN 55802)
) **EPA-5-05-MN-06**
)
)
Proceedings Pursuant to)
the Clean Air Act,)
42 U.S.C. §§ 7401 et seq.)

NOTICE AND FINDING OF VIOLATION

The United States Environmental Protection Agency (U.S. EPA) is issuing this Notice of Violation under Section 113(a)(1) of the Clean Air Act (the Act), 42 U.S.C. § 7413(a)(1), finding that Georgia-Pacific Corporation (Georgia-Pacific) has violated the Minnesota State Implementation Plan (SIP), Minnesota Rules 7007.0050-1850. U.S. EPA also finds that Georgia-Pacific has violated section 111(e) of the Act, 42 U.S.C. § 7411(e). Specifically, Georgia-Pacific has violated the Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units at 40 C.F.R. Part 60, Subpart Dc, and Minnesota Rule 7007.1500, as follows:

Statutory and Regulatory Authority

1. In accordance with Section 111 of the Act, U.S. EPA promulgated New Source Performance Standards for Small Industrial-Commercial-Institutional Steam Generating Units. These rules are codified at 40 C.F.R. Part 60, Subpart Dc, § 60.40c, and were published in the Federal Register on September 12, 1990.
2. 40 C.F.R. Part 60, Subpart Dc, applies to Small Industrial Commercial and Institutional Steam Generating Units of more than 10 but less than 100 million BTU per hour heat input rate for which construction or modification was commenced after June 9, 1989.
3. Section 111(e) of the Act, 42 U.S.C. § 7411(e), provides that after the effective date of a standard of performance promulgated under this section, it is unlawful for any owner or operator of any new source to operate such source in violation of that standard.

4. 40 C.F.R. §60.2 provides that "commenced" means, with respect to the definition of *new source* in Section 111(a)(2) of the Act, that an owner or operator has undertaken a continuous program of construction or modification or that an owner or operator has entered into a contractual obligation to undertake and complete, within a reasonable time, a continuous program of construction or modification.
5. Section 111(a)(4) of the Act, 42 U.S.C. §7411(a)(4), and 40 C.F.R. §60.14 describes a "modification," in pertinent part, as "any physical change in, or change in the method of operation of, a stationary source which increases the amount of any air pollutant emitted by such source..." This definition requires that the physical or operational change result in an increase in emission of any pollutant for which a standard applies.
6. 40 C.F.R. §§ 60.1-60.19 (General Provisions) apply to the owner or operator of any stationary source that contains an affected facility under 40 C.F.R. Part 60, Standards of Performance for New Stationary Sources (NSPS).
7. 40 C.F.R. §60.14(a) states that a net emission increase is calculated by comparing the hourly emission rate before and after the physical or operational change.
8. 40 C.F.R. §60.14(g) states a modified stationary source must comply with all applicable standards within 180 days from the completion of any physical or operational change.
9. 40 C.F.R. §§ 60.7(a)(3), (4) and (5), state that any owner or operator shall provide to the Administrator, written notification of the actual date of initial startup of an affected facility postmarked within 15 days after such date; written notification of any physical or operational change to an existing facility which may increase the emission rate of a facility to which a standard applies; and written notification of the date upon which demonstration of the continuous monitoring system performance commences in accordance with 40 C.F.R. §60.13(c).
10. 40 C.F.R. § 60.8(a) states, in pertinent part, any owner or operator of an affected facility shall conduct a performance test(s) and furnish the Administrator a written report of the results within 60 days after achieving the maximum production rate at which the affected facility will be operated, but not later than 180 days after initial start up.

11. 40 C.F.R. § 60.43c(b)(1) states no owner or operator subject to the provisions of 40 C.F.R. 60, Subpart Dc, shall cause to be discharged into the atmosphere gases which contain particulate matter in excess of 0.1 lb per million BTU from an affected facility that burns wood or a mixture of wood and other fuels.
12. 40 C.F.R. § 60.43c(c) provides that on and after the date on which the initial performance test is completed or required to be completed under 40 C.F.R. § 60.8, whichever date comes first, no owner or operator of an affected facility that combusts wood and has a heat input capacity of 8.7 MW (30 million Btu/hr) or greater shall cause to be discharged into the atmosphere from that affected facility any gases that exhibit greater than 20 percent opacity (6-minute average), except for one 6-minute period per hour of not more than 27 percent opacity.
13. 40 C.F.R. § 60.47c provides that the owner or operator of an affected facility combusting wood that is subject to the opacity standards under 40 C.F.R. § 60.43c shall install, calibrate, maintain and operate a continuous monitoring system for measuring the opacity of the emissions discharging to atmosphere and record the output of the system.
14. On May 24, 1995, U.S. EPA approved Minnesota's SIP that included Minnesota Rules 7007.0150, 7007.0250, 7007.0500 and 7007.1500. 60 Fed. Reg. 27411. These rules became retroactively effective as of August 10, 1993.
15. Minnesota Rule 7007.1500 provides that a major permit amendment is required for any modification at a permitted stationary source that is not allowed under Minnesota Rules 7007.1250 and 7007.1350 and for which an amendment cannot be obtained under the administrative permit amendment provisions of Minnesota Rule 7007.1400, or the minor or moderate permit amendment provisions of Minnesota Rule 7007.1450.
16. Minnesota Rule 7007.0100, Subpart 14 describes "modification" as any physical change or change in the method of operation of an emissions unit, emission facility, or stationary source that results in an increase in the emission of a regulated air pollutant. Emissions are considered to increase if there is an increase in the rate of emissions of any regulated air pollutant, or new emissions of a regulated air pollutant not previously emitted, from any unit at the source.

