



Department of Environmental Protection

Jeb Bush
Governor

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

David B. Scruhs
Secretary

July 16, 2002

CERTIFIED MAIL - Return Receipt Requested

Mr. Thomas L. Clements
Environmental Superintendent
Stone Container Corporation
Panama City Mill
One Everitt Avenue
Panama City, Florida 32412-0560

Re: Request for Modification of the Batch Digester System and the Woodyard
0050009-005-AC/PSD-FL-288

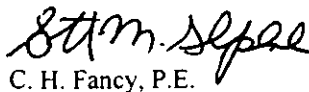
Dear Mr. Clements:

One copy of the Draft Air Construction Permit/PSD Permit for the modification of the batch digester system's and the woodyard's method of operations at Stone Container Corporation's existing pulp mill located at One Everitt Avenue, Panama City, Bay County, Florida, is enclosed. The modification will allow the batch digester system's pulp production rates to increase from 87.3 tons per hour (TPH) and 668,850 tons per year (TPY) of air-dried unbleached pulp (ADUP) to 120 TPH and 781,000 TPY ADUP. In addition, the modification will allow the woodyard's production rates to increase from 554,400 cords of purchased chips per year and 645,600 cords of roundwood per year to 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year. The permitting authority's "INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT" and the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT" are also included.

The "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT" must be published as soon as possible. Proof of publication, i.e., newspaper affidavit, must be provided to the permitting authority's office within 7 (seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit pursuant to Rule 62-110.106(11), F.A.C.

Please submit any written comments you wish to have considered concerning the permitting authority's proposed action to Scott M. Sheplak, P.E., at the above letterhead address. If you have any other questions, please contact Bruce Mitchell at 850/413-9198.

Sincerely,


C. H. Fancy, P.E.
Chief
Bureau of Air Regulation

CHF/BM/m

Enclosures

"More Protection, Less Process"

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Thomas L. Clements
 Environmental Superintendent
 Stone Container Corporation
 Panama City Mill
 One Everitt Avenue
 Panama City, Florida 32412-0560

2. Article Number (Copy from service label)
 7099 3400 0000 1449 5717

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0852

A. Received by (Please Print)

Jo Willey

C. Signature

X [Signature]

 Agent
 Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
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7099 3400 0000 1449 5717

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(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

Mr. Thomas L. Clements

Postage	\$
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Total Postage & Fees	\$

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Name (Please Print Clearly) (to be completed by mailer)

Mr. Thomas L. Clements

Street, Apt. No., or PO Box No.

One Everitt Avenue

City, State, ZIP+4

Panama City, Florida 32412-0560

PS Form 3800, July 1999

See Reverse for Instructions

In the Matter of an
Application for Permit by:

Stone Container Corporation
One Everitt Avenue
Panama City, Florida 32412-0560

Air Construction Permit No.: 0050009-005-AC
PSD-FL-288

Panama City Mill
Bay County

INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction Permit/PSD Permit (copy of Draft permit(s) enclosed) for the modification of the batch digester system's and the woodyard's method of operations at Stone Container Corporation's existing pulp mill located at One Everitt Avenue, Panama City, Bay County, Florida. The modification will allow the batch digester system's pulp production rates to increase from 87.3 tons per hour (TPH) and 668,850 tons per year (TPY) of air-dried unbleached pulp (ADUP) to 120 TPH and 781,000 TPY ADUP. In addition, the modification will allow the woodyard's production rates to increase from 554,400 cords of purchased chips per year and 645,600 cords of roundwood per year to 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year.

The permittee, Stone Container Corporation - Panama City Mill, applied on July 26, 1999, for the modification. Several submittals of supplemental information have been received since that date.

The permitting authority has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210 and 62-212. This modification is not exempt from permitting procedures. The permitting authority has determined that an Air Construction Permit/PSD Permit are required for the proposed modification.

The permitting authority intends to issue the Air Construction Permit/PSD Permit based on the belief that reasonable assurances have been provided to indicate that operation of the emissions unit will not adversely impact air quality, and the emissions unit will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C.

Pursuant to Sections 403.815 and 403.0872, F.S., and Rules 62-110.106 and 62-210.350(3), F.A.C., you (the applicant) are required to publish at your own expense the enclosed "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT." The notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected. For the purpose of these rules, "publication in a newspaper of general circulation in the area affected" means publication in a newspaper meeting the requirements of Sections 50.011 and 50.031, F.S., in the county where the activity is to take place. Where there is more than one newspaper of general circulation in the county, the newspaper used must be one with significant circulation in the area that may be affected by the permit(s). If you are uncertain that a newspaper meets these requirements, please contact the permitting authority at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-0144; Fax: 850/922-6979), within 7 (seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit(s) pursuant to Rule 62-110.106(11), F.A.C.

The permitting authority will issue the Final Air Construction Permit/PSD Permit in accordance with the conditions of the enclosed Draft Air Construction Permit/PSD Permit unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed permit issuance action for a period of 30 (thirty) days from the date of publication of "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the Draft Air Construction Permit/PSD Permit, the permitting authority shall issue a Revised Draft Air Construction Permit/PSD Permit and require, if applicable, another Public Notice.

The permitting authority will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to Sections 120.569 and 120.57, F.S. Mediation under Section 120.573, F.S., will not be available for this proposed action.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/488-9730; Fax: 850/487-4938). Petitions filed by the permit applicant or any of the parties listed below must be filed within 14 (fourteen) days of receipt of this notice of intent. Petitions filed by any other person must be filed within 14 (fourteen) days of publication of the public notice or within 14 (fourteen) days of receipt of this notice of intent, whichever occurs first. A petitioner must mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-5.207, F.A.C.

A petition must contain the following information:

- (a) The name, address, and telephone number of each petitioner, the applicant's name and address, the 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 permitting authority's action or proposed action;
- (c) A statement of how each petitioner's substantial interests are affected by the permitting authority's action or proposed action;
- (d) A statement of the material facts disputed by the petitioner, if any;
- (e) A statement of the facts that the petitioner contends warrant reversal or modification of the permitting authority's action or proposed action;
- (f) A statement identifying the rules or statutes that the petitioner contends require reversal or modification of the permitting authority's action or proposed action; and,
- (g) A statement of the relief sought by the petitioner, stating precisely the action that the petitioner wants the permitting authority to take with respect to the action or proposed action addressed in this notice of intent.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the permitting authority's final action may be different from the position taken by it in this notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

In addition to the above, a person subject to regulation has a right to apply to the Department of Environmental Protection for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542, F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal regulatory requirements. Applying for a variance or waiver does not substitute or extend the time for filing a petition for an administrative hearing or exercising any other right that a person may have in relation to the action proposed in this notice of intent.

The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. The petition must specify the following information:

- (a) The name, address, and telephone number of the petitioner;
- (b) The name, address, and telephone number of the attorney or qualified representative of the petitioner, if any;
- (c) Each rule or portion of a rule from which a variance or waiver is requested;
- (d) The citation to the statute underlying (implemented by) the rule identified in (c) above;
- (e) The type of action requested;

- (f) The specific facts that would justify a variance or waiver for the petitioner;
- (g) The reason why the variance or waiver would serve the purposes of the underlying statute (implemented by the rule); and,
- (h) A statement whether the variance or waiver is permanent or temporary and, if temporary, a statement of the dates showing the duration of the variance or waiver requested.

The Department will grant a variance or waiver when the petition demonstrates both that the application of the rule would create a substantial hardship or violate principles of fairness, as each of those terms is defined in Section 120.542(2), F.S., and that the purpose of the underlying statute will be or has been achieved by other means by the petitioner.

