

APPENDIX C

Florida Department of Environmental Protection Division of Air Resource Management

Regional Haze Supplemental SIP – Letter of Facility Permanent Retirement

- **Appendix C-1** Westrock Panama City Mill Letter of Permanent Retirement Page 2
- **Appendix C-2** Georgia Pacific Foley Mill Letter of Permanent Retirement Page 6



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May 22, 2024

VIA ELECTRONIC MAIL

Hastings Read
Deputy Director
Division of Air Resources Management
Florida Department of Environmental Protection
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Re: Former WestRock Panama City, Florida Pulp and Paper Mill

Dear Mr. Read:

I am writing to update the Florida Department of Environmental Protection ("FDEP") on the status of the following SO₂ sources that were formerly operated at WestRock's pulp and paper mill located in Panama City, Florida (the "Facility"): Combination Boiler #3, Combination Boiler #4, Recovery Boiler #1, and Recovery Boiler #2 (collectively, the "Boilers"). Each of the Boilers was included in the State's Regional Haze Plan for the Second Implementation Period for Florida Class I Areas dated October 8, 2021, and pre-hearing Supplement to Florida's Regional Haze Plan dated January 19, 2024 (collectively, the "FL Regional Haze SIP").

While the paper mill was in operation, Combination Boilers #3 and #4 were used to generate process steam and power the steam turbine generator that met a portion of the Facility's electrical needs. The Combination Boilers were permitted to burn biomass, wastewater treatment plant residuals, natural gas, and various grades of fuel oil. Combination Boiler #4 was also permitted to burn coal. Recovery Boilers #1 and #2 generated steam and electricity for papermaking operations; however, they have a purpose and design that is unique to integrated, kraft pulp and paper mills. Specifically, a recovery boiler is a specialized type of furnace that recovers chemicals and heat from a byproduct of the kraft pulping process known as black liquor. Although Recovery Boilers #1 and #2 had the capability to burn limited amounts of fuel oil and natural gas for startup and stabilization purposes, they were fired primarily with black liquor.

In April 2022, WestRock announced its intention to permanently cease manufacturing operations at its Panama City facility. The Company's press release stated that one of the primary factors driving the decision was that the "Panama City mill would have required significant capital investment to maintain and improve going forward." The Boilers were among the Facility assets that would have required substantial capital investment. For example, the generating bank and superheater tubes in Recovery Boiler #2 need to be replaced, and this project was estimated to cost approximately \$11 million in 2022 dollars.

WestRock discontinued all production activities at the Facility, including operation of the Boilers, in June 2022, and sold the site to an unrelated third party in February 2024. As further explained

below, none of the Boilers was in operating condition at the time of sale. Also, the current Facility owner, Hollingshead Materials, LLC ("Hollingshead"), is a supplier of ready-mix concrete and other building materials. Because it does not generate black liquor, Hollingshead would not be able to operate the Recovery Boilers even if these units were capable of restarting, which they were not at the time of the sale. The photographs in Attachment 1 to this letter document the condition of some of the Boilers and utility ties at the time the assets were transferred to Hollingshead.

Between the time of closure and sale, WestRock conducted extensive work to decommission the Panama City site in an environmentally responsible manner. Among other things, the Company removed excess raw materials from the site; emptied and cleaned fuel oil storage tanks, numerous process material storage tanks, vessels, and associated piping; removed or returned obsolete equipment; and disposed of waste materials. WestRock also took steps to ensure that the Boilers were left in a safe condition, such as drilling holes in the units' steam drums; removing associated utilities, such as electrical infrastructure and air compressors; and removing the burner management system and gas trains from Recovery Boiler #1 so that it could be transferred to another WestRock facility. The Recovery Boilers were also washed to remove any residual liquor. As a result of this decommissioning work, none of the Boilers could be returned to service without substantial capital investment. For example, WestRock estimates that the cost to replace the steam drum and generating bank tubes in just one of the Combination Boilers would be approximately \$8 million to \$12 million dollars, and investments of similar magnitude would be required for each of the four Boilers. Given the extensive work that would be required to accomplish the restoration of any of the Boilers, it is likely that various permitting requirements also would be triggered by the effort (e.g., air construction, pressure vessel, and building permits).

In summary, none of the Boilers at the Facility was in operable condition at the time of sale. Further, given their condition at the time the mill closed and the fact that these units have been idle for two years, we do not believe it would be feasible to safely restart any of these units without considerable, potentially cost-prohibitive investment. Also, it is our understanding that Hollingshead has no intention of operating any of these units in the future. According to Ben Endsley, General Manager for Hollingshead Cement at the Panama City site, all boiler infrastructure has been assigned to the pending demolition contract with a third party.

If you have any questions about this matter, please feel free to contact me.

Sincerely,



Nina E. Butler
VP, Chief Environmental Officer &
Deputy General Counsel

cc: Danielle Pudvah, Tracie Norwood, Ben Endsley/Hollingshead

ATTACHMENT

Utility Lines to Boilers



TECO Gas Lines To Facility



No. 4 Power Boiler Mud Drum Open and Cut



No. 3 Power Boiler Steam Drum Open and Cut





**ONE BUCKEYE DRIVE
PERRY, FLORIDA 32348-7702**

May 22, 2024

Mr. Hastings Read
Division of Air Resources Management
2600 Blair Stone Road
Tallahassee, FL 32399-2400

**Re: Foley Cellulose LLC
Facility ID No. 1230001
Regional Haze Rule – May 2024 Update, Facility Closure**

Dear Mr. Read:

Foley Cellulose LLC owns a softwood Kraft pulp mill (referred to as “GP”, the “Foley Mill” or the “Mill”) located in Perry, Taylor County, Florida that operates under a Title V Major Source Operating Permit (No. 1230001-127-AV), most recently issued by the Florida Department of Environmental Protection (FDEP) on April 10, 2024.

The Foley Mill submitted a Regional Haze Analysis for sulfur dioxide (SO₂) and worked with FDEP to develop requirements on the following SO₂ emitting equipment.

- EU002 – No. 1 Power Boiler
- EU004 – No. 1. Bark Boiler
- EU006 – No. 2 Recovery Boiler
- EU007 – No. 3 Recovery Boiler
- EU011 – No. 4 Recovery Boiler
- EU019 – No. 2 Bark Boiler

The Foley Mill has ceased production operations as a pulp and paper mill and will no longer operate the aforementioned equipment that was included in the regional haze analysis. The equipment listed above will be air-gapped by December 31, 2024.

If you have any questions, please do not hesitate to contact Justin Bates at (251) 593-0152 or via email at Justin.Bates@gapac.com or Maria Zufall at (404) 652-7256 or Maria.Zufall@gapac.com.

Sincerely,

DocuSigned by:
A handwritten signature in black ink that reads "Chris Read".
E3EE771779C84ED...

Christopher Read
Vice President – Cellulose Operations