

Department of Environmental Protection

Jeb Bush
Governor

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

Colleen M. Castille
Secretary

September 29, 2005

CERTIFIED MAIL – Return Receipt Requested

Mr. B. G. Sammons, General Manager
Smurfit-Stone Container Enterprises, Inc.
Panama City Mill
One Everitt Avenue
Panama City, FL 32402

Re: Project No. 0050009-021-AC
Smurfit-Stone Container Enterprises, Inc. - Panama City Mill
No. 4 Combination Boiler - OFA and Venturi Improvements

Dear Mr. Sammons:

On September 2, 2005, the Department received your application requesting improvements to the existing overfire air (OFA) system and existing wet venturi scrubber for No. 4 Combination Boiler at the existing Panama City Mill. Enclosed are the following documents: "Technical Evaluation and Preliminary Determination", "Draft Permit", "Written Notice of Intent to Issue Air Permit", and "Public Notice of Intent to Issue Air Permit".

The "Technical Evaluation and Preliminary Determination" summarizes the Permitting Authority's technical review of the application and provides the rationale for making the preliminary determination to issue a Draft Permit. The proposed "Draft Permit" includes the specific conditions that regulate the emissions units covered by the proposed project. The "Written Notice of Intent to Issue Air Permit" provides important information regarding the Permitting Authority's intent to issue an air permit for the proposed project; the requirements for publishing a Public Notice of the Permitting Authority's intent to issue an air permit; the procedures for submitting comments on the Draft Permit; the process for filing a petition for an administrative hearing; and the availability of mediation. The "Public Notice of Intent to Issue Air Permit" is the actual notice that you must have published in the legal advertisement section of a newspaper of general circulation in the area affected by this project.

If you have any questions, please contact the Project Engineer, Jeff Koerner, at 850-921-9536

Sincerely,

Trina Vielhauer, Chief
Bureau of Air Regulation

Enclosures

"More Protection, Less Process"

Printed on recycled paper.

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

*In the Matter of an
Application for Air Permit by:*

Smurfit-Stone Container Enterprises, Inc.
Panama City Mill
One Everitt Avenue
Panama City, FL 32402

Air Permit No. 0050009-021-AC
Panama City Mill
No. 4 Combination Boiler
OFA and Venturi Improvements
Bay County, Florida

Authorized Representative:

B. G. Sammons, General Manager

Facility Location: Smurfit-Stone Container Enterprises, Inc. operates an existing pulp and paper mill (SIC No. 2611) located at One Everitt Avenue in Panama City, Bay County, Florida.

Project: The applicant proposes improvements to the existing overfire air (OFA) system and existing wet venturi scrubber for the No. 4 Combination Boiler. Details of the project are provided in the application, the enclosed "Technical Evaluation and Preliminary Determination", and the enclosed Draft Permit

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-212 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, Tallahassee, Florida. The Permitting Authority's mailing address is: 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/488-0114.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at the address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the Technical Evaluation and Preliminary Determination, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address or phone number listed above.

Notice of Intent to Issue Permit: The Permitting Authority gives notice of its intent to issue an air permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of proposed equipment will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C. The Permitting Authority will issue a Final Permit in accordance with the conditions of the proposed Draft Permit unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

Public Notice: Pursuant to Section 403.815, F.S. and Rules 62-110.106 and 62-210.350, F.A.C., you (the applicant) are required to publish at your own expense the enclosed "Public Notice of Intent to Issue Air Permit" (Public Notice). The Public 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 by this project. The newspaper used must meet the requirements of Sections 50.011 and 50.031, F.S. in the county where the activity is to take place. If you are uncertain that a newspaper meets these requirements, please contact the Permitting Authority at above address or phone number. Pursuant to Rule 62-110.106(5), F.A.C., the applicant shall provide proof of publication to the Permitting Authority at the above address within seven (7) days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rule 62-110.106(11), F.A.C.

Comments: The Permitting Authority will accept written comments concerning the proposed Draft Permit for a period of fourteen (14) days from the date of publication of the Public Notice. Written comments must be provided to the Permitting Authority at the above address. Any written comments filed will be made available for public inspection. If written comments received result in a significant change to the Draft Permit, the Permitting Authority shall revise the Draft Permit and require, if applicable, another Public Notice.

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

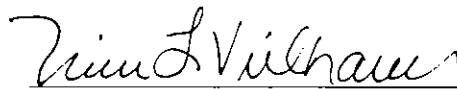
Petitions: A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by the applicant or any of the parties listed below must be filed within fourteen (14) days of receipt of this Written Notice of Intent to Issue Air Permit. 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 attached Public Notice or within fourteen (14) days of receipt of this Written Notice of Intent to Issue Air Permit, 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 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 28-106.205, F.A.C.

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 or identification number, if known; (b) The name, address, and telephone number of the petitioner; the 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 the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when each 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, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. 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 Written Notice of Intent to Issue Air Permit. 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. Mediation is not available in this proceeding.

Executed in Tallahassee, Florida.



Trina Vielhauer, Chief
Bureau of Air Regulation

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this "Written Notice of Intent to Issue Air Permit" package (including the Public Notice, the Technical Evaluation and Preliminary Determination, and the Draft Permit) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 10/6/05 to the persons listed below.