Persons subject to regulation pursuant to any federally delegated or approved air program should be aware that Florida is specifically not authorized to issue variances or waivers from any requirements of any such federally delegated or approved program. The requirements of the program remain fully enforceable by the Administrator of the United States Environmental Protection Agency and by any person under the Clean Air Act unless and until the Administrator separately approves any variance or waiver in accordance with the procedures of the federal program.

Executed in Tallahassee, Florida.

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION**

CH 

C. H. Fancy, P.E.

Chief

Bureau of Air Regulation

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT (including the PUBLIC NOTICE and the Draft permit(s)) and all copies were sent by certified mail before the close of business on 7/16/02 to the person(s) listed:

Mr. Thomas L. Clements, Environmental Superintendent, SCC - PC Mill

In addition, the undersigned duly designated deputy agency clerk hereby certifies that copies of this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT (including the PUBLIC NOTICE and the Draft permit(s)) were sent by U.S. mail on the same date to the person(s) listed:

Ms. Sandra Veazey, DEP - NWD
Mr. Kevin White, DEP - NWD
Mr. Gregg Worley, U.S. EPA, Region 4
Mr. David Buff, P.E., GA

7/16/02 cc: Bruce Mitchell
Reading File

Clerk Stamp

FILED 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.

Barbara J. Sunday 7/16/02
(Clerk) (Date)

PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Draft Air Construction Permit No.: 0050009-005-AC
Draft PSD Permit No.: PSD-FL-288
Stone Container Corporation
Panama City Mill
Bay County

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction Permit/PSD Permit to Stone Container Corporation for its existing pulp mill located in Panama City, Bay County. The applicant's name and address are: Thomas L. Clements, Environmental Superintendent, One Everitt Avenue, Panama City, Florida 32412-0560. The batch digester system operation was subject to a Best Available Control Technology Determination.

The permittee, Stone Container Corporation, applied on July 26, 1999, for a modification to the batch digester system's and woodyard's method of operations at the existing pulp mill. The modification will allow the batch digester system's pulp production rates to increase from 87.3 tons per hour (TPH) and 668,850 tons per year (TPY) of air-dried unbleached pulp (ADUP) to 120 TPH and 781,000 TPY ADUP. In addition, the modification will allow the woodyard's production rates to increase from 554,400 cords of purchased chips per year and 645,600 cords of roundwood per year to 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year.

An air quality impact analysis was conducted. Emissions from the facility will not significantly contribute to or cause a violation of any state or federal ambient air quality standards. The maximum predicted SO₂, PM₁₀ and NO_x PSD Class II increments in the vicinity of the project consumed by all sources in the area, including this project, will be as follows:

Averaging Time	Allowable Increment (ug/m ³)	Increment Consumed (ug/m ³)	Percent Consumed
SO₂			
3-hour	512	460	90
24-hour	91	83	91
Annual	20	10	50
PM₁₀			
24-hour	30	27	90
Annual	17	3	18
NO_x			
Annual	25	3	12

The Department has reasonable assurance that the proposed project will not cause or significantly contribute to a violation of any PSD increment in the Bradwell Bay and St. Marks Class I areas.

The permitting authority will issue the Air Construction Permit/PSD Permit, and subsequent Final Air Construction Permit/PSD Permit, in accordance with the conditions of the Draft Air Construction Permit/PSD Permit, unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed Draft Air Construction Permit/PSD Permit issuance action for a period of 30 (thirty) days from the date of publication of this Notice. Written comments should be provided to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the Draft Air Construction Permit/PSD Permit, the permitting authority shall issue a Revised Draft Air Construction Permit/PSD Permit and require, if applicable, another Public Notice.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, Florida Statutes (F.S.). The petition must contain the information set forth below and must be filed (received) in Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/488-9730; Fax: 850/487-4938). Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within fourteen (14) days of publication of the public notice or within fourteen (14) days of receipt of the notice of intent, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the permitting authority for notice of agency action may file a petition within fourteen (14) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the applicable time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Florida Administrative Code (F.A.C.) Rule 28-106.205.

A petition that disputes the material facts on which the permitting authority's action is based must contain the following information:

- (a) The name and address of each agency affected and each agency's file(s) or identification number(s), if known;
- (b) The name, address and telephone number of the petitioner; name address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how petitioner's substantial rights will be affected by the agency determination;
- (c) A statement of how and when the petitioner received notice of the agency action or proposed action;
- (d) A statement of all disputed issues of material fact. If there are none, the petition must so state;
- (e) A concise statement of the ultimate facts alleged, as well as the rules and statutes which entitle petitioner to relief; and
- (f) A demand for relief.

A petition that does not dispute the material facts upon which the permitting authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the permitting authority's final action may be different from the position taken by it in this notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation is not available for this proceeding.

A complete project file is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Permitting Authority:

Department of Environmental Protection
Bureau of Air Regulation
111 South Magnolia Drive, Suite 4
Tallahassee, Florida 32301
Telephone: 850/488-0114
Fax: 850/922-6979

Affected District Office Authority:

Department of Environmental Protection
Northwest District Office
Air Resources
160 Governmental Place
Pensacola, Florida 32520-0328
Telephone: 850/595-8300
Fax: 850/595-4417

Affected District Branch Office Authority:

Department of Environmental Protection
Northwest District Branch Office
2353 Jenks Avenue
Panama City, Florida 32405
Telephone: 850/872-4375
Fax: 850/872-7790

The complete project file includes the Draft Air Construction Permit/PSD Permit, the application, the Technical Evaluation and Preliminary Determination, and the information submitted by the facility's representative, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact Scott M. Sheplak, P.E., at the above address, or call 850/921-9532 for additional information.

**TECHNICAL EVALUATION
AND
PRELIMINARY DETERMINATION**

Stone Container Corporation
Panama City Mill
Facility ID No.: 0050009
Bay County

Air Construction Permit/PSD Permit
Draft Air Construction Permit No.: 0050009-005-AC
PSD Permit No.: PSD-FL-288

Department of Environmental Protection
Division of Air Resources Management
Bureau of Air Regulation
Title V Section

1. APPLICATION INFORMATION.

A. Applicant Name and Address:

Stone Container Corporation
Panama City Mill
P. O. Box 59560
Panama City, Florida 32412-0560

Responsible Official

Mr. Thomas L. Clements, Environmental Superintendent

B. Reviewing and Process Schedule:

July 26, 1999: Date of Receipt of Application

April 10, 2000: Date of Receipt of Supplemental Information (Response to August 17, 1999 letter)

June 1, 2000: Date of Receipt of Supplemental Information (Revised Ambient Impact Analysis)

June 15, 2000: Date of Receipt of Supplemental Information (Response to May 9, 2000 letter)

June 19, 2000: Date of Receipt of Supplemental Letter

November 6, 2000: Date of Receipt of Supplemental Information (Response to July 10 and October 31, 2000 letters)

March 22, 2001: Date of Receipt of Supplemental Letter (Response to December 5, 2000 letter)

February 19, 2002: Date of Receipt of Supplemental Information (Response to December 5, 2000 letter)

April 24, 2002: Date of Receipt of Supplemental Information (Response to March 21, 2002 letter)

May 13, 2002: Date of Receipt of Supplemental Information (Response to December 5, 2000 letter: Revised Ambient Impact Analysis)

2. FACILITY INFORMATION.

A. Facility Location

The Stone Container Corporation's Panama City Mill is located at One Everitt Avenue in Panama City, Bay County, Florida.

The UTM coordinates of this facility are: Zone 16; 632.8 km East; and, 3335.1 km North.

B. Standard Industrial Classification Code (SIC):

Major Group No.	26	Paper and Allied Products
Group No.	261	Pulp Mills
Industry No.	2611	Pulp Mills

C. Facility Category

The Panama City Mill is classified as a major air pollutant emitting facility and is a Title V facility. The initial Title V Permit, No. 0050009-002-AV, was effective on June 28, 2000.

