



Florida Department of Environmental Protection

Northeast District
7825 Baymeadows Way, Suite B200
Jacksonville, Florida 32256-7590
Phone: 904/807-3300 ♦ Fax: 904/448-4366

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

PERMITTEE:

Smurfit-Stone Container Enterprises, Inc.
North 8th Street
Fernandina Beach, Florida 32034

I.D. Number:	0890003
Permit/Cert Number:	0890003-013-AC
Date of Issue:	January 10, 2008
Expiration Date:	January 10, 2010
County:	Nassau
Latitude/Longitude:	30° 40' 53" N; 81° 27' 26" W
UTM:	E-(17) 456.2; N-3394.1
Project:	No. 4 Recovery Boiler No. 5 Recovery Boiler No. 4 Lime Kiln No. 4 Smelt Dissolving Tank No. 5 Smelt Dissolving Tank

This permit is issued under the provisions of Chapter(s) 403, Florida Statutes, and Florida Administrative Code Rule(s) 62-210, 62-212, 62-296, 62-297 and 62-4. The above named 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:

PROJECT 013:

This project authorizes the use of up to 146,000 tons per consecutive 12-months of hot caustic extract (HCE) liquor (at 35% solids maximum) as an additive to supplement black liquor solids. HCE contains dissolved wood organics from unbleached wood pulp and unreacted caustic, but contains less sulfur than black liquor produced by the SSCE Fernandina Mill. The HCE will be added with the weak black liquor and processed through the black liquor cycle, i.e. the Multiple Effect Evaporator system and Recovery Boilers. It is estimated that the use of HCE liquor will result in an additional 140 tons/day (TPD) of black liquor solids that will be burned in the recovery boilers, thus increasing the steam output from these boilers. However, there will not be an increase in mill-wide steam production or demand and pulp production as a result of this project.

The mill presently purchases caustic (NaOH) and adds it to the white liquor clarifiers in the caustic plant as a chemical make-up for sodium losses and to reduce the sulfidity of the white liquor used in the digesters. The addition of HCE to the black liquor cycle will result in a 20 TPD increase in lime production at the Lime Kiln, but will also result in less usage of purchased caustic by the mill. The total amount of white liquor added to the digesters does not change due to this project.

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The future projected combined NO_x actual emission increase from the HCE utilization is 37.4 tons per year.

For PSD Tracking Purposes, the net future projected actual emissions from the HCE utilization [Evaporators, #4 Recovery Boiler (RB), #4 Smelt Dissolving Tank (SDT), #5 RB, #5 SDT, #4 Lime Kiln] are listed below:

Pollutant	NOx	PM	PM10	SO2	TRS	CO	VOC
Total Net Future Actual Increased Emissions (tons/year)	37.4	12.17	8.60	12.38	3.02	24.87	10.50

FACILITY DESCRIPTION

This facility is a fully integrated Kraft linerboard mill that consists of major activities areas such as: wood yard, pulp mill, recycle plant, chemical recovery, power house and paper mill. Also, it has a corrugated containers plant.

OPERATING LOCATION

Located: North 8th Street, Fernandina Beach, Nassau County, Florida.

RELEVANT DOCUMENTS

The documents listed below are the basis of the permit. They are specifically related to this permitting action. These documents are on file with the Department:

Application for Air Permit – received June 2, 2006
Additional Information received September 11, 2006
Additional Information received January 16, 2007
Additional Information received March 12, 2007
Comments from Applicant received May 9, 2007
Comments from Applicant received June 25, 2007
Comments from Applicant received October 9, 2007

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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 403.161, 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 the 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. Neither 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 is not 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 permitted 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, as 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.
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 and at a reasonable time, access to the premises, where the permitted activity is located or conducted to:
 - a. Have access to and copy any record that must be kept under the conditions of the permit;
 - b. Inspect the facility, equipment, practices, or operations regulated or required under this permit; and
 - c. Sample or monitor 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.

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GENERAL CONDITIONS:

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 non-compliance; and
- b. the period of non-compliance, including dates and times; or, if not corrected, the anticipated time the non-compliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the non-compliance.