Mr. B. G. Sammons, Smurfit-Stone Container Enterprises, Inc.*
Mr. Tom Clements, Smurfit-Stone Container Enterprises, Inc.
Mr. David Buff, Golder Associates Inc.
Ms. Sandra Veazey, NWD Office

Clerk Stamp

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



(Clerk)

10/6/05
(Date)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Florida Department of Environmental Protection

Draft Air Construction Permit No. 0050009-021-AC
Smurfit-Stone Container Enterprises, Inc. - Panama City Mill
No. 4 Combination Boiler, Control Equipment Improvements
Bay County, Florida

Applicant: The applicant for this project is the Smurfit-Stone Container Enterprises, Inc. The applicant's authorized representative and mailing address is: Mr. B. G. Sammons, General Manager of the Panama City Mill, Smurfit-Stone Container Enterprises, Inc., One Everitt Avenue, Panama City, FL 32402.

Facility Location: Smurfit-Stone Container Enterprises, Inc. operates an existing pulp and paper mill (SIC No. 2611) located at One Everitt Avenue in Panama City, Bay County, Florida.

Project: The applicant proposes improvements to the existing overfire air system and existing wet scrubber to reduce particulate matter emissions. No other changes are necessary such as modifying the fuel feeders, fuel conveyors, ash handling system, supplemental burners, boiler tube replacements, etc. These efforts are being conducted in advance of the September 13, 2007 deadline to demonstrate compliance with the applicable particulate matter emissions standard specified for solid fuel fired industrial boilers in NESHAP Subpart DDDDD of 40 CFR 63. Modifications to existing control equipment require review and approval by the Department. This includes any additional improvements to the air pollution control systems that the applicant determines will be necessary should the proposed project fall short of the goal. The Department reserves the right to review this project in combination with future proposed projects related to this unit.

The applicant maintains that the proposed changes to the existing pollution controls will not increase the capacity of the existing boiler or steam production rate. The current maximum continuous steam production rate is 300,000 pounds per hour based on a 24-hour average for the original design and the design target for the new OFA system. To ensure there will be no increase in capacity, the draft permit limits the steam production rate of the No. 4 Combination Boiler to this maximum rate.

The Title V permit currently regulates emissions of particulate matter and sulfur dioxide from the No. 4 Combination Boiler. There is little operational data available for other pollutant emissions such as carbon monoxide, nitrogen oxides, or volatile organic compounds. In addition to particulate matter, the draft permit requires testing for each of these pollutants to establish the emissions profile for the No. 4 Combination Boiler after completing the improvements.

The preliminary determination is that the proposed project will comply with all applicable state and federal air pollution regulations as conditioned by the draft permit. This determination is based on a technical review of the complete application, reasonable assurances provided by the applicant, and the conditions specified in the draft permit. No air quality modeling analysis is required because the project is not reasonably expected to result in increased emissions.

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-212 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite #4, Tallahassee, Florida. The Permitting Authority's mailing address is: 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/488-0114.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the Technical Evaluation and Preliminary Determination, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address or phone number listed above.

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue an air permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of proposed equipment will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C. The Permitting Authority will issue a Final Permit in accordance with the conditions of the proposed Draft Permit unless a timely petition for an administrative hearing is filed

(Public Notice to be Published in the Newspaper)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

Comments: The Permitting Authority will accept written comments concerning the proposed Draft Permit for a period of fourteen (14) days from the date of publication of this Public Notice. Written comments must be provided to the Permitting Authority at the above address. Any written comments filed will be made available for public inspection. If written comments received result in a significant change to the Draft Permit, the Permitting Authority shall revise the Draft Permit and require, if applicable, another Public Notice.

Petitions: 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 with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. 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 this Public Notice or receipt of a written notice, 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 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 28-106.205, F.A.C.

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 or identification number, if known; (b) The name, address and telephone number of the petitioner; the 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 the 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, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action, and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. 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 Public Notice of Intent to Issue Air Permit. 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: Mediation is not available for this proceeding.

(Public Notice to be Published in the Newspaper)

DRAFT PERMIT

PERMITTEE:

Smurfit-Stone Container Enterprises, Inc.
Panama City Mill
One Everitt Avenue
Panama City, FL 32402

Authorized Representative:

B. G. Sammons, General Manager

Air Permit No. 0050009-021-AC Facility ID No. 0050009 SIC No. 2611 OFA and Venturi Improvements Permit Expires: September 13, 2007
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PROJECT AND LOCATION

This permit authorizes improvements to the existing overfire air (OFA) system and existing wet venturi scrubber for No. 4 Combination Boiler. The goal of the project is to reduce controlled particulate matter emissions at the stack to comply with the NESHAP Subpart DDDDD particulate matter emissions limit of 0.07 lb/MMBtu. The existing unit is located at Smurfit-Stone Container's Panama City Mill, which is located at One Everitt Avenue in Panama City, Bay County, Florida.

STATEMENT OF BASIS

This air pollution construction permit is issued under the provisions of Chapter 403 of the Florida Statutes (F.S.), and Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297 of the Florida Administrative Code (F.A.C.). The permittee is authorized to perform the work in accordance with the conditions of this permit and as described in the application, approved drawings, plans, and other documents on file with the Department.

CONTENTS

- Section 1. General Information
- Section 2. Administrative Requirements
- Section 3. Emissions Units Specific Conditions
- Section 4. Appendices

(DRAFT)

Michael G. Cooke, Director
Division of Air Resource Management

(Date)

SECTION 1. GENERAL INFORMATION

FACILITY AND PROJECT DESCRIPTION

The permittee operates an existing pulp and paper mill (SIC No. 2611) in Panama City. The mill includes the No. 4 Combination Boiler (Emissions Unit 016), which is authorized to fire wood/bark, coal, fuel oil, and natural gas. The unit is authorized to operate as a backup for the lime kiln to destroy non-condensable gases (TRS/HAP/VOC) from the batch digesting system and multiple effects evaporator system. The unit is also authorized to operate as a backup to the No. 3 Combination Boiler to destroy HAP and TRS emissions in the condensate stripper off-gases (SOG). Existing air pollution controls include an overfire air (OFA) system and a venturi wet scrubber. The permittee proposes several improvements to these existing control systems in an effort to reduce controlled particulate matter emissions from No. 4 Combination Boiler at the stack to comply with the NESHAP Subpart DDDDD particulate matter emissions limit of 0.07 lb/MMBtu.

