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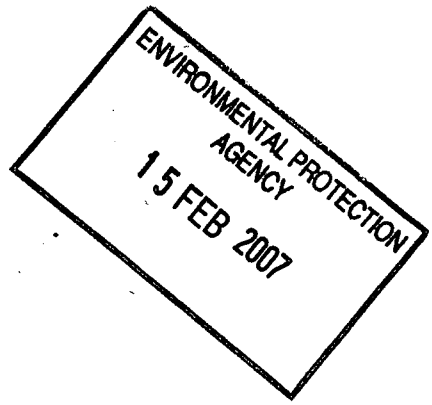
Wyeth



Office of Licensing and Guidence
EPA Headquarters
PO Box 3000
Johnstown Castle Estate
Co. Wexford

IPPC Licnece Reg. No.: P0395-02

Date: February 14, 2007

Dear Sir/Madam,

Wyeth Nutritionals Ireland (WNI) wishes to request an amendment to its IPPC licence to change the emission limit values (ELVs) for NOx and SO_2 from its boilers 1 and 3, and to permit the switching to gas oil as a fuel for use in its combined heat and power (CHP) plant and boilers without restrictions.

Boiler ELVs

Since converting its boilers to use natural gas, WNI has experienced difficulty in achieving and maintaining the current NOx ELVs from its boilers and to date, a great deal of work has been done in conjunction with the equipment manufacturers with many hours spent carrying out adjustments and measurements to try to reduce the concentrations of NOx in emissions. Unfortunately the effort has resulted in the conclusion by all, that emissions below the current ELVs are not achievable on a continuous basis.

Comparing the NOx ELVs for boiler emissions in WNI's IPPC licence with the ELVs for NOx from boilers in the licences for similar operations shows the limits for emissions from WNI to be significantly lower.

An examination of the licence review application submitted in 2003 revealed that the current limits were proposed in an air dispersion model report submitted as part of the application. However, it appears that the 2003 report overestimated the worst-case ground level impacts with regard

to NOx by assuming that all NOx released was in the form of NO_2 and predicted ground level concentrations based on dispersion of this NO_2.

In order to more accurately assess the impacts from the use of natural gas on site, WNI recently commissioned URS to re-examine the air quality impacts of NOx from WNI with a view to proposing appropriate NOx ELVs which:

1. are technically achievable;

2. do not result in any predicted exceedence of the statutory air quality standards for NO_2.

A report on the assessment (enclosed) concludes *inter alia,* that the current NOx ELVs for Boilers 1 & 3 are "*unnecessarily conservative from an air quality perspective*".

Fuel Switching

In addition to assessing the impacts from the use of natural gas on site, URS were also asked to determine whether, from an air quality perspective, the use of Class D oil (gas oil) in both the CHP plant and the boilers should be limited to use only in an emergency with additional restrictions imposed through the licence conditions, as these restrictions place unnecessary risk to site operations.

Since the start-up of the CHP plant in 2004, the gas supply situation in Ireland has deteriorated with the price of gas becoming volatile and escalating. In addition, uncertainty has been raised about security of supply. Wyeth proposes to minimise its exposure to the deteriorating situation by seeking to switch to agreed alternative fuels, where a competitive advantage can be gained or during periods of gas supply interruption. The reasons why this is necessary for the site are:

1. sole dependence on natural gas is adversely impacting the site's competitiveness, and;

2. preventing a switch to a back-up fuel, without third party approval, is putting site production at risk.

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In the past (winter of 2005-2006) the price of natural gas became decoupled from fuel oil prices, which placed a major cost burden on WNI from the significant increase in the price of energy over a 23-day period. The sites IPPC licence only permits the use of gas oil in the CHP plant during a system test or emergency supply and not exceeding 20 hours per annum in total. To switch the boilers from operating on natural gas to gas oil agreement must be sought from the Agency. While the CHP and all of the boilers at the site were capable of being fired on gas oil during those 23 days, the fuel type was not switched due to these restrictions. This resulted in a loss of €400,000 that could have been avoided.

The WNI site, located as it is at the furthest point in the European natural gas distribution system away from the increasing sources of supply in Algeria and Russia, is vulnerable to any kind of disruption in that distribution network.

In the event of a disruption to the natural gas supply, it is likely that the production process will be severely disrupted as the Agency is contacted to obtain agreement before switching fuel. The start-up time following such an event would cause problems with the supply of infant nutritional formula to several key markets. Distributors of infant formula maintain lean inventories and an interruption to plant operations will lead to an interruption in the supply chain for those markets where the WNI plant is the primary supplier. An interruption like this could cause short-term difficulties to the parents who use Wyeth product and long-term damage to our markets.

Dual fuel capability to minimise risk is a requirement for CHP plants and boilers across Wyeth's global plant network where natural gas is available. Additionally, at most US plants, permitting allows several months of operation on alternate fuels because of the possibility of a long-term supply disruption during the winter. If a similar arrangement were in place at WNI, Wyeth would regard it as a more reliable site to manufacture its products.

Fuel switching is an established practice within the UK and Ireland. Not only does it allow the end used to better manage costs, but it also relieves the gas distribution network at the point on the coldest days, when it is in most demand. When a small number of power generation stations and industrial users switch to burning fuel oil, it ensures that the natural gas supply will be sufficient to meet the demands of the domestic market.

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Summary

In examining the air dispersion modelling of emissions the URS report concluded that with revised ELVs, "*the air dispersion modelling of emissions from the CHP Plant and both Boilers 1 & 3 all firing at full load for a full year on natural gas or Class D oil will not result in any theoretical breach of the statutory air quality standards for NO_2 or SO_2...*"

WNI wishes to be allowed to switch fuels as necessary in order to remain competitive and to reduce operating risk from the sole dependence on natural gas.

In light of the report conclusions and the reasons outlined above, WNI requests that its IPPC licence is amended to reflect the proposed revised ELVs as outlined in section 3.3 of the enclosed URS report and to remove the restrictions on the use of gas oil.

Should you require any additional information or wish to discuss any aspect of this request, please don't hesitate to contact me at 061-601 307 (direct line) by phone, or by email at shielb@wyeth.com.

Yours sincerely,

Brian Shiel
EHS Manager - Environment

Encl.: URS report: *Wyeth Nutritionals Ireland, Dispersion Modelling: Evaluation of Emission Limits for Natural Gas and Class D Oil (<0.2%S)*, 24 January, 2007.