3. PROJECT DESCRIPTION.

An Air Construction (AC) Permit/PSD Permit is required to revise and increase the throughput rates of pulp production for the batch digester system, for it is a change in a method of operation established in a previously issued SIP AC Permit. The proposed pulp production rates are 120 tons per hour (TPH) and 781,000 tons per year (TPY) of air-dried unbleached pulp (ADUP); and, the current permitted pulp production rates are 87.3 TPH and 668,850 TPY ADUP. In addition, the woodyard's method of operation is also being revised because there will be an increase in its production rates that were established in a previously issued SIP AC Permit. The proposed production rates are 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year; and, the current permitted production rates are 554,400 cords of purchased chips per year and 645,600 cords of roundwood per year. For both operations, no additional construction is required for these increases in production rates.

4. RULE APPLICABILITY.

The proposed project is subject to preconstruction review requirements under the provisions of Chapter 403, Florida Statutes, and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297.

In accordance with Rule 62-204.340(1), F.A.C., this facility is located in an area (Bay County) designated as meeting ambient air quality standards for all air pollutants. The proposed project is subject to permitting under Rule 62-212.400(2)(d)4., F.A.C., Modifications to Major Facilities.

As stated before, no additional construction is required for these production rate increases because the increases were mostly accomplished from the rebuild of the woodyard and the installation of 22 new batch digesters, of which both projects did not undergo a PSD New Source Review (NSR) preconstruction evaluation pursuant to Rule 62-212.400(5), F.A.C.

Due to the delays in submitting supplemental information, the baseline years to establish actual emissions for comparison purposes and establish the net changes in pollutant emissions for contemporaneous changes were no longer available because they exceeded the 5-year timeframe allowed by rule. So, instead of establishing new baseline dates and submitting the data to determine the pollutants that exceeded the significant emission rates established in Table 212.400-2, the applicant decided to just accept that the pulp production increase would exceed all of the significant rates for all affected pollutants emitted by the facility. The facility's pollutants that are significantly affected are particulate matter (PM), PM₁₀, sulfur dioxide (SO₂), sulfuric acid mist, hydrogen sulfide, nitrogen oxides, carbon monoxide, and ozone.

The woodyard operation and the batch digester system operation are the only federally enforceable limits that have to be changed by permit. Due to the changes, only the batch digester system operations are subject to PSD NSR requirements at Rule 62-212.400(5), F.A.C.

The permitting authority intends to issue this AC Permit/PSD Permit based on the belief that reasonable assurances have been provided to indicate that changes in the proposed throughput rates of the aforementioned batch digester system and woodyard operation will not adversely impact air quality; and, the affected batch digester system and woodyard operation will be in compliance with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C.

5. BEST AVAILABLE CONTROL TECHNOLOGY (BACT) DETERMINATION.

The BACT determination for the batch digester system has already been accomplished by complying with the Department's TRS regulations pursuant to Rule 62-296.404(3)(a)1., F.A.C., by incinerating the noncondensable gases (NCGs) of TRS in a lime kiln, with backup in the No. 4 Combination Boiler. The lime kiln's scrubber water is uncontaminated, as is the water used for the mud washers; and, the scrubber water for the No. 4 Combination Boiler is maintained at a pH of 8.0, when the boiler is incinerating the TRS NCGs. Based on previous tests (before and after) to establish the net change in SO₂ emissions from the incineration of the TRS NCGs, it is assumed that, with this increase in annual pulp production, there will not be a significant increase in SO₂ and no further PSD preconstruction scrutiny for SO₂ pursuant to EPA's Memorandum 4.32 seems appropriate. In addition, the regulations of the Cluster Rule at 40 CFR 60, Subpart S, have imposed additional collection and control requirements for HAPs from the associated condensate streams from the batch digester system and other process systems (while meeting the requirements for the collection and treatment of HAPs, additional collection and treatment of the NCGs of TRS are inherent in the action); and, the mill was in compliance with Phase I of the Cluster Rule by the April 16, 2001 deadline; and in fact, the permittee's notification of compliance with Phase I of the Cluster Rule at 40 CFR 63, Subpart S, was received by the Department's Northwest District Office on April 13, 2001, which stated that all testing requirements for compliance was completed on March 2, 2001.

6. AIR QUALITY ANALYSIS.

A. Introduction

The proposed project will increase emissions of seven pollutants in excess of PSD significant amounts: SO₂, NO_x, PM/PM₁₀, CO, H₂SO₄ mist, VOC and hydrogen sulfide (H₂S). PM₁₀, SO₂ and NO_x are criteria pollutants and have national and state ambient air quality standards (AAQS), PSD increments and significant impact levels defined for them. CO is a criteria pollutant and has only AAQS and significant impact levels defined for it. Emissions of VOC are related to the formation of ozone and are not modeled for individual stationary sources. H₂SO₄ mist and H₂S are not criteria pollutants and have no AAQS or PSD increments defined for them. Therefore, no AAQS or

PSD increment air quality impact analysis was required for them. The PSD regulations require the following air quality analyses for this project:

- Significant impact analysis for PM₁₀, SO₂, CO and NO_x;
- Analysis of existing air quality for PM₁₀, SO₂, CO and NO_x;
- PSD increment analysis for PM₁₀, SO₂ and NO_x;
- Ambient Air Quality Standards (AAQS) Analysis for PM₁₀, SO₂, CO and NO_x; and,
- Analysis of impacts on soils, vegetation, wildlife, visibility and growth-related air quality impacts.

Based on the required analyses, the Department has reasonable assurance that the proposed project, as described in this report and subject to the conditions of approval proposed herein, will not cause or significantly contribute to a violation of any AAQS or PSD increment. However, the following EPA-directed stack height language is included: "In approving this permit, the Department has determined that the application complies with the applicable provisions of the stack height regulations as revised by EPA on July 8, 1985 (50 FR 27892). Portions of the regulations have been remanded by a panel of the U.S. Court of Appeals for the D.C. Circuit in NRDC v. Thomas, 838 F. 2d 1224 (D.C. Cir. 1988). Consequently, this permit may be subject to modification if and when EPA revises the regulation in response to the court decision. This may result in revised emission limitations or may affect other actions taken by the source owners or operators." A discussion of the required analyses follows.

B. Analysis of Existing Air Quality and Determination of Background Concentrations

Preconstruction ambient air quality monitoring is required for all pollutants subject to PSD review unless otherwise exempted or satisfied. The monitoring requirement may be satisfied by using existing representative monitoring data, if available. An exemption to the monitoring requirement may be obtained if the maximum air quality impact resulting from the projected emissions increase, as determined by air quality modeling, is less than a pollutant-specific *de minimis* concentration. In addition, if EPA has not established an acceptable monitoring method for the specific pollutant, monitoring may not be required.

If preconstruction ambient monitoring is exempted, determination of background concentrations for PSD significant pollutants with established AAQS may still be necessary for use in any required AAQS analysis. These concentrations may be established from the required preconstruction ambient air quality monitoring analysis or from existing representative monitoring data. These background ambient air quality concentrations are added to pollutant impacts predicted by modeling and represent the air quality impacts of sources not included in the modeling.

