Florida Department of Environmental Protection

Northeast District
7825 Baymeadows Way, Suite B200
Jacksonville, Florida 32256-7590
Phone: 904/256-1700 ♦ Fax: 904/448-4366

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Mimi A. Drew
Secretary

PERMITTEE

Rayonier Performance Fibers, LLC
PO Box 2002
Fernandina Beach, FL 32035

Authorized Representative:
Mr. C.A. McDonald, General Manager

Air Permit No. 0890004-031-AC
Permit Expires: March 1, 2012
Issue Date: November 29, 2010
Fernandina Beach Sulfite Pulp Mill
ARMS ID No. 0890004
Pulp Production Increase Project

PROJECT AND LOCATION

This permit revises Construction Permit No. 089004-018-AC (modified in Construction Permit No. 0890004-021-AC, extended in Construction Permit No. 0890004-023-AC, and extended in Construction Permit No. 0890004-030-AC) to increase in the interim pulp production limit from 162,000 to 165,852 ADMT per consecutive 12-months, rolling total. Prior to increasing the pulp production beyond 165,852 ADMT to a maximum of 175,000 ADMT per consecutive 12-months rolling total, the mill will install the blow heat recovery system as previously authorized in Construction Permit No. 0890004-018-AC. The interim production limit shall be effective during the time period prior to installation of the blow heat recovery system, through its startup, testing, and approval as specified within Construction Permit No. 0890004-021-AC. The facility has also requested a 6-month extension of the expiration date of this construction permit, i.e. until March 1, 2012. The proposed work will be conducted at the Fernandina Beach Pulp Mill, which is a Sulfite Pulp Mill (Standard Industrial Classification No. 2611). The existing facility is located in Nassau County at the foot of Gum Street in Fernandina Beach, Florida. The UTM coordinates are Zone 14: 454.7 km East; 3392.2 km North.

STATEMENT OF BASIS

This air pollution construction permit is issued under the provisions of: Chapter 403 of the Florida Statutes (F.S.); and Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297 of the Florida Administrative Code (F.A.C.). The permittee is authorized to conduct the proposed work in accordance with the conditions of this permit and as described in the application, approved drawings, plans, and other documents on file with the Department. This project is subject to the general preconstruction review requirements in Rule 62-212.300, F.A.C. and is not subject to the preconstruction review requirements for major stationary sources in Rule 62-212.400, F.A.C. for the Prevention of Significant Deterioration (PSD) of Air Quality.

Upon issuance of this final permit, any party to this order has the right to seek judicial review of it under Section 120.68 of the Florida Statutes by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel (Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida,

32399-3000) and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within 30 days after this order is filed with the clerk of the Department.

CONTENTS

Section 1. General Information

Section 2. Administrative Requirements

Section 3. Emissions Unit Specific Conditions

Section 4. Appendices

Executed in Jacksonville, Florida

_____

Christopher L. Kirts, P.E. Date
District Air Program Administrator

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Final Air Permit package (including the Final Determination and Final Permit) was sent by electronic mail (or a link to these documents made available electronically on a publicly accessible server) with received receipt requested before the close of business on _____ to the persons listed below.

Ms. Kathleen Forney, EPA Region 4 (forney.kathleen@epa.gov)
Ms. Ana M. Oquendo, EPA Region 4 (oquendo.ana@epa.gov)
Ms. Heather Abrams, EPA Region 4 (abrams.heather@epa.gov)
Mr. David Rogers, Rayonier Performance Fibers, LLC (david.rogers@rayonier.com)
Mr. C.A. McDonald, Rayonier Performance Fibers, LLC (ca.mcdonald@rayonier.com)
Ms. Debra Lane, Rayonier Performance Fibers, LLC (Debra.Lane@rayonier.com)
Mr. David Buff, P.E., Golder Associates, Inc. (dbuff@golder.com)

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency clerk, receipt of which is hereby acknowledged.

_____

(Clerk) (Date)

SUBSECTION A. FACILITY DESCRIPTION

The mill uses a sulfite (ammonia-base) process to produce various grades of chemical cellulose from pine wood-chips. There are only two other pulp mills located in the United States that produce products similar to the Fernandina Mill and neither of these mills use the same type of manufacturing process. This plant produces approximately 10 different grades of cellulose each with different specifications and customers. The amount of each grade of product that is produced is based on market demand. The cellulose produced at this mill goes into such products as plastics, photographic film, LCD screens, paints, cigarette filters, pharmaceuticals, food products, cosmetics and textiles. Customers of these products have stringent quality requirements.

The existing facility consists of the following emissions units.

E.U. ID No.	Brief Description
-005	Vent Gas Scrubber and Direct Contact Condenser
-006	Sulfite Recovery Boiler firing RLS, No. 6 fuel oil, and No. 2 fuel oil
-007	Molten sulfur handling area.
-010	Biological Effluent Treatment System
-011	Dissolving-Grade Bleaching System
-021	Evaporator Vents Methanol Condenser
-022	Bubbling Fluidized Bed No. 6 Power Boiler

The proposed project will affect the following emissions units.

