

PERMITTEE:

Stone Container Corporation

AIRS I.D. Number: 0050009
Air Permit Number: 0050009-003-AC
Emission Unit: 030
Date of Issue: January 5, 1998
Expiration Date: March 1, 1998
County: Bay
Project: Woodyard Process Rate Increase

This permit is issued under the provisions of Section 403.087, Florida Statutes, and Florida Administrative Code Rules 62-296, 62-297 and 62-4. The above named applicant, hereinafter called Permittee, is hereby authorized to perform the work or operate the facility shown on the application and approved drawing(s), plans, and other documents attached hereto or on file with the Department and made a part hereof and specifically described as follows:

Construction permit to allow for increased emissions of a Woodyard Process Rate Increase: project is to simply increase the throughput of hardwood and softwood through the woodyard to allow increased productivity in the paper mill. No actual construction to take place.

Wood chips are used as the raw material in the papermaking process and scrap wood and bark are used in steam generation. The wood is processed in the woodyard prior to use in the mill. Roundwood (whole tree trunks) is received as either shortwood or longwood. Purchased hardwood or softwood chips are also received. Bark is a byproduct of log processing and some bark is also purchased.

Long wood and short wood is received and stored temporarily until processed. The chipping process begins by passing the logs through a debarker to remove the bark. The bark is collected and transferred via conveyors and hogged to obtain the desired size. Purchased bark is also delivered to the facility and processed. After processing the bark, it is stored in storage piles, transferred to the bark bin, and then to the boilers. This bark is used as a fuel for the boilers at the facility. A single cyclone is associated with the bark transfer and conveying system, and used to pneumatically convey the bark.

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After the logs have passed through the debarker and the bark has been removed, they are sent to a chipper where they are chopped into the desired chip size. Chips are also received via truck or railcar and unloaded into a hopper. Both the purchased and manufactured chips are conveyed and stored in chip reclaimer storage piles. The facility has one softwood chip reclaimer and one hardwood reclaimer storage pile. The chips are stored in these piles temporarily until needed by the facility.

Prior to being sent to the mill, chips are reclaimed from the chip reclaimers and sent to the screen room building. Here, they are passed through screens to separate the various chip sizes. The oversized chips are passed through a slicer rechipper and recycled back through the screening system until the desired size is obtained. Four (4) cyclones are used in this area to separate pneumatically conveyed chips and fines from the conveying air stream. The chips are then transferred via conveyors and stored temporarily in the chip silos located in the pulping area until being sent to the mill by conveyor.

Construction shall be consistent with the construction permit application signed October 8, 1997.

Located: One Everitt Avenue, Panama City

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SPECIFIC CONDITIONS:

General

1. The attached General Conditions are part of this permit. [FAC Rule 62-4.160]

Construction

2. The Department shall be notified upon commencement of construction (if any actual), and within 15 days of completion of construction. Annual status reports shall be provided no later than January 31 of each year reviewing the status of construction during the preceding year up to completion of the project. [FAC Rule 62-4.070]
3. The Department shall be notified and prior approval shall be obtained of any changes or revisions made during construction. [FAC Rule 62-4.030]
4. Satisfactory ladders, platforms and other safety devices as well as necessary parts shall be provided/made available to facilitate an adequate inspection program. [FAC Rule 62-297.310(6)]

Operation

5. The woodyard may operate continuously, i.e., 8760 hrs/yr, based on 24 hours/day, 7 days/week and 52 weeks per year. [FAC Rule 62-4.070 and construction permit application]
6. The maximum allowable operating rate, roundwood and purchased chips processed are:

roundwood	645,600 cords/year
purchased chips	554,400 cords/year

[FAC Rule 62-4.070 and construction permit application]

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SPECIFIC CONDITIONS:

7. Reasonable precautions shall be taken to prevent emissions of unconfined particulate matter. Reasonable precautions shall include, but are not limited to, the following:

- a. Maintenance of roads, parking areas and yards.
- b. Application of water or other dust suppressants when necessary to control emissions.
- c. Removal of particulate matter from roads and other paved areas under control of the owner or operator, and from buildings or work areas to prevent reentrainment.
- d. Permittee will protect dust transfer points and transport and storage containers from wind action which might make dust airborne.
- e. Chips manufactured on-site shall be screened following storage.
- f. Chips will be screened following removal from storage prior to conveying to digesters.
- g. All conveyor systems shall be covered or enclosed.
- h. Drop distance from chip storage stacker shall be maintained to a minimum
- i. All access roads shall be paved.