The table below shows that predicted PM₁₀, SO₂ and CO impacts from the project are predicted to be above the applicable *de minimis* levels. Preconstruction ambient air quality monitoring is therefore required for PM₁₀, SO₂ and CO. However, since there are existing monitoring data in the vicinity of the plant, the monitoring requirement can be satisfied by using these data. PM₁₀ background concentrations of 51 and 25 ug/m³ for the 24-hour and annual averaging times, respectively, were established from these previously existing air quality data for use in the AAQS analysis required for PM₁₀. SO₂ background concentrations of 106, 27, and 12 ug/m³ for the 3-hour, 24-hour, and annual averaging times, respectively, were established from these previously existing air quality data for use in the AAQS analysis required for SO₂. CO background concentrations of 6,600 and 4,300 ug/m³ for the 1-hour and 8-hour averaging times, respectively, were established from these previously existing air quality data for use in the AAQS analysis required for CO. An NO₂ background concentration of 19 ug/m³ for the annual averaging time was established from these previously existing air quality data for use in the AAQS analysis required for NO_x. No *de minimis* ambient concentration is provided for ozone. Instead the net emissions increase of VOC is compared to a *de minimis* annual emission rate (AER) of 100 tons per year. No acceptable monitoring techniques or *de minimis* levels are defined for H₂SO₄ mist or H₂S.

Maximum Project Air Quality Impacts for Comparison to De Minimis Ambient Levels

Pollutant	Avg. Time	Max Predicted Impact (µg/m ³)	De Minimis Level (µg/m ³)	Impact Above De Minimis?
PM ₁₀	24-hour	83	10	Yes
SO ₂	24-hour	214	13	Yes
NO ₂	Annual	8	14	No
CO	8-hour	2100	500	Yes
VOC	AER	86 TPY	100 TPY	No

C. Models and Meteorological Data Used in the Air Quality Impact Analysis

PSD Class II Area Model

The applicant and the Department used the EPA-approved Industrial Source Complex Short-Term (ISCST3) dispersion model to evaluate the pollutant emissions from the proposed project. The model determines ground-level concentrations of inert gases or small particles emitted into the atmosphere by point, area, and volume sources. The model incorporates elements for plume rise, transport by the mean wind, Gaussian dispersion, and pollutant removal mechanisms such as deposition. The ISCST3 model allows for the separation of sources, building wake downwash, and various other input and output features. A series of specific model features, recommended by the EPA, are referred to as the regulatory options. The applicant used the EPA recommended regulatory options. Direction-specific downwash parameters were used for all sources for which downwash was considered.

Meteorological data used in the ISCST3 model consisted of a consecutive 5-year period of hourly surface weather observations and twice-daily upper air soundings from the following National Weather Service (NWS) stations. Surface data were collected from the National Weather Service (NWS) stations at Pensacola (1986-1987) and Apalachicola, Florida (1988-1990). Upper air data were collected at Apalachicola, Florida during the period 1986-1990. These NWS stations were selected for use in the study because they are the closest primary weather stations to the study area and are most representative of the project site. The surface observations included wind direction, wind speed, temperature, cloud cover, and cloud ceiling.

Since five years of data were used in ISCST3, the highest-second-high (HSH) short-term predicted concentrations were compared with the appropriate AAQS or PSD increments. For the annual averages, the highest predicted yearly average was compared with the standards. For determining the project's significant impact area in the vicinity of the facility and in the PSD Class I area, both the highest short-term predicted concentrations and the highest predicted yearly averages were compared to their respective significant impact levels.

PSD Class I Area Model

Since the Bradwell Bay and St. Marks National Wilderness PSD Class I areas are greater than 50 km from the proposed facility, long-range transport modeling was required for the Class I impact assessment. The California Puff (CALPUFF) dispersion model was used to evaluate the potential impact of the proposed pollutant emissions on the PSD Class I increments and on one Air Quality Related Value (AQRV): regional haze. CALPUFF is a non-steady state, Lagrangian, long-range transport model that incorporates Gaussian puff dispersion algorithms. This model determines ground-level concentrations of inert gases or small particles emitted into the atmosphere by point, line, area, and volume sources. The CALPUFF model has the capability to treat time-varying sources. It is also suitable for modeling domains from tens of meters to hundreds of kilometers, and has mechanisms to handle rough or complex terrain situations. Finally, the CALPUFF model is applicable for inert pollutants as well as pollutants that are subject to linear removal and chemical conversion mechanisms.

The meteorological data used in the CALPUFF model was processed by the California Meteorological (CALMET) model. The CALMET model utilizes data from multiple meteorological stations and produces a three-dimensional modeling grid domain of hourly temperature and wind fields. The wind field is enhanced by the use of terrain data, which is also input into the model. Two-dimensional fields such as mixing heights, dispersion properties, and surface characteristics are produced by the CALMET model as well. For this project, meteorological data consisted of a CALMET-developed wind field that covers all of northwestern Florida, as well as southern Georgia and southeastern Alabama for the year 1990.

D. Significant Impact Analysis

Initially, the applicant conducts modeling using only the proposed project's emissions changes. If this modeling shows significant impacts, further modeling is required to determine the project's impacts on the AAQS or PSD increments. To determine the PM_{10} , SO_2 , CO and NO_x significant impact areas for the proposed project, concentrations were predicted using polar grids for receptor locations. The receptor grids were comprised of 36 radials, spaced at 10-degree intervals, which began at the plant property and extended out to 20 km for CO and NO_x , 90 km for PM_{10} , and 95 km for SO_2 . An additional 68 Cartesian grid receptors, spaced at 100 m, were used to predict impacts along the fence line areas. Stone Container will take measures to ensure that all property boundaries are properly fenced or have other physical barriers (equivalent to a fence), and are properly posted and patrolled.

The tables below show the results of this modeling. Significant impacts were predicted in the Class II area in the vicinity of the project for PM_{10} , SO_2 , NO_x and CO. Therefore, further PM_{10} , SO_2 , and NO_x AAQS and PSD increment analyses within the predicted significant impact area were required for this project. A CO AAQS analysis

was also required. No significant impact modeling was done for the PSD Class I areas. Instead, the applicant did the required multi-source PSD increment analyses for PM₁₀, SO₂ and NO_x in the Class I areas.

Maximum Project Air Quality Impacts for Comparison to PSD Class II Significant Impact Levels in the Vicinity of the Facility

Pollutant	Averaging Time	Maximum Predicted Impact (µg/m ³)	Significant Impact Level (µg/m ³)	Significant Impact	Radius of Significant Impact (km)
PM ₁₀	Annual	10	1	Yes	25
	24-hour	83	5	Yes	25
SO ₂	Annual	23	1	Yes	95
	24-hour	214	5	Yes	95
	3-hour	832	25	Yes	95
NO _x	Annual	8	1	Yes	12
CO	8-hour	3030	500	Yes	4
	1-hour	6530	2000	Yes	4

E. AAQS Analysis

For pollutants subject to an AAQS review, the total impact on ambient air quality is obtained by adding "background" concentrations to the maximum modeled concentrations for each pollutant and averaging time. The maximum modeled concentrations are based on the maximum allowable emissions from facility sources and all other sources in the vicinity of the facility. These "background" concentrations take into account all sources of a particular pollutant that are not explicitly modeled. The results of the AAQS analysis for PM₁₀, SO₂, NO₂ and CO are summarized in the table below.

Ambient Air Quality Impacts

Pollutant	Averaging Time	Modeled Sources Impact (µg/m ³)	Background Conc. (µg/m ³)	Total Impact (µg/m ³)	Florida AAQS (µg/m ³)	Total Impact Greater Than AAQS
PM ₁₀	Annual	10	25	35 ^a	50	No
	24-hour	65	51	116	150	No
SO ₂	Annual	34	12	46	60	No
	24-hour	219	27	246	260	No
	3-hour	856	106	962	1,300	No
NO ₂	Annual	12	19	31	100	No
CO	8-hour	2,120	4,300	6,450	10,000	No
	1-hour	6,530	6,600	13,130	40,000	No

F. PSD Class II Analysis

The PSD increment represents the amount that new sources in an area may increase ambient ground level concentrations of a pollutant from a baseline concentration which was established in 1977 for PM₁₀ and SO₂ (the baseline year was 1975 for existing major sources of PM₁₀ and SO₂), and 1988 for NO₂ (the baseline year was 1988 for existing major sources of NO₂). The emission values that are input into the model for predicting increment consumption are based on maximum potential emissions from increment-consuming facility sources and all other increment-consuming sources in the vicinity of the facility. The maximum predicted PSD Class II area PM₁₀, SO₂ and NO_x increments consumed by this project and all other increment-consuming sources in the vicinity of the

facility are shown below. As shown in the table, there are no predicted impacts greater than the allowable increments.