REGULATORY CLASSIFICATION

Title III: The facility is a major source of hazardous air pollutants (HAP).

Title IV: The facility operates no units subject to the acid rain provisions of the Clean Air Act.

Title V: The facility is a Title V major source of air pollution in accordance with Chapter 213, F.A.C.

PSD: The facility is a PSD-major source of air pollution in accordance with Rule 62-212.400, F.A.C.

NSPS: The facility operates units subject to the New Source Performance Standards in 40 CFR 60.

NESHAP: The facility operates units subject to the National Emissions Standards for Hazardous Air Pollutants (NESHAP) in 40 CFR 63.

RELEVANT DOCUMENTS

The permit application and additional information received to make it complete are not a part of this permit; however, the information is specifically related to this permitting action and is on file with the Department.

SECTION 2. ADMINISTRATIVE REQUIREMENTS

1. Permitting Authority: All documents related to applications for permits to operate an emissions unit shall be submitted to Air Resources Section of the Department's Northwest District Office at 160 Governmental Center, Pensacola, Florida 32502-5794.
2. Compliance Authority: All documents related to compliance activities such as reports, tests, and notifications shall be submitted to the Air Resources Section of the Department's Northwest District Office at 160 Governmental Center, Pensacola, Florida 32502-5794.
3. Appendices: The following Appendices are attached as part of this permit: Appendix A (Citation Format); Appendix B (General Conditions); and Appendix A (Common Requirements).
4. Applicable Regulations, Forms and Application Procedures: Unless otherwise indicated in this permit, the construction and operation of the subject emissions unit shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of: Chapter 403 of the Florida Statutes (F.S.), and Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296, and 62-297 of the Florida Administrative Code (F.A.C.). The terms used in this permit have specific meanings as defined in the applicable chapters of the Florida Administrative Code. The permittee shall use the applicable forms listed in Rule 62-210.900, F.A.C. and follow the application procedures in Chapter 62-4, F.A.C. Issuance of this permit does not relieve the permittee from compliance with any applicable federal, state, or local permitting or regulations. [Rules 62-204.800, 62-210.300 and 62-210.900, F.A.C.]
5. New or Additional Conditions: For good cause shown and after notice and an administrative hearing, if requested, the Department may require the permittee to conform to new or additional conditions. The Department shall allow the permittee a reasonable time to conform to the new or additional conditions, and on application of the permittee, the Department may grant additional time. [Rule 62-4.080, F.A.C.]
6. Modifications: The permittee shall notify the Compliance Authority upon commencement of construction. No emissions unit or facility subject to this permit shall be constructed or modified without obtaining an air construction permit from the Department. Such permit shall be obtained prior to beginning construction or modification. [Rules 62-210.300(1) and 62-212.300(1)(a), F.A.C.]
7. Relaxations of Restrictions on Pollutant Emitting Capacity: If a previously permitted facility or modification becomes a facility or modification which would be subject to the preconstruction review requirements of this rule if it were a proposed new facility or modification solely by virtue of a relaxation in any federally enforceable limitation on the capacity of the facility or modification to emit a pollutant (such as a restriction on hours of operation), which limitation was established after August 7, 1980, then at the time of such relaxation the preconstruction review requirements of this rule shall apply to the facility or modification as though construction had not yet commenced on it. [Rule 62-212.400(2)(g), F.A.C.]
8. Title V Permit: This permit authorizes the proposed construction activities related to the existing air pollution controls. A Title V air operation permit is required for regular operation of the permitted emissions unit. The permittee shall apply for a revised Title V air operation permit at least 90 days prior to expiration of this permit, but no later than 180 days after commencing operation. To apply for a Title V air operation permit, the applicant shall submit the appropriate application form, compliance test results, and such additional information as the Department may by law require. The application shall be submitted to the appropriate Permitting Authority with copies to the Compliance Authority. [Rules 62-4.030, 62-4.050, 62-4.220, and Chapter 62-213, F.A.C.]

SECTION 3. EMISSIONS UNIT SPECIFIC CONDITIONS

A. No. 4 Combination Boiler

This section of the permit addresses the following emissions unit.

Emissions Unit No. 016 – No. 4 Combination Boiler

No. 4 Combination Boiler is an existing unit at the Panama City Mill. The unit is currently authorized to fire carbonaceous fuels (includes wood, bark and primary clarified wood fibers), coal (maximum of 1.7% sulfur by dry weight), natural gas and No. 2 or 6 fuel oil (maximum of 2.4% sulfur by weight). Existing air pollution controls include an overfire air (OFA) system and a venturi wet scrubber. Title V air operation permit No. 0050009-020-AV specifies the following capacities: The total maximum operational heat input of this emissions unit is 545 MMBtu/hr based on a 24-hour average. The heat input shall not exceed 472 MMBtu/hr from fuel oil, 395 MMBtu/hr from coal, 474 MMBtu/hr from carbonaceous fuels, or 512 MMBtu/hr from natural gas. The total heat input to the Nos. 3 and 4 combination boilers due to carbonaceous fuels shall not exceed 501 MMBtu/hr based on a 24-hour average.