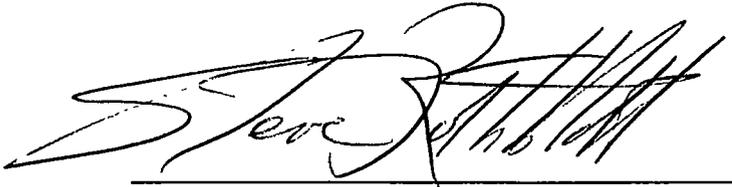
Statement of Background

17. Georgia-Pacific owns and operates a hardboard manufacturing facility located in Duluth, Minnesota.
18. Georgia-Pacific's Boiler 4, has a heat input rate of approximately 60 million BTU/Hr. Boiler 4 generated approximately 75% of its heat capacity with wood waste and approximately 25% with natural gas in the past five years.
19. In October 2003, Georgia-Pacific replaced a nozzle for injecting wood waste into Boiler 4 to increase the amount of wood waste that could be burned. This change decreased the amount of natural gas that Georgia-Pacific burned in Boiler 4.
20. From November 2003 through July 2004, Georgia-Pacific increased the average amount of wood waste burned each month by approximately 32% and decreased the average amount of natural gas burned each month by approximately 46%, relative to the period from October 2002 through October 2003.
21. AP-42 emission factors provide the mass, in pounds, of particulate matter emitted per million BTU to be 0.4 for wood and 0.0076 for natural gas.
22. Georgia-Pacific's increase in the amount of wood burned and decrease in the amount of natural gas used at Boiler 4 resulted in an increase of the amount of particulate matter emitted per hour from Boiler 4.
23. Georgia-Pacific's nozzle replacement at Boiler 4 increased the potential emission rate of particulate matter to the atmosphere on a mass per hour basis. Thus, the replacement of the nozzle is a "modification," as that term is defined at Section 111(a)(4) of the Act, 42 U.S.C. §7411(a)(4), 40 C.F.R. § 60.14 , and Minnesota Rule 7007.0100, and Georgia-Pacific became an "affected facility" as that term is defined in 40 C.F.R. § 60.40c(a).
24. On March 30, 2004, Georgia-Pacific performed stack tests on stack SV025, the point of emission for Boilers 3, 4, and 5. Boilers 3, 4, and 5 were in operation during the tests. Boilers 4 and 5 burned primarily wood. Boiler 3 burned oil and constituted approximately 30% of the total heat generated. The average filterable particulate emissions were 0.086 lb per million BTU. Particulate emissions per million BTU are lower for oil than for wood. The emissions from Boiler 4 while burning wood are calculated to be at least 0.12 lb per million BTU.

Violations

25. Georgia-Pacific violated 40 C.F.R. §§ 60.7(a)(3), (4) and (5), when it failed to provide to the Administrator written notification of the actual date of initial startup of its affected facility postmarked within 15 days after such date; written notification of its modification that increased the emission rate of its facility to which a standard applies; and written notification of the date upon which demonstration of the continuous monitoring system performance commenced in accordance with 40 C.F.R. § 60.13(c).
26. Georgia-Pacific violated 40 C.F.R. §60.8, when, within 60 days after achieving the maximum production rate at which the affected facility will be operated, but no later than 180 days after the initial startup of such facility, it failed to conduct a performance test and furnish the Administrator a written report of the results of such performance test.
27. Since April 2004, Georgia-Pacific violated 40 C.F.R. § 60.43c(b)(1), when it caused to be discharged into the atmosphere gases which contain particulate matter in excess of 0.1 lb per million BTU.
28. Since April 2004, Georgia-Pacific violated 40 C.F.R. § 60.47c (a), when it combusted wood at Boiler 4 and was subject to the opacity standards at 40 C.F.R. § 60.43c but failed to install, calibrate, maintain, and operate a continuous monitoring system for measuring opacity of the emissions discharging to atmosphere.
29. Georgia-Pacific violated the Minnesota SIP at Minnesota Rule 7007.1500, when it modified an emission unit without first submitting an application to MPCA for a major permit amendment.

3/31/2005
Date



Stephen Rothblatt, Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent a Notice and Finding of Violation, No. EPA-5-05-MN-06, by Certified Mail, Return Receipt Requested, to:

Brian Lochner
Environmental Coordinator
Georgia-Pacific Corporation
1220 West Railroad Street
Duluth, MN 55802

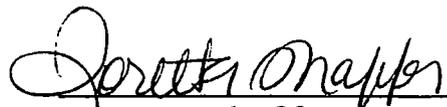
I also certify that I sent copies of the Notice and Finding of Violation by first class mail to:

Bob Beresford
Minnesota Pollution Control Agency
525 Lake Avenue South, Suite 400
Duluth, MN 55802

and

Ann Foss, Enforcement Manager
Environmental Control
Minnesota Pollution Control Agency
520 Lafayette Road N.
St. Paul, MN 55155

on the 31ST day of March, 2005.



Loretta Shaffer, Secretary
AECAS, (MN/OH)

CERTIFIED MAIL RECEIPT NUMBER: 7001 0320 0005 9025 7012