[FAC Rule 62-4.070, FAC Rule 62-296.320(4)(c)and Operating Permit AO03-190807]

Emissions

8. Visible emissions resulting from activities at the woodyard shall not be equal to, or greater than, 20% opacity. [FAC Rule 62-296.320(4)(b), DEP letter of December 4, 1995]

9. No objectionable odors shall be allowed off plant property. [FAC Rule 62-296.320(2)]

Testing

10. The Department can require special compliance tests in accordance with F.A.C. Rule 62-297.310(7)(b).

Administrative

11. An annual operating report for air pollutant emitting facility, DEP Form 62-210.990(5), shall be submitted by March 1 of each year. A copy of the form and instructions may be obtained from the Department of Environmental Protection,

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SPECIFIC CONDITIONS:

Northwest District Air Resources Management Program, (904) 444-8364. [FAC Rule 62-210.370(3)]

12. The applicant shall retain a Professional Engineer, registered in the State of Florida, for the inspection of this project. Upon project completion the engineer shall inspect for conformity to the permit application and associated documents. An updated Title V application (or pertinent updated sections) is to be submitted within 75 days of completion of the project but not later than January 1, 1998. The permittee shall obtain an initial or revised operating permit for this source before the expiration of this construction permit if the permittee desires to continue operation. [FAC Rule 62-210(300)]

13. In accordance with F.A.C. Rule 62-213, a Major Air Pollution Source Annual Operation Fee Form [DEP Form 62-213.900(1) attached] must be completed and submitted with appropriate fee between January 15 and March 1 of each year. If the Department has not received the fee payment by March 1, the Department shall impose, in addition to the fee, a penalty of 50 percent of the amount of the fee, plus interest on such amount computed in accordance with s.220.807, Florida Statutes. The Department may revoke any major air pollution source operation permit if it finds that the permit holder has failed to pay timely and required annual operation license fee, penalty or interest. The completed form and appropriate fees must be submitted to the Department of Environmental Protection, Title V Annual Emissions Fee, Cashiers Office, P.O. Box 3070, Tallahassee, Florida 32351-3070.

14. The emission unit covered by this permit, the woodyard facility, is assigned emissions unit number 0050009030. Please cite this number on all test reports and other correspondence specific to this permitted emission unit. [FAC Rule 62-297.310(8)]

15. The Department telephone number for reporting problems, malfunctions or exceedances under this permit is (850) 595-8364, day or night, and for emergencies involving a significant threat to human health or the environment is (800) 320-0519. For routine business, telephone (850) 872-4375 during normal working hours. [FAC Rule 62-4.130]

Expiration Date:

Issued this /5th/ day of /January/,
1998.

March 1, 1998

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

/s/

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SPECIFIC CONDITIONS:

ED K. MIDDLESWART, P.E.
Air Program Administrator

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GENERAL CONDITIONS:

1. The terms, conditions, requirements, limitations, and restrictions set forth in this permit are "permit conditions", and are binding and enforceable pursuant to Sections 403.141, 403.727, or 403.859 through 403.861, Florida Statutes. The permittee is placed on notice that the Department will review this permit periodically and may initiate enforcement action for any violation of these conditions.
2. This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings, exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Department.
3. As provided in Subsections 403.087(6) and 403.722(5), Florida Statutes, the issuance of this permit does not convey any vested rights or any exclusive privileges. Nor does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations. This permit does not constitute a waiver of or approval of any other Department permit that may be required for other aspects of the total project which are not addressed in the permit.
4. This permit conveys no title to land or water, does not constitute state recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the state. Only the Trustees of the Internal Improvement Trust Fund may express state opinion as to title.
5. This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department.
6. The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed and used by the permittee to achieve compliance with the conditions of this permit, are required by Department rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by Department rules.

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GENERAL CONDITIONS:

7. The permittee, by accepting this permit, specifically agrees to allow authorized Department personnel, upon presentation of credentials or other documents as may be required by law, access to the premises, at reasonable times, where the permitted activity is located or conducted for the purpose of:

- a. Having access to and copying any records that must be kept under the conditions of this permit;
- b. Inspecting the facility, equipment, practices, or operations regulated or required under this permit; and,
- c. Sampling or monitoring any substances or parameters at any location reasonably necessary to assure compliance with this permit or Department rules.

Reasonable time may depend on the nature of the concern being investigated.

8. If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide the Department with the following information:

- a. A description of and cause of noncompliance; and
- b. The period of noncompliance, including exact dates and times; or, if not corrected, the anticipated time the noncompliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the noncompliance. The permittee shall be responsible for any and all damages which may result and may be subject to enforcement action by the Department for penalties or for revocation of this permit.

9. In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to the Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department rules, except where such use is proscribed by Sections 403.73 and 403.111, Florida Statutes. Such evidence shall only be used to the extent it is consistent with Florida Rules of Civil Procedure and appropriate evidentiary rules.

10. The permittee agrees to comply with changes in Department rules and Florida Statutes after a reasonable time for compliance, provided however, the permittee does not waive any other rights granted by Florida Statutes or Department rules.

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GENERAL CONDITIONS:

11. This permit is transferable only upon Department approval in accordance with Florida Administrative Code Rules 62-4.120 and 62-730.300, as applicable. The permittee shall be liable for any noncompliance of the permitted activity until the transfer is approved by the Department.

12. This permit is required to be kept at the work site of the permitted activity during the entire period of construction or operation.

13. The permittee shall comply with the following:

a. Upon request, the permittee shall furnish all records and plans required under Department rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Department.

b. The permittee shall hold at the facility or other location designated by this permit records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application for this permit. These materials shall be retained at least three years from the date of the sample, measurement, report or application unless otherwise specified by Department rule.

c. Records of monitoring information shall include:

- the date, exact place, and time of sampling or measurement;
- the person responsible for performing the sampling or measurement;
- the date(s) analyses were performed;
- the person responsible for performing the analyses;
- the analytical techniques or methods used; and
- the results of such analyses.