PSD Class II Increment Analysis

Pollutant	Averaging Time	Maximum Predicted Impact ($\mu\text{g}/\text{m}^3$)	Allowable Increment ($\mu\text{g}/\text{m}^3$)	Impact Greater Than Allowable Increment
PM ₁₀	Annual	3	17	No
	24-hour	27	30	No
SO ₂	Annual	10	20	No
	24-hour	83	91	No
	3-hour	460	512	No
NO ₂	Annual	3	25	No

G. PSD Class I Analysis

A multi-source PSD Class I increment consumption analysis was performed for SO₂, PM₁₀ and NO₂. The table below shows the results of the modeling. The table shows that there are predicted impacts greater than the allowable 3-hour SO₂ Class I increment; however as stated in the footnote to the table, Stone Container's predicted impacts at the location and time of these predicted violations is less than or equal to 0.31 $\mu\text{g}/\text{m}^3$ and are insignificant. All other predicted impacts are less than the allowable PSD Class I increments.

PSD Class I Increment Analysis for Bradwell Bay and St. Marks NWA

Pollutant	Averaging Time	Maximum Predicted Impact ($\mu\text{g}/\text{m}^3$)	Allowable Increment ($\mu\text{g}/\text{m}^3$)	Impact Greater Than Allowable Increment
SO ₂	Annual	0	2	No
	24-hour	4.1	5	No
	3-hour	27	25	Yes*
PM ₁₀	Annual	0	1	No
	24-hour	0.6	5	No
NO ₂	Annual	0.2	2.5	No

*Stone's contribution to all exceedances were less than or equal to 0.31 $\mu\text{g}/\text{m}^3$, which is less than the EPA proposed significant impact level of 1 $\mu\text{g}/\text{m}^3$

H. Additional Impact Analysis

Impacts On Soils, Vegetation, And Wildlife

The maximum ground-level concentrations predicted to occur from PM₁₀, SO₂, CO and NOx emissions as a result of the proposed project, including background concentrations and all other nearby sources, were below the associated AAQS. The AAQS are designed to protect both the public health and welfare. As such, this project is not expected to have a harmful impact on soils and vegetation in the PSD Class II area.

An air quality related values (AQRV) analysis was performed by the applicant for the Class I area. Although maximum predicted PSD increment impacts in the Class I area for the 3-hour SO₂ averaging time were predicted to be above the allowable PSD Class I increment, Stone Container's contributions to all exceedances were less than or equal to 0.31 $\mu\text{g}/\text{m}^3$. Therefore, no significant impacts on this area are expected due to the proposed project.

Impact On Visibility

A regional haze analysis using the CALPUFF model to determine visibility impacts in the St. Marks NWA Class I area was required by the U.S. Fish and Wildlife Service (FWS). Predicted impacts were less than significant.

Growth-Related Air Quality Impacts

The proposed modification will not significantly change employment, population, housing or commercial/industrial development in the area to the extent that a significant air quality impact will result.

7. CONCLUSION.

Based on the foregoing technical evaluation, the Department has made a preliminary determination that the proposed project will be in compliance with all applicable state and federal air pollution regulations. The General and Specific Conditions are provided in the attached proposed combined permits.

Permit Engineer: Bruce Mitchell
Meteorologist: Cleve Holladay

Reviewed and Approved by Scott M. Sheplak, P.E.

Stone Container Corporation
Panama City Mill
Facility ID No.: 0050009
Bay County

Draft Air Construction Permit
Permit No.: 0050009-005-AC
PSD-FL-288

Permitting Authority:

State of Florida
Department of Environmental Protection
Division of Air Resources Management
Bureau of Air Regulation
Title V Section
Mail Station #5505
2600 Blair Stone Road
Tallahassee, Florida 32399-2400
Telephone: 850/488-0114
Fax: 850/922-6979

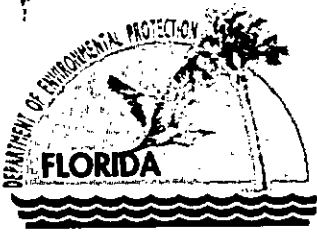
Compliance Authority:

Department of Environmental Protection
Northwest District Office
160 Governmental Center
Pensacola, FL 32501-5794
Telephone: 850/595-8364
Fax: 850/595-8096

Draft Air Construction Permit
Permit No.: 0050009-005-AC
PSD-FL-288

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Jeb Bush
Governor

Department of Environmental Protection

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

David B. Struhs
Secretary

Permittee:
Stone Container Corporation
One Everitt Avenue
Panama City, Florida 32412-0560

Permit No.: 0050009-005-AC
PSD-FL-288
Facility ID No.: 0050009
SIC Nos.: 26, 2611
Project: Batch Digester System Modification

This air construction permit is for modification to the Panama City Mill located at One Everitt Avenue, Panama City, Bay County. The purpose of the modification is to allow the batch digester system's pulp production rates to increase from 87.3 tons per hour (TPH) and 668,850 tons per year (TPY) of air-dried unbleached pulp (ADUP) to 120 TPH and 781,000 TPY ADUP. In addition, the modification will allow the woodyard's production rates to increase from 554,400 cords of purchased chips per year and 645,600 cords of roundwood per year to 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year. The UTM Coordinates are: Zone 16, 632.8 km East and 3335.1 km North; and, Latitude: 30° 08' 30" North and Longitude: 85° 37' 25" West.

STATEMENT OF BASIS: This air construction permit is issued under the provisions of Chapter 403, Florida Statutes (F.S.) and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210, 62-212, 62-296 and 62-297. 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 permitting authority, in accordance with the terms and conditions of this permit.

Referenced attachments made a part of this permit:
Appendix TV-4, Title V Conditions (version 02/12/2002)
TRS Venting Contingency Plan

Effective Date: [to be established]
Expiration Date: [to be established]

**FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION**

Howard L. Rhodes, Director
Division of Air Resource Management

HLR/sms/bm

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Section I. Facility Information.

Subsection A. Facility Description.

This facility is a Kraft pulp and paper mill which consists of the following major areas: wood yard, digesting system, brown stock washing, bleaching, chemical recovery, and a power/utilities area.

The modification will allow the batch digester system's pulp production rates to increase from 87.3 tons per hour (TPH) and 668,850 tons per year (TPY) of air-dried unbleached pulp (ADUP) to 120 TPH and 781,000 TPY ADUP. In addition, the modification will allow the woodyard's production rates to increase from 554,400 cords of purchased chips per year and 645,600 cords of roundwood per year to 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year. The changes in the method of operations do not require any physical changes to the batch digester system, and its associated control methods, and the woodyard. The TRS NCGs are incinerated in the facility's lime kiln, with backup by the facility's No. 4 Combination Boiler. TRS emissions are controlled by subjecting them to a minimum of 1200°F for at least 0.5 seconds. The woodyard employs good housekeeping and enclosing or covering the conveyors, where possible.