OTHER REQUIREMENTS

1. Other Permits: The No. 4 Combination Boiler remains subject to all applicable requirements from previously issued air construction and operating permits. The conditions of this permit are in addition to and supplement all other applicable permit requirements. The Department reserves the right to review this project in combination with future proposed projects related to this unit. [Rule 62-4.070(3), F.A.C.]

CONTROL EQUIPMENT IMPROVEMENTS

2. Overfire Air System: The permittee is authorized to perform the following general work on the existing overfire air system: Conduct a Computational Fluid Dynamics (CFD) modeling analysis. Based on the results of the analysis, modify or add overfire air ports, ductwork, velocity dampers, air nozzle assemblies, air flow measuring devices, and combustion control system to improve carbonaceous fuel firing. The project goal is to reduce unburned carbon to 20% or less, provide more stable combustion with a constant negative furnace pressure, and reduce uncontrolled particulate matter emissions from the boiler furnace to less than 4.2 lb/MMBtu.
 - a. Within 15 days of completing the CFD report, the permittee shall submit a written report of the findings to the Bureau of Air Regulation and the Compliance Authority.
 - b. Prior to commencing physical work on this project, the permittee shall submit a report to the Bureau of Air Regulation and the Compliance Authority summarizing the proposed changes based on the CFD modeling analysis.
 - c. Within 15 days of completing the physical work, the permittee shall provide a report to the Bureau of Air Regulation and the Compliance Authority summarizing the actual OFA improvements made.

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

3. Existing Wet Scrubber: The permittee is authorized to return the current fixed throat venturi scrubbing system to a variable throat venturi scrubbing system, which is the original design for this equipment. The project goal is to provide more control over the scrubber pressure differential and control of particulate matter emissions with the variable throat design. The permittee shall notify the Compliance Authority within 15 days of completing the proposed work. The permittee shall install, calibrate, operate and maintain a device to continuously monitor and record the scrubber pressure drop. [Application: Rule 62-4.070(3), F.A.C.]

SECTION 3. EMISSIONS UNIT SPECIFIC CONDITIONS

A. No. 4 Combination Boiler

PERFORMANCE RESTRICTIONS

4. Permitted Capacity: The maximum continuous steam production rate shall not exceed 300,000 pounds per hour based on a 24-hour average. The permittee shall install, calibrate, maintain, and operate equipment to continuously monitor and record the steam production rate to demonstrate compliance with this requirement. If the boiler is unable to operate within 90% of this specified steaming rate during the initial tests, the Department reserves the right to reduce the maximum steaming rate. [Rules 62-210.200(PTE) and 62-212.400(2)(g), F.A.C.]

EMISSIONS PERFORMANCE TESTING

5. Initial Performance Tests: Within 90 days of restarting the unit after completing the proposed work, the permittee shall conduct performance tests to determine the following emissions rates from the No. 4 Combination Boiler: carbon monoxide (CO), nitrogen oxides (NOx), particulate matter (PM), and volatile organic compounds (VOC). The tests shall be conducted under the following conditions:

- a. Each test shall consist of three 1-hour test runs.
b. The boiler shall fire only a combination of wood and coal. No more than 6.2 tons per hour of coal shall be fired for each 3-run test average.
c. The boiler shall produce at least 270,000 pounds per hour of steam for each 3-run test average.

The PM test shall demonstrate compliance with the applicable standards specified in the Title V air operation permit. The tests for CO, NOx, and VOC are for informational purposes. [Rule 62-297.310(7)(a)1, F.A.C.]

6. Test Notification: The permittee shall notify the Compliance Authority in writing at least 15 days prior to any required tests. [Rule 62-297.310(7)(a)9, F.A.C.]

7. Test Methods: Required tests shall be performed in accordance with the following reference methods.

Table with 2 columns: EPA Test Method, Description of Method and Comments. Rows include methods 1-4, 5, 7E, 10, 18, and 25A with detailed descriptions of each testing procedure.

Tests shall also be conducted in accordance with the requirements specified in Appendix C of Section 4 of this permit. The above methods are described in 40 CFR 60, Appendix A, and adopted by reference in Rule 62-204.800, F.A.C. [Rules 62-204.800 and 62-297.100, F.A.C.; 40 CFR 60, Appendix A]

SECTION 3. EMISSIONS UNIT SPECIFIC CONDITIONS

A. No. 4 Combination Boiler

RECORDS AND REPORTS

8. Test Reports: The permittee shall prepare and submit reports for all required tests in accordance with the requirements specified in Appendix C of Section 4 of this permit. For each test run, the report shall also indicate the following: emissions rate (lb/MMBtu, lb/hour, and ppmvd @ 7% oxygen for gases); flue gas oxygen content (%); steam production rate (lb/hour); wood and coal firing rates (tons/hour); heat input rates from each fuel (MMBtu/hour); total air flow (acfm and lb/hour); overfire air distribution (%); and venturi wet scrubber pressure differential (recorded at 15-minute intervals during test). In addition, the permittee shall take a sample of coal and wood fired during each test. Each sample shall be analyzed for: higher and lower heating values (Btu/lb, dry); moisture content (%); sulfur content (% by weight); and ash content (% by weight). Results of the analyses shall be summarized in the test report.

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

SECTION 4. APPENDICES

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Appendix A. Citation Formats

Appendix B. General Conditions

Appendix C. Common Requirements

SECTION 4. APPENDIX A
CITATION FORMATS

The following examples illustrate the format used in the permit to identify applicable permitting actions and regulations.