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 prescribed by Sections 403.73 and 403.111, Florida Statutes. Such evidence shall only be used to the extent it is consistent with the 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.

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

12. This permit or a copy thereof shall be kept at the work site of the permitted activity.

13. This permit also constitutes:

- () Determination of Best Available Control Technology (BACT)
- () Determination of Prevention of Significant Deterioration (PSD)
- () Compliance with New Source Performance Standards (NSPS)
- () Compliance with National Emission Standards for Hazardous Air Pollutants/ Maximum Available Control Technology (MACT)

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GENERAL CONDITIONS:

14. 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 measurements;
 - the person responsible for performing the sampling or measurement;
 - the dates analyses were performed;
 - the person responsible for performing the analyses;
 - the analytical techniques or methods used; and
 - the results of such analyses.

15. 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 that relevant facts were not submitted or were incorrect in the permit application or in any report to the Department, such facts or information shall be corrected promptly.

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This section addresses the following emission units.

1. The following specific conditions apply to the emissions unit(s) listed below:

<u>E.U. ID No.</u>	<u>Brief Description</u>
007	No. 4 Recovery Boiler (Babcock & Wilcox low odor design). Particulate matter emissions are controlled by an electrostatic precipitator. The total maximum operational rate of this emissions unit is 137,500 lbs Black Liquor Solids/hr (68.75 Tons BLS/hr). This emissions unit is capable of serving the mill with 492,000 lb/hr of high-pressure (quality) steam flow.
011	No. 5 Recovery Boiler (Babcock & Wilcox low odor design). Particulate matter emissions are controlled from the North and South stacks by an electrostatic precipitator. The furnace is capable of recovering chemicals from Kraft spent liquor (Straight Recovery Furnace mode) and Neutral Sulfite semi-chemical process liquor (Cross Recovery Furnace mode). The total maximum operation rate of this emissions unit is 156,780 lbs Black Liquor Solids/hr (78.39 Tons BLS/hr). This emissions unit is capable of serving the mill with 495,700 lb/hr of high-pressure (quality) steam flow.
013	#4 Smelt Dissolving Tank (SDT) with a Venturi scrubber to control particulate matter emissions.
014	#5 Smelt Dissolving Tank (SDT) with a Venturi scrubber to control particulate matter emissions.
021	No. 4 Lime Kiln with an electrostatic precipitator to control particulate matter.

ESSENTIAL POTENTIAL TO EMIT (PTE) PARAMETERS

2. Permitted Capacity - Total Hot Caustic Extract (HCE). The maximum total HCE addition to the black liquor cycle is 146,000 tons per any consecutive 12-months (at 35% solids maximum). The total HCE usage shall be accounted for and recorded on a monthly basis.

[Rules 62-4.070(3), 62-4.160, 62-210.200(Definitions - PTE) and 62-212.400(12)(c), F.A.C., Applicant request]

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3. Source Obligation. 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 Rules 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)(c), F.A.C.]

TESTING REQUIREMENTS.

4. Nitrogen Oxides. For the purposes of determining the concentration of NO_x emitted from emissions units EU 007 and EU 011, the facility shall conduct a compliance test as specified below:
- Within 90 days of permit issuance, conduct an initial test at either EU 007 or EU 011 without processing HCE to establish baseline emissions.
 - Within 120 days of permit issuance, conduct a second test at the same boiler tested in 4.a., without processing HCE to establish baseline emissions.
 - Within 120 days of permit issuance, but no later than the annual compliance timeframe for the EU (May/June 2008), conduct a test while processing BLS and no less than 400 tons/day of HCE.
 - The test method for each test shall be EPA Method 7 or 7E in 40 CFR Part 60 Subpart A.
 - Tests for 4.a. and 4.b. shall be conducted at a BLS firing rate consistent with the supporting permit application, i.e. 2003-2004 fuel usage rates for the past actual emissions determination, 422,508 tons per year (EU 007) and 423,622 tons per year for (EU 011).