E.U. ID No.	Brief Description
-005	Vent Gas Scrubber and Direct Contact Condenser
-010	Biological Effluent Treatment System
-011	Dissolving-Grade Bleaching System
-021	Evaporator Vents Methanol Condenser

PROJECT DESCRIPTION

Previous Air Construction Permit No. 0890004-018-AC authorized the facility to initially increase pulp production from 153,205 to 162,000 air dried metric tons (ADMT) per consecutive 12-months, rolling total. A second increase to a maximum of 175,000 ADMT per consecutive 12-months, rolling total was authorized provided the facility successfully installed a new blow heat recovery system to control VOC (volatile organic compounds) emissions from all of the Hot Caustic Extraction cells in the bleach plant. The facility is requesting in this permitting project to increase the pulp production from 162,000 to 165,852 ADMT per consecutive 12-months, rolling total without the requirement to install the blow heat recovery system. Prior to increasing pulp production to 175,000 ADMT per consecutive 12-months rolling total, the mill will install the blow heat recovery system as previously authorized in

Construction Permit No. 0890004-018-AC. Pursuant to Rule 62-212.400, F.A.C., Rayonier Performance Fibers, LLC provided information to show that the project will not exceed the significant emissions rates that require preconstruction review for the Prevention of Significant Deterioration (PSD) of Air Quality. In accordance with Rule 62-212.300, F.A.C., the permit requires Rayonier Performance Fibers, LLC to provide reports summarizing the actual emissions (SO_2 and VOC) for each year during the 5-year period following completion of the project. This is to ensure that the project remains minor with respect to PSD preconstruction review.

FACILITY REGULATORY CLASSIFICATION

- The facility is a major source of hazardous air pollutants (HAP).
- The facility has no units subject to the acid rain provisions of the Clean Air Act.
- The facility is a Title V major source of air pollution in accordance with Chapter 213, F.A.C.
- The facility is a major stationary source in accordance with Rule 62-212.400(PSD), F.A.C.
- This facility is a major source of air pollutants, other than HAPs.
- This facility has one or more emissions units subject to NSPS (40CFR 60).
- This facility has one or more emissions units subject to NESHAP (40 CFR 61 or Part 63)

(1) Permitting Authority: The permitting authority for this project is the Northeast District Office Air Program, Florida Department of Environmental Protection (Department). The Northeast District Office's mailing address is 7825 Baymeadows Way, Suite B200, Jacksonville, Florida 32256-7590. All documents related to applications for permits to operate an emissions unit shall be submitted to the Northeast District.

(2) Compliance Authority: All documents related to compliance activities such as reports, tests, and notifications shall be submitted to the Northeast District Office. The mailing address and phone number of the District Office is: 7825 Baymeadows Way, Suite B200, Jacksonville, Florida 32256. The Permitting Authority's telephone number is 904/256-1700.

(3) Appendices: The following Appendices are attached as part of this permit:

a. Appendix A. Citation Formats and Glossary of Common Terms;

b. Appendix B. General Conditions;

c. Appendix C. Common Conditions

(4) Applicable Regulations, Forms and Application Procedures: Unless otherwise specified in this permit, the construction and operation of the subject emissions units shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of: Chapter 403, F.S.; and Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296, and 62-297, F.A.C. Issuance of this permit does not relieve the permittee from compliance with any applicable federal, state, or local permitting or regulations.

(5) New or Additional Conditions: For good cause shown and after notice and an administrative hearing, if requested, the Department may require the permittee to conform to new or additional conditions. The Department shall allow the permittee a reasonable time to conform to the new or additional conditions, and on application of the permittee, the Department may grant additional time. [Rule 62-4.080, F.A.C.]

(6) Modifications: The permittee shall notify the Compliance Authority upon commencement of construction. No new emissions unit shall be constructed and no existing emissions unit shall be modified without obtaining an air construction permit from the Department. Such permit shall be obtained prior to beginning construction or modification. [Rules 62-210.300(1) and 62-212.300(1) (a), F.A.C.]

(7) Source Obligation:

a. At such time that a particular source or modification becomes a major stationary source or major modification (as these terms were defined at the time the source obtained the enforceable limitation) solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the source or modification otherwise to emit a pollutant, such as a restriction on hours of operation, then the requirements of subsections 62-212.400(4) through (12), F.A.C., shall apply to the source or modification as though construction had not yet commenced on the source or modification.

b. At such time that a particular source or modification becomes a major stationary source or major modification (as these terms were defined at the time the source obtained the enforceable limitation) solely by exceeding its projected actual emissions, then the requirements of subsections 62-212.400(4) through (12), F.A.C., shall apply to the source or modification as though construction had not yet commenced on the source or modification.

[Rule 62-212.400(12), F.A.C.]