REFERENCES TO PREVIOUS PERMITTING ACTIONS

Old Permit Numbers

Example: Permit No. AC50-123456 or Air Permit No. AO50-123456

Where: "AC" identifies the permit as an Air Construction Permit
"AO" identifies the permit as an Air Operation Permit
"123456" identifies the specific permit project number

New Permit Numbers

Example: Permit Nos. 099-2222-001-AC, 099-2222-001-AF, 099-2222-001-AO, or 099-2222-001-AV

Where: "099" represents the specific county ID number in which the project is located
"2222" represents the specific facility ID number
"001" identifies the specific permit project
"AC" identifies the permit as an air construction permit
"AF" identifies the permit as a minor federally enforceable state operation permit
"AO" identifies the permit as a minor source air operation permit
"AV" identifies the permit as a Title V Major Source Air Operation Permit

PSD Permit Numbers

Example: Permit No. PSD-FL-317

Where: "PSD" means issued pursuant to the Prevention of Significant Deterioration of Air Quality
"FL" means that the permit was issued by the State of Florida
"317" identifies the specific permit project

RULE CITATION FORMATS

Florida Administrative Code (F.A.C.)

Example: [Rule 62-213.205, F.A.C.]

Means: Title 62, Chapter 213, Rule 205 of the Florida Administrative Code

Code of Federal Regulations (CFR)

Example: [40 CFR 60.7]

Means: Title 40, Part 60, Section 7

SECTION 4. APPENDIX B
GENERAL CONDITIONS

The permittee shall comply with the following general conditions from Rule 62-4.160, F.A.C.

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 these conditions.
2. This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings, exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Department.
3. As provided in Subsections 403.087(6) and 403.722(5), Florida Statutes, the issuance of this permit does not convey and 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 or approval of any other Department permit that may be required for other aspects of the total project which are not addressed in the permit.
4. This permit conveys no title to land or water, does not constitute State recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title.
5. This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department.
6. The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed or 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 and records 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.

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 noncompliance, 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

SECTION 4. APPENDIX B
GENERAL CONDITIONS

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:
 - a. Determination of Best Available Control Technology;
 - b. Determination of Prevention of Significant Deterioration; and
 - c. Compliance with New Source Performance Standards.
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 or 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:
 - 1) The date, exact place, and time of sampling or measurements;
 - 2) The person responsible for performing the sampling or measurements;
 - 3) The dates analyses were performed;
 - 4) The person responsible for performing the analyses;
 - 5) The analytical techniques or methods used; and
 - 6) 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.

SECTION 4. APPENDIX C
COMMON CONDITIONS

{Permitting Note: Unless otherwise specified in the permit, the following conditions apply to all emissions units and activities at the facility.}

EMISSIONS AND CONTROLS

1. **Plant Operation - Problems:** If temporarily unable to comply with any of the conditions of the permit due to breakdown of equipment or destruction by fire, wind or other cause, the permittee shall notify each Compliance Authority as soon as possible, but at least within one working day, excluding weekends and holidays. The notification shall include: pertinent information as to the cause of the problem; steps being taken to correct the problem and prevent future 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 the conditions of this permit or the regulations. [Rule 62-4.130, F.A.C.]
2. **Circumvention:** The permittee shall not circumvent the air pollution control equipment or allow the emission of air pollutants without this equipment operating properly. [Rule 62-210.650, F.A.C.]
3. **Excess Emissions Allowed:** 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. [Rule 62-210.700(1), F.A.C.]
4. **Excess Emissions Prohibited:** Excess emissions caused entirely or in part by poor maintenance, poor operation, or any other equipment or process failure that may reasonably be prevented during startup, shutdown or malfunction shall be prohibited. [Rule 62-210.700(4), F.A.C.]
5. **Excess Emissions - Notification:** In case of excess emissions resulting from malfunctions, the permittee shall notify the Department or the appropriate Local Program 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.]
6. **VOC or OS Emissions:** No person shall store, pump, handle, process, load, unload or use in any process or installation, volatile organic compounds or organic solvents without applying known and existing vapor emission control devices or systems deemed necessary and ordered by the Department. [Rule 62-296.320(1), F.A.C.]
7. **Objectionable Odor Prohibited:** No person shall cause, suffer, allow or permit the discharge of air pollutants, which cause or contribute to an objectionable odor. An "objectionable odor" means any odor present in the outdoor atmosphere which by itself or in combination with other odors, is or may be harmful or injurious to human health or welfare, which unreasonably interferes with the comfortable use and enjoyment of life or property, or which creates a nuisance. [Rules 62-296.320(2) and 62-210.200(203), F.A.C.]
8. **General Visible Emissions:** No person shall cause, let, permit, suffer or allow to be discharged into the atmosphere the emissions of air pollutants from any activity equal to or greater than 20 percent opacity. This regulation does not impose a specific testing requirement. [Rule 62-296.320(4)(b)1, F.A.C.]
9. **Unconfined Particulate Emissions:** During the construction period, unconfined particulate matter emissions shall be minimized by dust suppressing techniques such as covering and/or application of water or chemicals to the affected areas, as necessary. [Rule 62-296.320(4)(c), F.A.C.]

TESTING REQUIREMENTS

10. **Required Number of Test Runs:** For mass emission limitations, a compliance test shall consist of three complete and separate determinations of the total air pollutant emission rate through the test section of the stack or duct and three complete and separate determinations of any applicable process variables corresponding to the three distinct time periods during which the stack emission rate was measured; provided, however, that three complete and separate determinations shall not be required if the process variables are not subject to variation during a compliance test, or if three determinations are not necessary in order to calculate the unit's emission rate. The three required test runs shall be completed within one consecutive five-day period. In the event that a sample is lost or one of the three runs must be discontinued because of circumstances beyond the control of the owner or operator, and a valid third run cannot be obtained within the five-day period allowed for the test, the Secretary or his or her designee may accept the results of two complete runs as proof of compliance, provided that the arithmetic mean of the two complete runs is at least 20% below the allowable emission limiting standard. [Rule 62-297.310(1), F.A.C.]