{Note: The batch digester system is regulated under Rule 62-296.404, F.A.C., Kraft Pulp Mills, 40 CFR 60, Subpart BB, Standards and Performance for Kraft Pulp Mills, and 40 CFR 63, Subpart S, National Emissions Standards for Hazardous Air Pollutants from the Pulp and Paper Industry. The No. 4 Combination Boiler is regulated under Rule 62-296.410, F.A.C., Carbonaceous Fuel Burning Equipment, Rule 62-296.404, F.A.C., Kraft Pulp Mills, 40 CFR 60, Subpart BB, Standards and Performance for Kraft Pulp Mills, and 40 CFR 63, Subpart S, National Emissions Standards for Hazardous Air Pollutants from the Pulp and Paper Industry. The woodyard is regulated under Rule 62-296.320(4)(b)1. & 4., F.A.C.}

This facility is a major source of hazardous air pollutants (HAPs).

Subsection B. Summary of Emissions Unit ID No(s). and Brief Description(s).

E.U. ID No.	Brief Description
027	Batch Digester System
030	Woodyard Operation

Please reference the Permit No., Facility ID No., and appropriate Emissions Unit(s) ID No(s). on all correspondence, test report submittals, applications, etc.

Subsection C. Relevant Documents.

The document listed below is not a part of this permit; however, it is specifically related to this permitting action.

These documents are on file with the permitting authority:

- July 26, 1999: Date of Receipt of Application
- April 10, 2000: Date of Receipt of Supplemental Information (Response to August 17, 1999 letter)
- June 1, 2000: Date of Receipt of Supplemental Information (Revised Ambient Impact Analysis)
- June 15, 2000: Date of Receipt of Supplemental Information (Response to May 9, 2000 letter)
- June 19, 2000: Date of Receipt of Supplemental Letter
- November 6, 2000: Date of Receipt of Supplemental Information (Response to July 10 and October 31, 2000 letters)
- March 22, 2001: Date of Receipt of Supplemental Letter (Response to December 5, 2000 letter)
- February 19, 2002: Date of Receipt of Supplemental Information (Response to December 5, 2000 letter)
- April 24, 2002: Date of Receipt of Supplemental Information (Response to March 21, 2002 letter)
- May 13, 2002: Date of Receipt of Supplemental Information (Response to December 5, 2000 letter: Revised Ambient Impact Analysis)

Subsection D. Miscellaneous.

The use of 'Permitting Notes' throughout this permit are for informational purposes only and are not permit conditions.

Section II. Facility-wide Conditions.

The following conditions apply facility-wide:

1. APPENDIX TV-4, TITLE V CONDITIONS, is a part of this permit.
{Permitting note: APPENDIX TV-4, TITLE V CONDITIONS, is distributed to the permittee only. Other persons requesting copies of these conditions shall be provided one copy when requested or otherwise appropriate.}
2. General Pollutant Emission Limiting Standards. Objectionable Odor Prohibited. The permittee shall not cause, suffer, allow, or permit the discharge of air pollutants that cause or contribute to an objectionable odor.
[Rule 62-296.320(2), F.A.C.; AC03-190964; and, 0050009-003-AC]
3. General Particulate Emission Limiting Standards. General Visible Emissions Standard. Except for emissions units that are subject to a particulate matter or opacity limit set forth or established by rule and reflected by conditions in this permit, no person shall cause, let, permit, suffer or allow to be discharged into the atmosphere the emissions of air pollutants from any activity, the density of which is equal to or greater than that designated as Number 1 on the Ringelmann Chart (20 percent opacity). EPA Method 9 is the method of compliance pursuant to Chapter 62-297, F.A.C.
[Rules 62-296.320(4)(b)1. & 4., F.A.C.]
4. Prevention of Accidental Releases (Section 112(r) of CAA).
 - a. As required by Section 112(r)(7)(B)(iii) of the CAA and 40 CFR 68, the owner or operator shall submit an updated Risk Management Plan (RMP) to the Chemical Emergency Preparedness and Prevention Office (CEPPO) RMP Reporting Center.
 - b. As required under Section 252.941(1)(c), F.S., the owner or operator shall report to the appropriate representative of the Department of Community Affairs (DCA), as established by Department rule, within one working day of discovery of an accidental release of a regulated substance from the stationary source, if the owner or operator is required to report the release to the United States Environmental Protection Agency under Section 112(r)(6) of the CAA.
 - c. The owner or operator shall submit the required annual registration fee to the DCA on or before April 1, in accordance with Part IV, Chapter 252, F.S., and Rule 9G-21, F.A.C.

Any required written reports, notifications, certifications, and data required to be sent to the DCA, should be sent to:

Department of Community Affairs
Division of Emergency Management
2555 Shumard Oak Boulevard
Tallahassee, FL 32399-2100
Telephone: 850/413-9921, Fax: 850/488-1739

Any Risk Management Plans, original submittals, revisions or updates to submittals, should be sent to:

RMP Reporting Center
Post Office Box 3346
Merrifield, VA 22116-3346
Telephone: 703/816-4434

Any required reports to be sent to the National Response Center, should be sent to:

National Response Center
EPA Office of Solid Waste and Emergency Response
USEPA (5305 W)
401 M Street, SW
Washington, D.C. 20460
Telephone: 1/800/424-8802

Send the required annual registration fee using approved forms made payable to:

Cashier
Department of Community Affairs
State Emergency Response Commission
2555 Shumard Oak Boulevard
Tallahassee, FL 32399-2149

[Part IV, Chapter 252, F.S.; and, Rule 9G-21, F.A.C.]

5. General Pollutant Emission Limiting Standards. Volatile Organic Compounds (VOC) Emissions or Organic Solvents (OS) Emissions. The permittee shall allow no person to store, pump, handle, process, load, unload or use in any process or installation, volatile organic compounds (VOC) or organic solvents (OS) without applying known and existing vapor emission control devices or systems deemed necessary and ordered by the Department.

{Permitting Note: Nothing was deemed necessary and ordered at this time.}

[Rule 62-296.320(1)(a), F.A.C.]

6. Reasonable precautions to prevent emissions of unconfined particulate matter at this facility include: Paving and maintenance of roads, parking areas and yards; application of asphalt, water, oil, chemicals or other dust suppressants to unpaved roads, yards, open stock piles and similar activities; landscaping or planting of vegetation; and, enclosure or covering of conveyor systems.

[Rule 62-296.320(4)c.2., F.A.C.]

7. When appropriate, any recording, monitoring, or reporting requirements that are time-specific shall be in accordance with the effective date of the permit, which defines day one.

[Rule 62-213.440, F.A.C.]

8. The permittee shall submit all compliance related notifications and reports required of this permit to the Department's Northwest District Office at:

Department of Environmental Protection
Northwest District Office
160 Governmental Center
Pensacola, Florida 32501-5794
Telephone: 850/595-8364
Fax: 850/595-8096

Notification of compliance testing may be submitted by electronic mail to:

NWDAIR@dep.state.fl.us.

9. A copy of all compliance related notifications shall also be sent to the Department's Northwest District Branch Office in Panama City at 2353 Jenks Ave, Panama City FL 32405.

10. Any reports, data, notifications, certifications, and requests required to be sent to the United States Environmental Protection Agency, Region 4, should be sent to:

United States Environmental Protection Agency
Region 4
Air, Pesticides & Toxics Management Division
Air and EPCRA Enforcement Branch, Air Enforcement Section
61 Forsyth Street
Atlanta, Georgia 30303
Telephone: 404/562-9055
Fax: 404/562-9164

11. The permittee shall retain a Professional Engineer, registered in the State of Florida, for the inspection of this project. Upon completion, the Professional Engineer shall inspect for conformity to the permit application and associated documents. An application for a revision to the facility's Title V operating permit shall be submitted within 90 days after initial operation. [Rules 62-210.300 and 62-4.050(3), F.A.C.]

12. The Department shall be notified and prior approval shall be obtained of any changes or revisions made during construction. Projects beyond one year require annual status reports. [Rule 62-4.030, F.A.C.]

