



Florida Department of Environmental Protection

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3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

October 26, 2009

Mr. Justin Edwards, C.F.E.
Putnam County Property Appraiser
Office Operations Supervisor
312 Oak Street
Palatka, Florida 32178-1920

Re: Georgia-Pacific, LLC
Pollution Control Devices

Dear Mr. Edwards:

The Department of Environmental Protection (Department) Siting Office has reviewed your letter dated October 20, 2009 and its attached Georgia-Pacific letter dated October 8, 2009 regarding pollution control devices at Georgia-Pacific, LLC. In your letter you requested a recommendation from the Department as to whether the items listed by Georgia Pacific qualify as pollution control devices.

In accordance with §193.621, Florida Statutes (F.S.), if it becomes necessary for a manufacturing or industrial plant or installation “to install or construct a facility in order to eliminate or reduce industrial air or water pollution, those facilities shall be deemed to have value for purposes of assessment for ad valorem property taxes no greater than their market value as salvage”. Note that only those facilities installed to eliminate or reduce air or water pollution are eligible for this type of assessment.

In my opinion, the items associated with the primary clarifier (Items 0047-8488, 0047-8426, and 0047-5030) for the wastewater treatment facility are “primarily for the purpose of pollution control” and are eligible for assessment as pollution control devices pursuant to §193.621, F.S.

I have addressed each of the other items separately.

Brown Stock Washing & O2 Delignification System

The Georgia Pacific letter included no supporting information for the item listed as Brown Stock Washing & O2 Delig (Item 0047-9126). However, in 2007 and in 2008 I made the following recommendation regarding the oxygen delignification system:

“The oxygen delignification system (required in Administrative Order No. 039-NE) is not, in my opinion, “primarily for the purpose of pollution control”. Based on the best information available to this office, this system’s primary function serves as a part of the manufacturing process. However, there are clearly environmental benefits associated with the use of this system consistent with Order No. 039-NE which requires certain manufacturing process improvements (including oxygen delignification) “in order to improve the effluent water quality...” from the facility.

Therefore, I recommend that you consider allowing a percentage (I suggest perhaps half) of the value of the equipment listed as Brown Stock Washing – O2 Delig System as eligible for assessment.”

I now make the same recommendation for Item 0047-9126.

Monorails for BSW

It appears that the item listed as Monorails for BSW (Item 0047-8514) may be a part of the Brown Stock Washing –O2 Delignification System. I recommend asking Georgia Pacific to more clearly identify this item, and if it is a necessary part of the Brown Stock Washing – O2 Delignification System, I suggest that up to 50% of the value of Item 0047-8514 be assessed at no greater than the “salvage value”, consistent with the earlier recommendations discussed above.

Natural Gas Conversion

The #5 Power Boiler conversion from oil-firing to natural gas-firing was described by the Georgia Pacific Professional Engineer as installation of Best Available Retrofit Technologies (BART) required to minimize emissions due to modeled impacts that were greater than allowable on the visibility of Class I areas. It is my understanding that the conversion from oil to gas was actually an approach taken by Georgia Pacific to lower modeled emissions to a level sufficient to avoid being defined as a BART-eligible source.

By definition (see 62-8.020, F.A.C.), pollution control facilities are “devices, fixtures, or machinery. While the switching of fuels is not necessarily the equivalent of the addition of a device or fixture, in order for Georgia Pacific to switch to the cleaner burning fuel, equipment changes had to have been made for the conversion, the result of which is a reduction in air pollutant emissions. Additionally, had the conversion not taken place, the addition of other (more costly) qualifying pollution control devices would likely have been necessary to meet applicable BART limits. Should such equipment have been installed, it would likely have been deemed appropriate for an Ad Valorem assessment.

Therefore, it is my opinion that #5 PB Natural Gas Conversion (Item 0047-8493) is “primarily for the purpose of pollution control” and is eligible for assessment as pollution control devices pursuant to §193.621, Florida Statutes.

If you have any questions regarding this determination, please contact Cindy Mulkey at (850) 245-2175.

Sincerely,



Michael P. Halpin, P.E.
Administrator, Siting Office