SECTION 4. APPENDIX C
COMMON CONDITIONS

11. Operating Rate During Testing: Testing of emissions shall be conducted with the emissions unit operating at permitted capacity. Permitted capacity is defined as 90 to 100 percent of the maximum operation rate allowed by the permit. If it is impractical to test at permitted capacity, an emissions unit may be tested at less than the maximum permitted capacity; in this case, subsequent emissions unit operation is limited to 110 percent of the test rate until a new test is conducted. Once the unit is so limited, operation at higher capacities is allowed for no more than 15 consecutive days for the purpose of additional compliance testing to regain the authority to operate at the permitted capacity. [Rule 62-297.310(2), F.A.C.]
12. Calculation of Emission Rate: For each emissions performance test, the indicated emission rate or concentration shall be the arithmetic average of the emission rate or concentration determined by each of the three separate test runs unless otherwise specified in a particular test method or applicable rule. [Rule 62-297.310(3), F.A.C.]
13. Test Procedures: Tests shall be conducted in accordance with all applicable requirements of Chapter 62-297, F.A.C.
- a. *Required Sampling Time*. Unless otherwise specified in the applicable rule, the required sampling time for each test run shall be no less than one hour and no greater than four hours, and the sampling time at each sampling point shall be of equal intervals of at least two minutes. The minimum observation period for a visible emissions compliance test shall be thirty (30) minutes. The observation period shall include the period during which the highest opacity can reasonably be expected to occur.
 - b. *Minimum Sample Volume*. Unless otherwise specified in the applicable rule or test method, the minimum sample volume per run shall be 25 dry standard cubic feet.
 - c. *Calibration of Sampling Equipment*. Calibration of the sampling train equipment shall be conducted in accordance with the schedule shown in Table 297.310-1, F.A.C.
- [Rule 62-297.310(4), F.A.C.]
14. 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.]
15. Sampling Facilities: The permittee shall install permanent stack sampling ports and provide sampling facilities that meet the requirements of Rule 62-297.310(6), F.A.C.
16. Test Notification: The owner or operator shall notify the Department, at least 15 days prior to the date on which each formal compliance test is to begin, of the date, time, and place of each such test, and the test contact person who will be responsible for coordinating and having such test conducted for the owner or operator. [Rule 62-297.310(7)(a)9, F.A.C.]
17. 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 shall 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. [Rule 62-297.310(7)(b), F.A.C.]
18. Test Reports: The owner or operator of an emissions unit for which a compliance test is required shall file a report with the Department on the results of each such test. The required test report shall be filed with the Department as soon as practical but no later than 45 days after the last sampling run of each test is completed. The test report shall provide sufficient detail on the emissions unit tested and the test procedures used to allow the Department to determine if the

SECTION 4. APPENDIX C
COMMON CONDITIONS

test was properly conducted and the test results properly computed. As a minimum, the test report, other than for an EPA or DEP Method 9 test, shall provide the following information:

1. The type, location, and designation of the emissions unit tested.
2. The facility at which the emissions unit is located.
3. The owner or operator of the emissions unit.
4. The normal type and amount of fuels used and materials processed, and the types and amounts of fuels used and material processed during each test run.
5. The means, raw data and computations used to determine the amount of fuels used and materials processed, if necessary to determine compliance with an applicable emission limiting standard.
6. The type of air pollution control devices installed on the emissions unit, their general condition, their normal operating parameters (pressure drops, total operating current and GPM scrubber water), and their operating parameters during each test run.
7. A sketch of the duct within 8 stack diameters upstream and 2 stack diameters downstream of the sampling ports, including the distance to any upstream and downstream bends or other flow disturbances.
8. The date, starting time and duration of each sampling run.
9. The test procedures used, including any alternative procedures authorized pursuant to Rule 62-297.620, F.A.C. Where optional procedures are authorized in this chapter, indicate which option was used.
10. The number of points sampled and configuration and location of the sampling plane.
11. For each sampling point for each run, the dry gas meter reading, velocity head, pressure drop across the stack, temperatures, average meter temperatures and sample time per point.
12. The type, manufacturer and configuration of the sampling equipment used.
13. Data related to the required calibration of the test equipment.
14. Data on the identification, processing and weights of all filters used.
15. Data on the types and amounts of any chemical solutions used.
16. Data on the amount of pollutant collected from each sampling probe, the filters, and the impingers, are reported separately for the compliance test.
17. The names of individuals who furnished the process variable data, conducted the test, analyzed the samples and prepared the report.
18. All measured and calculated data required to be determined by each applicable test procedure for each run.
19. The detailed calculations for one run that relate the collected data to the calculated emission rate.
20. The applicable emission standard and the resulting maximum allowable emission rate for the emissions unit plus the test result in the same form and unit of measure.
21. A certification that, to the knowledge of the owner or his authorized agent, all data submitted are true and correct. When a compliance test is conducted for the Department or its agent, the person who conducts the test shall provide the certification with respect to the test procedures used. The owner or his authorized agent shall certify that all data required and provided to the person conducting the test are true and correct to his knowledge.

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

RECORDS AND REPORTS

19. **Records Retention:** All measurements, records, and other data required by this permit shall be documented in a permanent, legible format and retained for at least five (5) years following the date on which such measurements, records, or data are recorded. Records shall be made available to the Department upon request. [Rules 62-4.160(14) and 62-213.440(1)(b)2, F.A.C.]
20. **Annual Operating Report:** The permittee shall submit an annual report that summarizes the actual operating rates and emissions from this facility. Annual operating reports shall be submitted to the Compliance Authority by March 1st of each year. [Rule 62-210.370(2), F.A.C.]

