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Pulp and Paper Residual Risk and Technology Rule

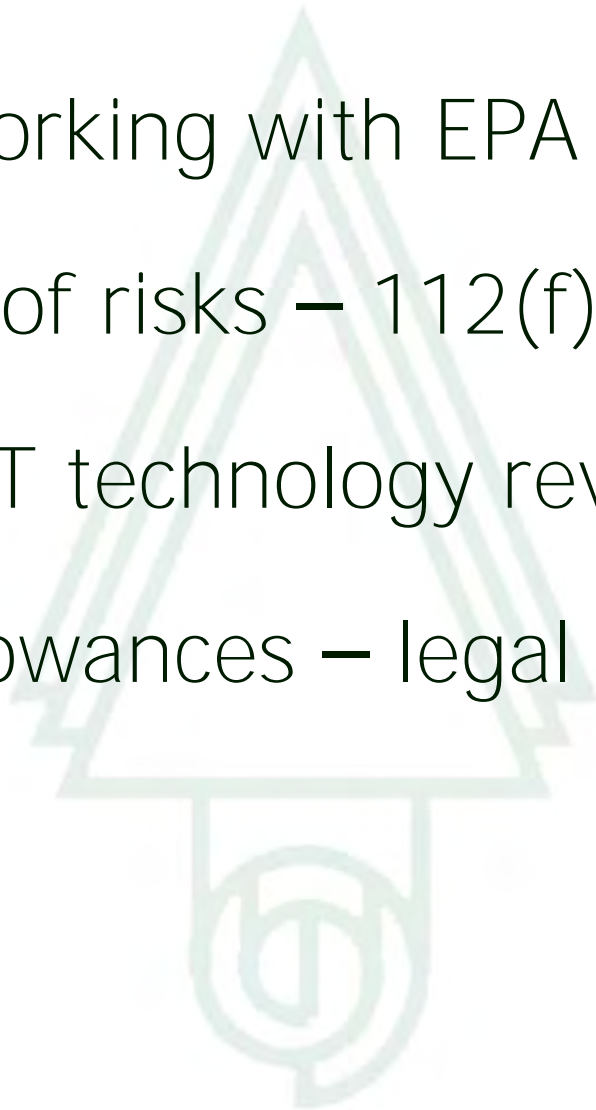
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Overview

- ❑ History of working with EPA – ICR
- ❑ Assessment of risks – 112(f)
- ❑ Cluster MACT technology review – 112(d)(6)
- ❑ Emission allowances – legal & technical issues
- ❑ Next Steps

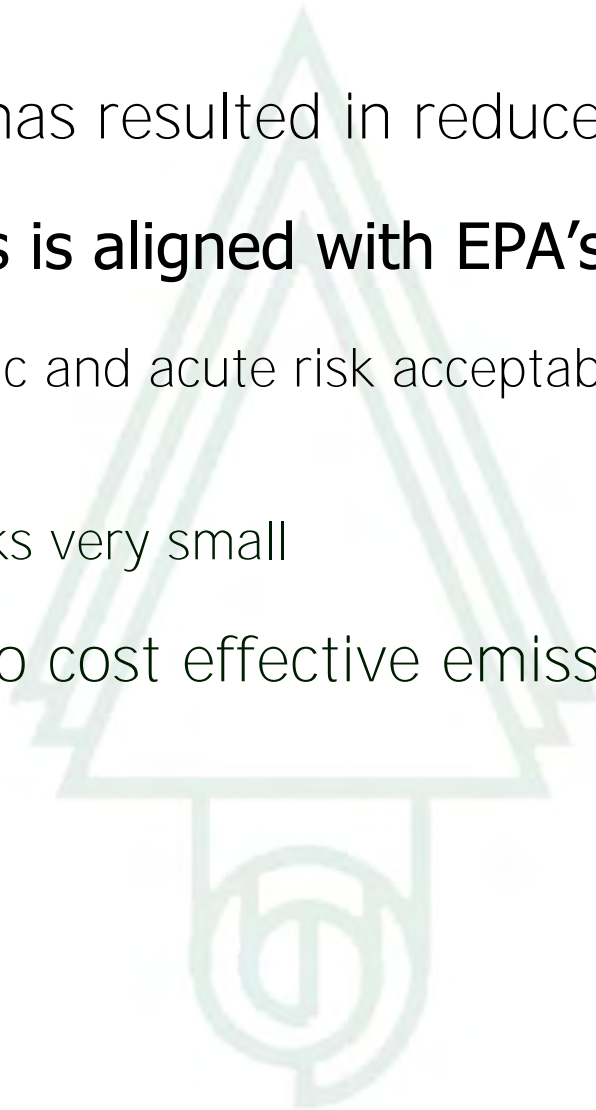


Working with EPA

- Early dialogue and information exchanges over 5 yrs
- Improving emission and source parameters
- EPA examined industry excess emission reports
- Supported ICR – three parts, huge amount of data
- Supported narrow focus to rulemaking – not sector
 - Pulping sources, paper machines and wastewater treatment
 - Not Subpart MM or NSPS

Residual Risk – 112(f)

- Cluster MACT has resulted in reduced risks
- **AF&PA analysis is aligned with EPA's that concludes**
 - Cancer, chronic and acute risk acceptable – Ample Margin of Safety
 - Population risks very small
- Conclusion – no cost effective emission reductions under 112(f)



Technology Review – 112(d)(6)

- MACT one-time program – no need to fully reexamine Cluster requirements, evaluate technology changes
- No legal challenge to 1998 rule – HAPs, controls, or emission allowances/SSM
- No new technologies for control of process offgases
 - Collect and send to control device – boiler, kiln, or incinerator
 - HVLC and LVHC
 - Condensate treatment systems – wastewater treatment systems, anaerobic digester and strippers
- Compliance since 2001 (LVHC) and 2006 (HVLC or CCA)

Emission Allowances for Process Variability

- MACT floor analysis found best performers vented – maintenance and process variability
 - 1% for LVHC, 4% for HVLC, and 10% for strippers/anaerobic treatment systems
- Safety concerns – system integrity (explosions) and workplace safety
- Even with redundant controls (more common with LVHC) need allowances
 - transition time, maintenance & process disruptions (e.g., pressure surges and safety by-passes)
- Emissions data associated with these periods were provided in the ICR Part II Survey – no risks

Legal Rationale for Retaining

- Emission allowances central to 1998 floor determination – nothing has changed
- EPA has not conducted new technology assessment of different practices to justify elimination
- 2008 D.C. Circuit Court case does not compel elimination of emission allowances
 - focused on General Provisions and SSM
 - not periods of higher emissions during unavoidable operational variability of best performers

Policy Concerns

- No risks – part of emissions EPA modeled as safe
- Safety concerns – workers and equipment
- Already minimize excess emissions – General Duty
- HUGE cost – redundant controls, no feasible options
 - \$10 M to \$20 M per mill - \$1 to 2 billion industry wide
 - EPA has not captured these impacts in RIA
- Mills cannot comply (100% of time) even with redundant controls

Next Steps

- Retain MACT floor emission allowances
 - not a 112(f) or 112(d)(6) issue;
 - beyond scope of settlement agreement;
 - EPA has data from ICR to demonstrate no public health risk
- Ask for extension from court – if needed
- Industry is committed to work with EPA, but EPA must allow sufficient time (6-12 months to study)