(8) Application for Title V Permit: This permit authorizes construction of the permitted emissions units and initial operation to determine compliance with Department rules. A Title V air operation permit is required for regular operation of the permitted emissions unit. The permittee shall apply for a Title V air operation permit at least 90 days prior to expiration of this permit, but no later than 180 days after commencing operation of the refurbished equipment. To apply for a Title V operation permit, the applicant shall submit the appropriate application form, compliance test results, and such additional information as the Department may by law require. The application shall be submitted to the appropriate Permitting and Compliance Authority.

[Rules 62-4.030, 62-4.050, 62-4.220 and Chapter 62-213, F.A.C.]

This section of the permit addresses the following emissions units.

ID No.	Emission Unit Description
-005	Vent Gas Scrubber and Direct Contact Condenser
-010	Biological Effluent Treatment System
-011	Dissolving-Grade Bleaching System
-021	Evaporator Vents Methanol Condenser

APPLICABILITY OF PREVIOUS PERMITS

1. Existing Permits and Regulations: The conditions of this permit supplements all other previously issued air construction and operation permits for these emissions units. These conditions are in addition to all other applicable permit conditions and regulatory requirements. The Permittee shall continue to comply with the conditions of those permits, which include restrictions and standards regarding capacities, production, operation, fuels, emissions, monitoring, recordkeeping, reporting, and the like.

   [Rules 62-4.070, 62-212.400, F.A.C.; Construction Permit No. 0890004-018-AC, Construction Permit No. 0890004-021-AC]

PERFORMANCE RESTRICTIONS

2. Capacity.

   a. Except as provided below, the facility's pulp production shall not exceed 165,852 air dried metric tons (ADMT) per consecutive 12-months, rolling total.

   b. Upon successful installation and operation of the HCE blow heat recovery system to control VOC emissions from all of the HCE cells, followed by the submittal of the engineering report required by Construction Permit No. 0890004-018-AC, the facility's production shall not exceed 175,000 ADMT per consecutive 12-months, rolling total.

   [Rule 62-4.070(3), 210.200(PTE), 62-212.400(5), F.A.C.; Construction Permit No. 0890004-018-AC, Construction Permit No. 0890004-021-AC; Application No. 0890004-031-AC]

RECORDKEEPING AND REPORTING

3. Actual Emissions Reporting: This permit is based on an analysis that compared baseline actual emissions with projected actual emissions and the project avoided the requirements of subsection 62-212.400(4) through (12), F.A.C. for several pollutants. Therefore, pursuant to Rule 62-212.300(1)(e), F.A.C., the permittee is subject to the following monitoring, reporting and recordkeeping provisions.

a. The permittee shall monitor the emissions of any PSD pollutant that the Department identifies could increase as a result of the construction or modification and that is emitted by any emissions unit that could be affected; and, using the most reliable information available, calculate and maintain a record of the annual emissions, in tons per year on a calendar year basis, for a period of 5 years following resumption of regular operations after the change. Emissions shall be computed in accordance with the provisions in Rule 62-210.370, F.A.C., which are provided in Appendix C of this permit.

b. The permittee shall report to the Department within 60 days after the end of each calendar year during the 5-year period setting out the unit's annual emissions during the calendar year that preceded submission of the report. The report shall contain the following:

   (1) The name, address and telephone number of the owner or operator of the major stationary source;

   (2) The annual emissions as calculated pursuant to the provisions of 62-210.370, F.A.C., which are provided in Appendix C of this permit;

   (3) If the emissions differ from the preconstruction projection, an explanation as to why there is a difference; and

   (4) Any other information that the owner or operator wishes to include in the report.

c. The information required to be documented and maintained pursuant to subparagraphs 62-212.300(1)(e)1 and 2, F.A.C., shall be submitted to the Department, which shall make it available for review to the general public.

d. For this project, the permittee estimated the following baseline actual emissions: 65.4 tons/year of sulfur dioxide (SO_2); and 334.6 tons/year of volatile organic compounds (VOC).

e. The permittee shall compute and report annual emissions in accordance with Rule 62-210.370(2), F.A.C. as provide by Appendix C of this permit. For this project, the permittee shall use the following methods in reporting the actual annual emissions as a result of this project:

   (1) Unless otherwise approved by the Department, the permittee shall use the same emissions factors for reporting the actual annual emissions of SO_2, and VOC as used in the application to establish baseline emissions.

   (2) The permittee shall use the actual annual air dried metric tons of produced pulp.

   (3) As defined in Rule 62-210.370(2), F.A.C., the permittee shall use a more accurate methodology if it becomes available

[Application No. 0890004-031-AC; Rules 62-212.300(1)(e), and 62-210.370, F.A.C.]

CONSTRUCTION PERMIT NO. 0890004-021-AC

4. Expiration Date: As requested in Application No. 0890004-031-AC, the expiration date of Construction Permit No. 0890004-021-AC shall be extended from September 1, 2011 to March 1, 2012. This extension shall provide the necessary time to complete the required performance testing and the engineering study submittal for the blow heat recovery system in accordance with the specific conditions of Construction Permit No. 0890004-021-AC.

   [Expiration Date Extension request in Application No. 0890004-031-AC]