**TECHNICAL EVALUATION
&
PRELIMINARY DETERMINATION**

APPLICANT

Smurfit-Stone Container Enterprises, Inc.
Panama City Mill
One Everitt Avenue
Panama City, FL 32402

PROJECT

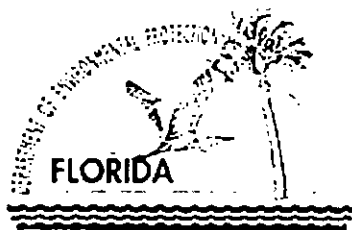
Draft Air Construction Permit No. 0050009-021-AC
No. 4 Combination Boiler – Control Equipment Improvements

COUNTY

Bay County, Florida

PERMITTING AUTHORITY

Florida Department of Environmental Protection
Division of Air Resource Management
Bureau of Air Regulation
Air Permitting North Program



September 29, 2005

{Filename 0050009-021-AC - TEPD}

1. GENERAL PROJECT INFORMATION

Processing Schedule

09/02/05 Received the application for a minor source air pollution construction permit; complete.

Facility Description and Location

Smurfit-Stone Container Enterprises, Inc. operates an existing pulp and paper mill (SIC No. 2611) located at One Everitt Avenue in Panama City, Bay County, Florida. The UTM coordinates of the Panama City Mill are Zone 16, 632.8 km East, and 3335.1 km North. This site is in an area that is in attainment (or designated as unclassifiable) for all air pollutants subject to a National Ambient Air Quality Standard (NAAQS).

Regulatory Categories

Title III: The facility is a major source of hazardous air pollutants (HAP).

Title IV: The facility operates no units subject to the acid rain provisions of the Clean Air Act.

Title V: The facility is a Title V major source of air pollution in accordance with Chapter 213, F.A.C.

PSD: The facility is a PSD-major source of air pollution in accordance with Rule 62-212.400, F.A.C.

NSPS: The facility operates units subject to the New Source Performance Standards in 40 CFR 60.

NESHAP: The facility operates units subject to the National Emissions Standards for Hazardous Air Pollutants (NESHAP) in 40 CFR 63.

2. PROJECT DESCRIPTION

No. 4 Combination Boiler fires a variety of fuels (carbonaceous fuels, coal, natural gas, and fuel oil) to produce steam and electricity for the papermaking process. This unit will be subject to the applicable requirements of NESHAP Subpart DDDDD in 40 CFR 63 (Industrial, Commercial, and Institutional Boilers and Process Heaters). The compliance deadline for the existing unit is September 13, 2007. In preparation for the upcoming NESHAP, the applicant proposes the following improvements for the No. 4 Combination Boiler:

- *Existing Overfire Air (OFA) System*: Conduct a Computational Fluid Dynamics (CFD) modeling analysis. Based on the analysis, modify or add overfire air ports, ductwork, velocity dampers, air nozzle assemblies, air flow measuring devices, and combustion control system to improve carbonaceous fuel firing. The purpose of the project is to reduce unburned carbon to 20% or less, provide more stable combustion with a constant negative furnace pressure, and reduce uncontrolled particulate matter emissions from the boiler furnace (prior to the wet scrubber) to less than 4.2 lb/MMBtu.
- *Existing Wet Scrubber*: Return the current fixed throat venturi to a variable throat venturi, which is the original design for this equipment. The variable throat will allow more control over the scrubber pressure differential and control of particulate matter emissions.

The Title V air operation permit currently limits particulate matter emissions to 0.3 lb/MMBtu for carbonaceous fuels and 0.1 lb/MMBtu for fossil fuels. Actual particulate matter emissions have been approximately 0.08 lb/MMBtu based on recent test data. The ultimate goal of the project is to reduce controlled particulate matter emissions at the stack to comply with the NESHAP Subpart DDDDD particulate matter emissions limit of 0.07 lb/MMBtu. If this goal is achieved, no further work will be necessary. Otherwise, additional improvements to the air pollution control systems will be required.

The current Title V air operation permit identifies the capacity as follows, "The total maximum operational heat input of this emissions unit is 545 MMBtu/hr based on a 24-hour average. The heat input shall not exceed 472 MMBtu/hr from fuel oil, 395 MMBtu/hr from coal, 474 MMBtu/hr from carbonaceous fuels, or 512 MMBtu/hr from natural gas. The total heat input to the No. 3 and No. 4 combination boilers due to carbonaceous fuels

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

shall not exceed 501 MMBtu/hr based on a 24-hour average." The project will not increase the capacity of the boiler. The annual capacity factor has been approximately 72% and will not change as a result of this project. Based on vendor information, the designed maximum steam production rate will remain at 300,000 pounds per hour.

3. CONCLUSION

The applicant proposes improvements to the existing overfire air system and existing wet scrubber to reduce particulate matter emissions. No other changes are necessary such as modifying the fuel feeders, fuel conveyors, ash handling system, supplemental burners, boiler tube replacements, etc. These efforts are being conducted in advance of the September 13, 2007 deadline to demonstrate compliance with the applicable particulate matter emission standard specified for solid fuel fired industrial boilers in NESHAP Subpart DDDDD of 40 CFR 63. Modifications to existing control equipment require review and approval by the Department. This includes any additional improvements to the air pollution control systems that the applicant determines will be necessary should the proposed project fall short of the goal. The Department reserves the right to review this project in combination with future proposed projects related to this unit.