14. When requested by the Department, the permittee shall within a reasonable time furnish any information required by law which is needed to determine compliance with the permit. If the permittee becomes aware the relevant facts were not submitted or were

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incorrect in the permit application or in any report to the Department, such facts or information shall be corrected promptly.

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NOTICE OF INTENT TO ISSUE PERMIT

The Department of Environmental Protection gives notice of its intent to issue a permit to Stone Container Corporation for a Woodyard Process Rate Increase located One Everitt Avenue, Panama City. The project involves procedural changes to increase the throughput of hardwood and softwood through the woodyard to allow increased productivity in the paper mill. No actual construction will be taking place. The potential to emit will increase 4.8 Tons per year for particulate matter (PM) and 1.9 tons per year for PM10 (particulate matter less than 10 microns), from 39.8 and 14.5 tons per year to 44.6 and 16.4 tons per year respectively.

A person whose substantial interests are affected by the Department's proposed permitting decision may petition for an administrative proceeding (hearing) in accordance with Section 120.57, Florida Statutes. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Tallahassee, Florida 32399-3000, within 14 days of publication of this notice. Petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. Failure to file a petition within this time period shall constitute a waiver of any right such person may have to request an administrative determination (hearing) under Section 120.57, Florida Statutes.

The petition shall contain the following information; (a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Department Permit File Number and the county in which the project is proposed; (b) A statement of how and when each petitioner received notice of the Department's action or proposed action; (c) A statement of how each petitioner's substantial interests are affected by the Department's action or proposed action; (d) A statement of the material facts disputed by petitioner, if any; (e) A statement of facts which petitioner contends warrant reversal or modification of the Department's action or proposed action; (f) A statement of which rules or statutes petitioner contends require reversal or modification of the Department's action or proposed action; and (g) A statement of the relief sought by petitioner, stating precisely the action petitioner wants the Department to take with respect to the Department's action or proposed action.

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, the Department's final action may be different from the position taken by it in this Notice. Persons whose substantial interests will be affected by any decision of the Department with regard to the application have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 14 days of publication of this notice in the Office of General Counsel at the above address of the Department. Failure to petition within the allowed time frame constitutes a waiver of any right such person has to request a hearing under Section 120.57, Florida Statutes, and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 28-5.207, F.A.C.

The application is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except for legal holidays, at the Northwest District, 160 Governmental Center, Pensacola, Florida.

MEMORANDUM

TO : Ed K. Middleswart, P.E.
FROM : Andy Allen, Armando I. Sarasua
DATE : May 10, 2012
SUBJECT : Evaluation Summary for Stone Container Corporation,
Woodyard Process Rate Increase 0050009030, Bay County

We recommend issuing notice of intent to issue a construction permit to Stone Container Corporation for a Woodyard Process Rate Increase from 355,118 cords roundwood and 416,812 cords chips to 710,160 and 609,840 cords per year respectively, plus 316,098 T/yr purchased bark. The woodyard is a portion of the SCC kraft paper mill. The mill is a major source and subject to Title V under the Clean Air Act.

Process Description Wood chips are used as the raw material in the papermaking process and scrap wood and bark are used in steam generation. Roundwood (whole tree trunks) is received as either shortwood or longwood. Purchased hardwood or softwood chips are also received. Bark is a byproduct of log processing and some bark is also purchased. The chipping process begins by passing logs through a debarker to remove bark, which is collected and transferred via conveyors and hogged to obtain a desired size. After processing the bark, it is stored in piles, transferred to the bark bin, and then used as a fuel for the boilers at the facility. The logs are then chipped and the chips screened for proper size. Both purchased and manufactured chips are conveyed and stored in chip reclaimer storage piles. The facility has one softwood chip reclaimer and one hardwood reclaimer storage pile where chips are stored temporarily until needed by the facility.

Pollution Control Equipment A single cyclone is associated with the bark transfer and conveying system, and used to pneumatically convey the bark. Conveyors are covered and roads are paved and maintained to minimize particulate entrainment. Four (4) cyclones are used in the Screening Room to separate pneumatically conveyed chips and fines from the conveying air stream.

Applicable Rules and Regulations and Environmental Impact A fee of \$2,000 was submitted. The appropriate fee for an incremental increase of 4.8 T/yr, subtype 1F source, is \$250 and permittee was advised to apply for a refund. This source is regulated in accordance with FAC Rule 62-296.320(4)(c) Fugitive Emissions and the General Visible Emissions limit of 20% under FAC Rule 62-296.320(4)(b) The potential to emit will increase 4.8 T/yr for particulate matter (PM) and 1.9 T/yr for PM10 (PM < 10 um), from 39.8 and 14.5 T/yr to 44.6 and 16.4 T/yr respectively.

Compliance Monitoring: None required by original AC01-148859.

Compliance History No problems noted in file.

EKM:asc