13. Statement of Compliance. The annual statement of compliance pursuant to Rule 62-213.440(3)(a)2., F.A.C., shall be submitted to the Department and EPA within 60 (sixty) days after the end of the calendar year using DEP Form No. 62-213.900(7), F.A.C. [Rules 62-213.440(3) and 62-213.900, F.A.C.]

{Permitting Note: This condition implements the requirements of Rules 62-213.440(3)(a)2. & 3., F.A.C. (see Condition 51. of APPENDIX TV-4, TITLE V CONDITIONS.)}

14. Certification by Responsible Official (RO). In addition to the professional engineering certification required for applications by Rule 62-4.050(3), F.A.C., any application form, report, compliance statement, compliance plan and compliance schedule submitted pursuant to Chapter 62-213, F.A.C., shall contain a certification signed by a responsible official that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete. Any responsible official who fails to submit any required information or who has submitted incorrect information shall, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary information or correct information. [Rule 62-213.420(4), F.A.C.]

15. For PSD evaluation purposes, the facility's maximum pulp production is 781,000 TPY ADUP. Pulp production records shall be maintained and available for inspection by the Department upon request. [Rules 62-4.070(3), 62-4.160(2), and 62-212.400(5), F.A.C.]

Section III. Emissions Unit(s) and Conditions.

Subsection A. This section addresses the following emissions unit.

E.U. ID No.	Brief Description
027	Batch Digester System

The batch digester system shall be as defined in 40 CFR 60.281 and 40 CFR 63.441, Definitions - Digester System. This modification allows for an increase in the pulp production from 87.3 TPH and 668,850 TPY ADUP to 120 TPH and 781,000 TPY ADUP. The change in the method of operation does not require any physical changes to the batch digester system and associated control methods. The chips are fed into each batch digester unit along with white liquor (mixture of water, sodium hydroxide and sodium sulfide) and are cooked under pressure and steam. The cook and the rest of the digester processes generate/emit TRS NCGs, which are collected and transported in a closed system to the facility's lime kiln for incineration, with backup by the facility's No. 4 Combination Boiler. The TRS NCGs are incinerated by subjecting them to a minimum temperature of 1200°F for at least 0.5 seconds.

{Note: The batch digester system is regulated under Rule 62-296.404, F.A.C., Kraft Pulp Mills, 40 CFR 60, Subpart BB, Standards and Performance for Kraft Pulp Mills, and 40 CFR 63, Subpart S, National Emissions Standards for Hazardous Air Pollutants from the Pulp and Paper Industry. The No. 4 Combination Boiler is regulated under Rule 62-296.410, F.A.C., Carbonaceous Fuel Burning Equipment, Rule 62-296.404, F.A.C., Kraft Pulp Mills, 40 CFR 60, Subpart BB, Standards and Performance for Kraft Pulp Mills, and 40 CFR 63, Subpart S, National Emissions Standards for Hazardous Air Pollutants from the Pulp and Paper Industry.}

The following specific conditions apply to the emissions unit listed above:

Essential Potential to Emit (PTE) Parameters

A.1. Capacity. For testing purposes only, the maximum allowable pulp production rate is 120 tons per hour ADUP.

[Rules 62-4.070(3) and 62-297.310(2)(b), F.A.C.]

A.2. Hours of Operation. The batch digester system is allowed to operate continuously, i.e., 8,760 hours/year.

[Rules 62-4.160(2) and 62-210.200(PTE), F.A.C.]

Emission Limitations and Standards

A.3. Non-Condensable Gases (NCGs). The NCGs from the batch digester system, including each batch digester, blow tanks, accumulator tank, and turpentine condenser system shall be incinerated in the lime kiln or the No. 4 Combination Boiler by subjecting the TRS NCGs to a minimum temperature of 1200°F for at least 0.5 seconds. Malfunctions shall be handled in accordance with the facility's TRS Venting Contingency Plan (see Specific Condition A.8.). [Rules 62-204.800(7)(b)35. and 62-296.404(3)(a)1., F.A.C.; and, 0050009-002-AV]

Excess Emissions

{Permitting note: The requirements of this rule do not vary any requirement of a NSPS, NESHAP, or Acid Rain program provision.}

A.4. (1) Excess emissions resulting from startup, shutdown or malfunction of any emissions unit shall be permitted providing (1) best operational practices to minimize emissions are adhered to and (2) the duration of excess emissions shall be minimized but in no case exceed two hours in any 24 hour period unless specifically authorized by the Department for longer duration.

(4) Excess emissions which are caused entirely or in part by poor maintenance, poor operation, or any other equipment or process failure which may reasonably be prevented during startup, shutdown, or malfunction shall be prohibited.

(5) Considering operational variations in types of industrial equipment operations affected by this rule, the Department may adjust maximum and minimum factors to provide reasonable and practical regulatory controls consistent with the public interest.

(6) In case of excess emissions resulting from malfunctions, each owner or operator shall notify the Department's Northwest District Office and Northwest District Branch Office - Panama City 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, F.A.C.]

Monitoring of Operations

A.5. Total Reduced Sulfur. When TRS gases are collected and transported to the like kiln or the No. 4 Combination Boiler for incineration, the TRS gases shall be subject to a minimum of 1200 degrees F for at least 0.5 seconds. Temperature and oxygen shall be monitored and recorded continuously, and the records made available for Department inspection upon request. The temperature devices shall be certified by the manufacturer to be accurate to within ± 1 percent of the temperature being measured. The oxygen monitors shall be certified by the manufacturer to be accurate to within 0.1 percent oxygen by volume.

[Rules 62-296.404(3)(a) and 62-296.404(5)(c), F.A.C.]

Recordkeeping and Reporting Requirements

A.6. A log of NCG ventings to the atmosphere shall be maintained and available for inspection by the Department upon request. The log shall include, but not limited to, the date and time, duration, cause, and corrective actions taken for each venting occurrence. In no event shall the cumulative venting time exceed ten days in any annual period.

[Rules 62-204.800(7)(b)35. and 62-296.404(3)(a)3., F.A.C.]

A.7. Quarterly Reporting Requirements. The permittee shall submit a quarterly written report of emissions in excess of any emission limiting standards.

(a) The report shall include the following information:

1. The magnitude of excess emissions and the date and time of commencement and completion of each time period in which excess emissions occurred.
2. Specific identification of each period of excess emissions that occurs including startups, shutdowns, and malfunctions of the affected emissions unit. An explanation of the cause of each period of excess emissions, and any corrective action taken or preventive measures adopted.
3. The date and time identifying each period during which each continuous emissions monitoring system was inoperative except for zero and span checks, and the nature of the system repairs or adjustments.
4. When no excess emissions have occurred or the continuous emissions monitoring system(s) have not been operative, or have been repaired or adjusted, such information shall be stated in the report.

(b) Any owner or operator shall maintain a complete file of any measurements, including continuous emissions monitoring system, monitoring device, and performance testing measurements; any continuous emissions monitoring system performance evaluations; any continuous emissions monitoring system or monitoring device calibration checks; any adjustments and maintenance performed on these systems or devices; and any other information required, recorded in a permanent legible form available for inspection.

[Rules 62-296.405(1)(g), 62-296.404(6), and 62-204.800(7), F.A.C.]

A.8. Determination of Process Variables.

a. 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. 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.]

A.9. Total Reduced Sulfur Emissions. Total reduced sulfur emissions shall not be vented to the atmosphere at any point connected to or between the emissions unit and the control device except in the event of an emergency that presents a danger to life or property, or during those times when the control device is shut down for essential maintenance. The owner or operator of the affected facility shall develop a contingency plan, acceptable to the Department, for such circumstances. The plan shall include definitions of what constitutes essential maintenance and a reportable venting incident. The plan shall also include an evaluation of feasible means of controlling or mitigating the impact of total reduced sulfur when a control device or piece of process equipment that is used to control total reduced sulfur emissions is inoperative, and an assessment of the use of back-up control devices. Once approved by the Department, the plan shall become a modification to the operation permits for affected emissions units and its provisions shall be followed whenever a shutdown occurs. The time allowed for venting shall be as short as possible and limited to the time required to effect the required maintenance. In no event shall the cumulative time exceed ten days in any annual period unless authorized by the

Secretary or the Secretary's designee. These provisions supplement the provisions of Rule 62-210.700, F.A.C., which shall also apply where not in direct conflict with this provision.