The applicant maintains that the proposed changes to the existing pollution controls will not increase the capacity of the existing boiler or the steam production rate. The current maximum continuous steam production rate is 300,000 pounds per hour based on a 24-hour average for the original design and the design target for the new OFA system. To ensure there will be no increase in capacity, the draft permit limits the steam production rate of the No. 4 Combination Boiler to this maximum rate.

The Title V air operation permit currently regulates emissions of particulate matter and sulfur dioxide from the No. 4 Combination Boiler. There is little operational data available for other pollutant emissions such as carbon monoxide, nitrogen oxides, or volatile organic compounds. In addition to particulate matter, the draft permit requires testing for each of these pollutants to establish the emissions profile for the No. 4 Combination Boiler after completing the improvements.

The Department makes a preliminary determination that the proposed project will comply with all applicable state and federal air pollution regulations as conditioned by the draft permit. This determination is based on a technical review of the complete application, reasonable assurances provided by the applicant, and the conditions specified in the draft permit. No air quality modeling analysis is required because the project does not result in a significant increase in emissions. Jeff Koerner is the project engineer responsible for reviewing the application and drafting the permit. Additional details of this analysis may be obtained by contacting the project engineer at the Department's Bureau of Air Regulation at Mail Station #5505, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400.

P.E. CERTIFICATION STATEMENT

PERMITTEE

Smurfit-Stone Container Enterprises, Inc.
Panama City Mill
One Everitt Avenue
Panama City, FL 32402

Air Permit No. 0050009-021-AC
Facility ID No. 0050009
SIC No. 2611
OFA and Venturi Improvements
Bay County, Florida

PROJECT DESCRIPTION

The applicant proposes improvements to the existing overfire air system and existing wet scrubber for the No. 4 combination boiler to reduce particulate matter emissions. No other changes are necessary such as modifying the fuel feeders, fuel conveyors, ash handling system, supplemental burners, boiler tube replacements, etc. These efforts are being conducted in advance of the September 13, 2007 deadline to demonstrate compliance with the applicable particulate matter emission standard specified for solid fuel fired industrial boilers in NESHAP Subpart DDDDD of 40 CFR 63. Modifications to existing control equipment require review and approval by the Department. This includes any additional improvements to the air pollution control systems that the applicant determines will be necessary should the proposed project fall short of the goal. The Department reserves the right to review this project in combination with future proposed projects related to this unit.

The applicant maintains that the proposed changes to the existing pollution controls will not increase the capacity of the existing boiler or the steam production rate. The current maximum continuous steam production rate is 300,000 pounds per hour based on a 24-hour average for the original design and the design target for the new OFA system. To ensure there will be no increase in capacity, the draft permit limits the steam production rate of the No. 4 Combination Boiler to this maximum rate.

The Title V air operation permit currently regulates emissions of particulate matter and sulfur dioxide from the No. 4 Combination Boiler. There is little operational data available for other pollutant emissions such as carbon monoxide, nitrogen oxides, or volatile organic compounds. In addition to particulate matter, the draft permit requires testing for each of these pollutants to establish the emissions profile for the No. 4 Combination Boiler after completing the improvements.

The preliminary determination is that the proposed project will comply with all applicable state and federal air pollution regulations as conditioned by the draft permit. This determination is based on a technical review of the complete application, reasonable assurances provided by the applicant, and the conditions specified in the draft permit. No air quality modeling analysis is required because the project is not reasonably expected to result in increased emissions.

I HEREBY CERTIFY that the air pollution control 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, geological, and meteorological features).

Jeffery F. Koerner

9-29-05

Jeffery F. Koerner, P.E.
Registration Number: 49441

(Date)

Florida Department of Environmental Protection

Memorandum

TO: Trina Vielhauer, Chief
Bureau of Air Regulation

FROM: Jeff Koerner, Air Permitting North Program *JK*

DATE: September 29, 2005

SUBJECT: Smurfit-Stone Container Enterprises, Inc. - Panama City Mill
Project No. 0050009-021-AC
No. 4 Combination Boiler - OFA and Venturi Improvements

Attached for your review are the following items:

- Intent to Issue Permit and Public Notice Package;
- Technical Evaluation and Preliminary Determination;
- Draft Permit; and
- PE Certification

The draft permit authorizes improvements to the existing overfire air (OFA) system and existing wet venturi scrubber for the No. 4 Combination Boiler. The goal of the project is to reduce controlled particulate matter emissions at the stack to comply with the NESHAP Subpart DDDDD particulate matter emissions limit of 0.07 lb/MMBtu. The project is not expected to increase emissions of any pollutant. The existing unit is located at Smurfit-Stone Container's Panama City Mill, which is located *at* One Everitt Avenue in Panama City, Bay County, Florida.

The Technical Evaluation and Preliminary Determination provides a detailed description of the project, rule applicability, and emissions standards. The P.E. certification briefly summarizes the proposed project. Day #74 is November 4, 2005. I recommend your approval of the attached Draft Permit for this project.

Attachments

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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. B. G. Sammons, General Manager
 Smurfit-Stone Container Enterprises, Inc.
 Panama City Mill
 One Everitt Avenue
 Panama City, Florida 32402

2. Article Number
 (Transfer from service label)

7001 0320 0001 3692 1971

COMPLETE THIS SECTION ON DELIVERY

A. Signature: *[Handwritten Signature]* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery *10/11*

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

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

7001 0320 0001 3692 1971

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark
 Here

Mr. B. G. Sammons, General Manager
 Smurfit-Stone Container Enterprises, Inc.
 Panama City Mill
 One Everitt Avenue
 Panama City, Florida 32402

PS Form 3800 January 2001

See Reverse for Instructions