DRAFT PERMIT

PERMITTEE

Georgia-Pacific Consumer Operations, LLC
P.O. Box 919
Palatka, FL 32178-0919

Authorized Representative:
Gary L. Frost, Vice President Operations

Air Permit No. 1070005-066-AC
Permit Expires: March 1, 2013
Minor Air Construction Permit

Palatka Mill
Natural Gas Burners at No. 4
Combination Boiler

PROJECT

This is the final air construction permit, which authorizes the replacement of the No. 4 combination boiler (EU 016) fuel oil burners with natural gas burners, upgrade of the existing mechanical dust collection system, replacement of the existing steam turbine-driven induced draft fan-drive with an electric motor and replacement of 28 continuous tube sections in the boiler's superheater section. The proposed work will be conducted at the existing Palatka Mill, which is a Kraft pulp and paper mill categorized under Standard Industrial Classification No. 2611. The existing facility is located in Putnam County at 215 County Road 216 in Palatka, Florida. The UTM coordinates are Zone 17, 434.00 km East and 3,283.4 km North.

This final permit is organized into the following sections: Section 1 (General Information); Section 2 (Administrative Requirements); Section 3 (Emissions Unit Specific Conditions); Section 4 (Appendices). Because of the technical nature of the project, the permit contains numerous acronyms and abbreviations, which are defined in Appendix A of Section 4 of this permit. As noted in the Final Determination provided with this final permit, only minor changes and clarifications were made to the draft permit.

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. 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.

Executed in Tallahassee, Florida

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Trina L. Vielhauer, Acting Director (Date)
Division of Air Resource Management

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 with Appendices) 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 _____(DRAFT)_____ to the persons listed below.

Mr. Gary L. Frost, Georgia-Pacific Consumer Operations, LLC (gary.frost@gapac.com)
Mr. Ron Reynolds, Georgia-Pacific Consumer Operations, LLC (ron.reynolds@gapac.com)
Mr. David A. Buff, Golder Associates (dbuff@golder.com)
Mr. Christopher Kirts, Northeast District Office (christopher.kirts@dep.state.fl.us)
Ms. Kathleen Forney, EPA Region 4 (forney.kathleen@epa.gov)
Ms. Heather Abrams, EPA Region 4 (abrams.heather@epa.gov)
Ms. Vickie Gibson, DEP BAR Reading File (victoria.gibson@dep.state.fl.us)

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.

(DRAFT)

_____ _____
(Clerk) (Date)

FACILITY DESCRIPTION

The existing facility consists of the following emissions units.

Facility ID No. 1070005	
ID No.	**Emission Unit Description**
015	No. 5 Power Boiler
016	No. 4 Combination Boiler
017	No. 4 Lime Kiln
018	No. 4 Recovery Boiler
019	No. 4 Smelt Dissolving Tanks (2)
031	Tall Oil Plant
035	ClO_2 Plant and Methanol Storage Tank
036	ECF No. 3 Bleach Plant
044	No. 7 Package Boiler
037	Thermal Oxidizer
045	Wide-web Flexographic Printers
046	Condensate Stripper System

PROPOSED PROJECT

The applicant proposes to replace the existing fuel oil burners with natural gas burners, upgrade the existing mechanical dust collection system, replace the existing steam turbine-driven induced draft fan-drive with an electric motor and replace 28 continuous tube sections in the boiler's superheater section at the existing No. 4 combination boiler (EU 016).

This project will modify the following emissions unit.

Facility ID No. 1070005	
ID No.	**Emission Unit Description**
016	No. 4 Combination Boiler

FACILITY REGULATORY CLASSIFICATION

- The facility is a major source of hazardous air pollutants (HAP).
- The facility does not operate units subject to the acid rain provisions of the Clean Air Act (CAA).
- 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.

1. Permitting Authority: The permitting authority for this project is the Bureau of Air Regulation, Division of Air Resource Management, Florida Department of Environmental Protection (Department). The Bureau of Air Regulation's mailing address is 2600 Blair Stone Road (MS #5505), Tallahassee, Florida 32399-2400. All documents related to applications for permits to operate an emissions unit shall be submitted to the Northeast District (as applicable) at: 7825 Baymeadows Way, Suite 200B, Jacksonville, FL 32256-7590.

2. Compliance Authority: All documents related to compliance activities such as reports, tests, and notifications shall be submitted to the Northeast District at: 7825 Baymeadows Way, Suite 200B, Jacksonville, FL 32256-7590.

3. Appendices: The following Appendices are attached as a part of this permit: Appendix A (Citation Formats and Glossary of Common Terms); Appendix B (General Conditions); and 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. 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 Authority with copies to the Compliance Authority. [Rules 62-4.030, 62-4.050, 62-4.220 and Chapter 62-213, F.A.C.]

9. Actual Emissions Reporting: This permit is based on an analysis that compared baseline actual emissions with projected actual emissions and 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 calculations 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.

