

US EPA ARCHIVE DOCUMENT



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

Mr. Patrick J. Purdy
General Manager
Georgia-Pacific Corporation
P.O. Box 40, Highway 501 North
Big Island, VA 24526

Dear Mr. Purdy:

The U.S. Environmental Protection Agency ("EPA") has received and reviewed the August 12, 1999 letter from Georgia-Pacific ("G-P") containing additional information on the Georgia-Pacific Big Island Project XL Proposal ("Proposal"). I am pleased to inform you that after considering this letter as well as the original Proposal and our subsequent discussions, EPA is accepting G-P's Proposal into the Project XL development phase. Project XL was created to encourage innovative environmental strategies for the 21st century and to foster excellence and leadership in environmental protection. EPA believes your Proposal has the potential to accomplish these goals.

EPA looks forward to working with G-P, the Virginia Department of Environmental Quality ("VADEQ") and other appropriate stakeholders to develop a Final Project Agreement ("FPA") for the project. The FPA will document the commitments and expectations of all the parties. Please refer to the July 29, 1999 letter from EPA which outlined information required and issues to be addressed during the FPA process as well as suggestions for improving the project and a draft schedule.

EPA believes the next step toward an FPA is for G-P to continue implementing the Stakeholder Work Plan set forth in its XL Proposal. Your plan is well thought out and should lead to a productive stakeholder process. Please be aware that EPA is in position to provide convening and facilitation support for your stakeholder process.

EPA understands that G-P may not construct the steam reformer/gasifier if it does not receive funding from the U.S. Department of Energy, and thus there is a risk that resources expended to develop this FPA may not result in an XL Project. However, EPA has decided to move forward with this project because it believes that the potential benefits, both at G-P's Big Island facility as well as within the pulp and paper mill industry generally, make the XL Project effort worthwhile.

Since the installation of a gasifier at the Big Island facility will be the first commercial demonstration of the gasification technology at a semi-chemical pulp mill, G-P faces uncertainties with respect to performance of the gasifier and compliance with air emission regulations. Although the risk of complete or significant failure of the gasification technology appears to be remote, this XL Project will provide a framework for operation that takes into account such possibilities. Therefore, the FPA will need to describe requirements to be implemented if the new technology fails or is not able to meet air emission standards. Such requirements will include, for example, a reasonable schedule for the operation of the existing smelters and, if necessary, the installation of a new conventional recovery boiler in order to comply with the emission standards, measures necessary to mitigate smelter emissions, etc. This will be done during the FPA negotiation process. G-P should also satisfy Prevention of Significant Deterioration/ New Source Review ("PSD/NSR") requirements on the installation of the gasifier/recovery boiler since there is some potential that G-P's emissions could increase above their current actual emissions levels.

EPA looks forward to working with G-P on a project which holds such promise for environmental innovation. EPA has assembled a project team to work with G-P and the project stakeholders on development of the final FPA. Our Agency team is led by Steven J. Donohue of my staff and David Beck of the Headquarters Office of Policy and Reinvention. They will be in touch with you shortly to commence the next steps for development of the FPA.

Sincerely,

W. Michael McCabe
Regional Administrator

cc: John Bellimore, USFS
Tom Berkeley, VADEQ
John M. Daniels, Jr., VADEQ
Richard T. Farrell, US EPA-HQ
Lisa Lund, US EPA-HQ
Pat Moore, Georgia-Pacific Corporation