[Rules 62-210.370 and 62-212.300(1)(e)1, F.A.C.]

5. Compliance Test Procedures. Compliance test procedures shall meet all applicable requirements of Chapter 62-297, F.A.C.

[Rule 62-4.070(3), F.A.C.]

NOTIFICATIONS, RECORDKEEPING AND REPORTING REQUIREMENTS

6. HCE Usage. The facility shall record, on a monthly basis, the total usage of HCE (at 35% solids maximum). This information shall be determined from the total weight of HCE tank trucks received each month and reported on a calendar year basis.

[Rules 62-210.370(3), 62-4.070(3), 62-212.300(1)(e)1., 62-212.400(12)(c), F.A.C.]

7. Lime Production. The facility shall record, on a daily basis, the lime production (CaO) from the No. 4 Lime Kiln and report it on a calendar year basis.

[Rules 62-210.370(3), 62-4.070(3), 62-212.300(1)(e)1., 62-212.400(12)(c), F.A.C.]

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8. NOx Emissions. The facility shall calculate and maintain a record of the annual NOx emissions by using the following information:

- using the emission test results from Specific Condition No. 4 x 2 (for EU 007 and EU 011),
- the HCE usage as specified in Specific Condition No. 6
- the lime production as specified in Specific Condition No. 7,
- the NOx emission factor presented in the supporting permit application for the Lime Kiln (1.480 lb/ton CaO)
- the NOx emission factor present in the supporting permit application for the No. 4 SDT (0.036 lb/Ton BLS)
- the NOx emission factor present in the supporting permit application for the No. 5 SDT (0.036 lb/Ton BLS)
- and the actual hours of operation for each of the stated emissions units during the calendar year basis.
- The total NOx emissions shall be in tons per year and on a calendar year basis.

[Rules 62-210.370(3), 62-4.070(3), 62-212.300(1)(e)1., 62-212.400(12)(c), F.A.C.]

9. Maintaining of Records. The owner or operator shall retain a copy of all records used to compute emissions pursuant Rule 62-210.370(3), F.A.C., for a period of five years from the date on which such emissions information is submitted to the department for any regulatory purpose.

[Rules 62-210.370(2)(h) and 62-212.300(1)(e)1., F.A.C.]

10. Record Reporting Requirements. The facility shall report to the Department within 60 days after the end of each year during which records must be generated under Specific Conditions 6, 7, and 8, setting out the unit's annual emissions during the calendar year that preceded submission of the report. The report shall contain the following:

- a. The name, address and telephone number of the owner or operator of the major stationary source;
- b. The annual emissions as calculated pursuant to subparagraph 62-212.300(1)(e)1., F.A.C.;
- c. If the emissions differ from the preconstruction projection, an explanation as to why there is a difference; and
- d. Any other information that the owner or operator wishes to include in the report.

[Rule 62.212.300(1)(e) 2.a-d, F.A.C.]

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11. Reporting Frequency. The reporting requirements in Specific Conditions 6, 7, and 8, shall be completed for a 5- year period following resumption of regular operations after the modification (e.g., calendar years 2008 to 2012).

[Rule 62-212.300(1)(e)1., F.A.C.]

12. Notification of Resumption of Operations. The facility shall provide a written notification to the Department of the actual date regular operations are resumed after the modification has been implemented.

[Rule 62-4.070(3), F.A.C.]

13. Compliance Test Notification. At least 15 days prior the date on which each formal compliance test is due to begin, the permittee shall provide written notification of the test to the Air Compliance Section of this Office. The notification must include the following information: the date, time, and location of each test; the name and telephone number of the facility's contact person who will be responsible for coordinating the test; and the name, company and telephone number of the person conducting the test.

[Rule 62-297.310(7)(a)9., F.A.C.]

14. Compliance Test Report Submittals. Reports of the required compliance tests shall be filed with the Air Compliance Section of this Office as soon as practical but no later than 45 days after the last test is completed.

[Rule 62-297.310(8)(b), F.A.C.]