For this project, the permit requires the annual reporting of actual NO_X, SO_2, *CO, VOC, and PM* emissions for the following unit: *Emissions Unit 016 - No. 4 Combination Boiler*.

[Application 1070005-066-AC; and Rules 62-212.300(1)(e) and 62-210.370, F.A.C.]

A. No. 4 Combination Boiler (EU-016)

This section of the permit addresses the following emissions unit.

No. 4 Combination Boiler (EU-016)
The boiler is a spreader-stoker traveling grate furnace with a pneumatic fuel feed distribution system. It was manufactured by Babcock & Wilcox and constructed in 1965. The primary fuel is bark/wood, which is supplemented with fuel oil. The maximum steam production rate is 475,000 lb/hour based on steam conditions of 900° F at 1275 psi. Particulate matter emissions are controlled by mechanical dust collectors as pre-cleaners to the ESP. The boiler also serves as a backup control device for other permitted operations. The unit continuously monitors TRS emissions. This project includes replacement of supplemental fuel oil with natural gas and upgrading the existing mechanical dust collection system.

EXISTING APPLICABLE REGULATIONS

1. Existing Permits and Regulations: This permit supplements other previously issued air permits for the No. 4 Combination Boiler, which include the following applicable state and federal regulations.

   a. Pursuant to Rule 62-296.404(3)(f)1, F.A.C., the No. 4 Combination Boiler is subject to the applicable requirements for a combustion device incinerating TRS emissions at a Kraft pulp mill.

   b. Pursuant to Rule 62-296.410(1)(b), F.A.C., the No. 4 Combination Boiler is subject to the applicable requirements for an existing carbonaceous fuel fired boiler.

   c. Pursuant to 40 CFR 63.443(d)(4)(ii), the No. 4 Combination Boiler is subject to the applicable requirements for controlling HAP emissions from the pulping system at Kraft processes. [NESHAP Subpart S in 40 CFR 63]

   {Permitting Note: The applicable requirements are specified in the latest Title V air operation permit (No. 1070005-048-AV). This project does not impose any new applicable requirements from these existing regulations.} [Rules 62-296.404 and 62-296.410, F.A.C.; and 40 CFR 63.443]

MODIFICATIONS AND CAPACITIES

2. Modifications : The permittee shall make the following modifications and other related work to the No. 4 Combination Boiler:

   a. Replace the three existing No. 6 residual oil burners with natural gas burners. Natural gas shall replace No. 6 residual fuel oil as the supplemental fuel supply for No. 4 Combination Boiler. Fuel oil will no longer be permitted after the burner replacement is complete.

   b. Upgrade the existing mechanical dust collection system. The No. 3 tertiary collector shall be upgraded to become the primary dust collector prior to the electrostatic precipitator.

   c. Replace the existing steam turbine-drive on the induced draft (ID) fan for the No. 4 combination boiler with an electric motor.

   d. Replace 28 continuous tube sections in the boiler's superheater section.

3. Authorized Fuels: After completing the modifications, the No. 4 Combination Boiler is authorized to fire bark/wood and natural gas. *{Permitting Note: The No. 4 Combination Boiler is permitted to serve as a control device to combust non-condensable gases, stripper off-gases and dilute non-condensable gases.}* [Rules 62-210.200(PTE) and 62-212.400(PSD), F.A.C.; Permit Nos. 1070005-017-AC, 1070005-024-AC, and 1070005-066-AC]

4. Permitted Capacity: After completing the modifications, the No. 4 Combination Boiler is authorized to operate at the following maximum heat input rates.

Fuel Source	Maximum Heat Input Rate
Bark/Wood (alone or combined with other fuels)	564.0 MMBtu/hr, 24-hr average [a]
Natural Gas	427.0 MMBtu/hr, 24-hr average [b]

[a] Based on 57.0 tons per hour of bark/wood with an average heating value of 4500 Btu/lb on an as-fired basis (wet).

[b] Based on 427,000 cubic feet (cf) per hour of natural gas with an average heating value of 1000 Btu/cf.

[Rules 62-4.160(2) and 62-210.200(PTE), F.A.C.; Permit AC54-163040, Permit Nos. 1070005-17-AC, PCP Exclusion dated March 14, 2002, 1070005-024-AC, 1070005-28-AC and 1070005-038-AC; and Application No. 1070005-066-AC]

EMISSIONS STANDARDS

5. Existing Standards: The No. 4 Combination Boiler remains subject to all applicable requirements in the current Title V air operation permit. No new emissions standards are imposed by this permit. [Rules 62-4.070(3) and 62-210.300 and Chapter 62-213, F.A.C.]

RECORDKEEPTING

6. Steam Records: The permittee shall continuously monitor and record the following steam parameters: steam production rate (lb/hour), steam pressure (psig), steam temperature (° F) and feedwater temperature (° F). [62-4.070(3), F.A.C.]