Normal excess or erratic pressures shall be controlled in such a manner as to prevent the release of uncontrolled gaseous emissions.

In the event that venting of uncontrolled total reduced sulfur emissions does occur the owner or operator shall notify the Department verbally by the close of the Department's next working day. The owner shall provide the Department with a written report as required by Rule 62-210.700, F.A.C. If the next quarterly report is due to the Department sooner than 30 days after the first day of a reportable venting incident, the report on that incident may be filed with the quarterly reports for the following quarter.

[Rule 62-296.404(3)(a)3., F.A.C.]

A.10. Annual Operating Report. See APPENDIX TV-4, Condition 24.
[0050009-002-AC]

Section III. Emissions Unit(s) and Conditions.

Subsection A. This section addresses the following emissions unit.

E.U. ID No.	Brief Description
030	Woodyard Operation

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 combination 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.

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.

{Note: The woodyard operation is regulated under Rule 62-296.320(4)(b)1. & 4., F.A.C.}

The following specific conditions apply to the emissions unit listed above:

Essential Potential to Emit (PTE) Parameters

A.1. Capacity. The woodyard's maximum allowable production rates are 1,524,600 cords of purchased chips per year and 1,946,934 cords of roundwood per year.
[Rules 62-4.070(3) and 62-210.200(PTE), F.A.C.]

A.2. Hours of Operation. The woodyard operation is allowed to operate continuously, i.e., 8,760 hours/year.
[Rules 62-4.070(3) and 62-210.200(PTE), F.A.C.; and, 0050009-003-AC]

Emission Limitations and Standards

A.3. Visible Emissions. See Facility-wide Condition 3. Visible emissions testing shall be performed upon request by the Department.
[0050009-002-AV; and, 0050009-003-AC]

A.4. Objectionable Odors. See Facility-wide Condition 2.
[0050009-003-AC]

- A.5.** 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 shall be screened following removal from storage prior to conveying to the digesters;
 - g. All conveyor systems shall be covered or enclosed;
 - h. Drop distance from chip storage stacker shall be maintained to a minimum; and,
 - i. All access roads shall be paved.

[0050009-003-AC]

Excess Emissions

{Permitting note: The requirements of this rule do not vary any requirement of a NSPS, NESHAP, or Acid Rain program provision.}

- A.6.** (1) Excess emissions resulting from startup, shutdown or malfunction of any emissions unit shall be permitted providing (1) best operational practices to minimize emissions are adhered to and (2) the duration of excess emissions shall be minimized but in no case exceed two hours in any 24 hour period unless specifically authorized by the Department for longer duration.
- (4) Excess emissions which are caused entirely or in part by poor maintenance, poor operation, or any other equipment or process failure which may reasonably be prevented during startup, shutdown, or malfunction shall be prohibited.
- (5) Considering operational variations in types of industrial equipment operations affected by this rule, the Department may adjust maximum and minimum factors to provide reasonable and practical regulatory controls consistent with the public interest.
- (6) In case of excess emissions resulting from malfunctions, each owner or operator shall notify the Department's Northwest District Office and Northwest District Branch Office - Panama City 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, F.A.C.]

Testing Requirements and Procedures

- A.7. Visible Emissions.** See Facility-wide Condition 3.

[0050009-003-AC]

A.8. Special Compliance Tests. When the Department, after investigation, has good reason (such as complaints, increased visible emissions or questionable maintenance of control equipment) to believe that any applicable emission standard contained in a Department rule or in a permit issued pursuant to those rules is being violated, it may require the owner or operator of the emissions unit to conduct compliance tests which identify the nature and quantity of pollutant emissions from the emissions unit and to provide a report on the results of said tests to the Department.

[Rul3 62-297.310(7)(b), F.A.C.; and, 0050009-003-AC]

Recordkeeping and Reporting Requirements

A.9. Records of purchased wood and roundwood received and processed shall be kept and maintained for Department review for a five (5) year timeframe.

[Rule 62-213.440(1)(b)2.b., F.A.C.]

A.10. Annual Operating Report. See APPENDIX TV-4, Condition 24.

[0050009-003-AC]

STONE CONTAINER CORPORATION
PANAMA CITY MILL

TRS VENTING CONTINGENCY PLAN

RECEIVED

MAY 18 1995

Healthway Florida
D99

I. INTRODUCTION

This plan has been developed in accordance with Section 17-2.600(4)(C)1.C, FAC which requires each facility that incinerates TRS gasses from digesting and multiple effect evaporator systems to develop contingency plans that address means of control or mitigation of emissions from these systems should the primary incineration device fail. Also addressed is incidental venting that may occur from a specific source in the TRS gas collecting system.

II. EMISSIONS MITIGATION

The TRS gas collection system at the Panama City Mill was designed and constructed with an alternate incineration device. The primary incineration device is the lime kiln. The alternate device is No. 4 bark boiler. Should the lime kiln be inoperable due to a mechanical failure or be taken out of service for maintenance, the TRS gasses will be directed to No. 4 bark boiler. The transfer from the use of one incineration device to the other normally takes less than five (5) minutes.

III. BACK-UP CONTROL

The back-up incineration device is No. 4 bark boiler. The fire box temperature on this boiler runs between 1600° F and 1800° F which is well above the 1200° F minimum required by rule. TRS compliance tests performed while incinerating TRS gasses in this boiler have shown the boiler does an excellent job of destroying TRS gasses. The fire box temperature is recorded on a strip chart and the daily chart is retained on file.

IV. INCIDENTAL VENTING

In the event of a rupture disc failure or some other leak in the TRS gas collecting and conveying system, the production equipment being served by this system will be shut down as expeditiously as possible so repairs can be made.

RECEIVED

JUL 03 2002

BUREAU OF AIR REGULATION

V. REPORTABLE VENTING INCIDENT

Any venting or unmitigated release of TRS gasses in excess of two hours will be reported to the Florida Department of Environmental Regulation by telephone. A written report will follow giving duration of the episode, probable cause of the release, and corrective actions taken. If the incident occurs less than 30 days from the due date of a quarterly report, the incident report will be included in the quarterly report package.

5/10/95



Jeb Bush
Governor

Department of Environmental Protection

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

David B. Struhs
Secretary

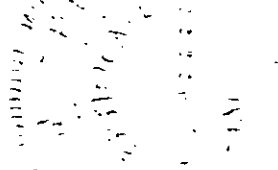
P.E. Certification Statement

Permittee:
Stone Container Corp.
Panama City Mill

Permit No.: 0050009-005-AC/PSD-FL-288

Project type: Air Construction Permit - Modification of Batch Digester System and Woodyard

I HEREBY CERTIFY that the engineering features described in the above referenced application and subject to the proposed permit conditions provide reasonable assurance of compliance with applicable provisions of Chapter 403, Florida Statutes, and Florida Administrative Code Chapters 62-4 and 62-204 through 62-297. However, I have not evaluated and I do not certify aspects of the proposal outside of my area of expertise (including but not limited to the electrical, mechanical, structural, hydrological, and geological features).


Scott M. Sheplak 07/15/02
Scott M. Sheplak, P.E. date
Registration Number: 48866

Permitting Authority:
Department of Environmental Protection
Bureau of Air Regulation
111 South Magnolia Drive, Suite 4
Tallahassee, Florida 32301
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