15. Excess Emissions – Malfunctions. In case of excess emissions resulting from malfunctions, the owner or operator shall notify the Department in accordance with Rule 62-4.130, F.A.C. A full written report on the malfunctions shall be submitted in a quarterly report, if requested by the Department.

[Rule 62-210.700(6), F.A.C.]

16. Plant Operation – Problems. If the permittee is temporarily unable to comply with any of the conditions of the permit due to breakdown of equipment or destruction by hazard of fire, wind or by other cause, the permittee shall immediately notify the Department. Notification shall include pertinent information as to the cause of the problem, and what steps are being taken to correct the problem and to prevent its recurrence, and where applicable, the owner's intent toward reconstruction of destroyed facilities. Such notification does not release the permittee from any liability for failure to comply with Department rules.

[Rule 62-4.130, F.A.C.]

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MONITORING OF OPERATIONS

17. Determination of Process Variables.

- (a) Required Equipment. The owner or operator of an emissions unit for which compliance tests are required shall install, operate, and maintain equipment or instruments necessary to determine process variables, such as process weight input or heat input, when such data are needed in conjunction with emissions data to determine the compliance of the emissions unit with applicable emission limiting standards.
- (b) Accuracy of Equipment. Equipment or instruments used to directly or indirectly determine process variables, including devices such as belt scales, weight hoppers, flow meters, and tank scales, shall be calibrated and adjusted to indicate the true value of the parameter being measured with sufficient accuracy to allow the applicable process variable to be determined within 10% of its true value.

[Rule 62-297.310(5), F.A.C.]

- 18.** A permit shall be issued to the applicant upon such conditions as the Department may direct, only if the applicant affirmatively provides the Department with reasonable assurance based on plans, test results, installation of pollution control equipment, or other information, that the construction, expansion, modification, operation, or activity of the installation will not discharge, emit, or cause pollution in contravention of Department standards or rules.

The Department may issue any permit with specific conditions necessary to provide reasonable assurance that Department rules can be met.

[Rules 62-4.070(1) &(3), F.A.C.]

ADMINISTRATIVE

- 19.** The ID Number and Project Name for this source shall be used on all correspondences.
- 20.** All reports, tests, notifications or other submittals required by this permit shall be submitted to the:

Department of Environmental Protection
Northeast District – Air Program
7825 Baymeadows Way, Suite B200
Jacksonville, Florida 32256
Telephone: 904/807-3300
Fax: 904/448-4366

- 21.** Applicable Regulations. The facility is subject to the following regulations: Florida Administrative Code Chapters 62-4; 62-103; 62-204; 62-210; 62-212, 62-213, 62-296, and 62-297. Issuance of this permit does not relieve the facility owner or operator from compliance with any applicable federal, state, or local permitting requirements or regulations.

[Rule 62-210.300, F.A.C.]

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22. General Conditions. The owner and operator is subject to and shall operate under the General Permit Conditions 1 through 15 of this permit. General Permit Conditions are binding and enforceable pursuant to Chapter 403 of the Florida Statutes.

[Rule 62-4.160, F.A.C.]

23. 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.]

24. Any revision(s) to a permit (and application) must be submitted to the Department, in writing, and approved by the Department prior to implementation.

[Rules 62-210.300(1)(a) and 62-212.300(1)(a), F.A.C.]

25. Operation Permit: This permit authorizes modification of the permitted emissions units and initial operation to determine compliance with Department rules. The permittee shall apply for a Title V Air Operation Permit Revision by submitting a complete Application for Air Permit - Long Form [DEP Form No. 62-210.900(1), F.A.C.], to the department at least ninety (90) days before the expiration of this construction permit, but no later than one-hundred eighty (180) days after commencing operation as modified. To apply for an operation permit, the applicant shall submit the appropriate application form, any required compliance test results, and such additional information as the Permitting Authority may by law require.

[Rules 62-4.030, 62-4.050, 62-4.220, and 62-213.420(1)(a)4., F.A.C.]

Executed in Jacksonville, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION



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