



Smurfit-Stone
Container Corporation
Panama City Mill
1 Everitt Ave.
Panama City, FL 32401
850-785-4311
850-763-8530 fax

December 2, 2008

Mr. Rick Bradburn
Air Program Administrator
Florida Dept. of Environmental Protection
160 Governmental Center, Room 308
Pensacola, FL 32502

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BUREAU OF AIR REGULATION

WBC

Re: Stack Testing Reports

Dear Mr. Bradburn

Enclosed are two copies of the stack testing reports from October 20-23. All test results indicated compliance with our Title V limits. This annual testing included the compliance testing required by the petcoke permit (PSD-FL-388). This includes the certification testing of the new kiln NOx CEMS. This is the first time that we have ever certified a NSPS CEMS. If you see any issues with the attached documents, please let us know as soon as possible, so that we can make corrections and still meet the 300 day deadline for certification.

One item to note is that the kiln NOx ppm was above the permit limit for a short period while we were running at maximum production during the testing. The limit is 190 ppm, and the test indicated 194 ppm. Compliance is determined by a 30 day rolling average for NOx, which we met. The daily average for that day was 186 ppm, and the 30 day rolling average was 157 ppm. With the outage, the reports were lost internally for a period. There are a couple of hand entered corrections, since we do not have time to get pages modified and still meet the 45 day submission deadline. A table including SO2, NOx, and scrubber pH is also attached.

The kiln scrubber pH testing was conducted as well. We were well within our permit limits, at 2.1 lbs/hour. The limit is 18.8 lbs/hr. A summary of the average pH per run is also attached. As per the approved plan, we attempted to lower the scrubber pH by adding fresh water. This was not very successful due to the high operating loads we were running for the stack testing. The minimum run average pH was 7.7. There is some concern that this may be too high for operation at lower loads. If this turns out to be the case, we would re-run the test. As of now, we would propose a minimum scrubber pH of 7.7, tested continuously (minimum of every 15 minutes), compliance with this surrogate parameter based on a 3 hour average.

In order to ensure that the reports are complete, I've required the testing firm to complete the report to the checklist from 62-297.310(8). I'm not sure if the report has sufficient detail for item #6 - Type of pollution control device. I've attached additional information just in case. All of our pollution control devices are in good operating condition.

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EU021 #1 Smelt Dissolving Tank

The control device consists of a venturi scrubber. Typically, minimum scrubber flow is 325 gpm, and the d/p range is from 7 to 11 inches of water. We normally operate above 400 gpm, and within the d/p range

10/23/2008 14:47	7.72			
10/23/2008 14:48	7.72			
10/23/2008 14:49	7.72			
10/23/2008 14:50	7.72			
10/23/2008 14:51	7.73			
10/23/2008 14:52	7.73			
10/23/2008 14:53	7.73			
10/23/2008 14:54	7.73			
10/23/2008 14:55	7.73			
10/23/2008 14:56	7.74			
10/23/2008 14:57	7.74	7.74	Run 2	
10/23/2008 14:58	7.74			
10/23/2008 14:59	7.74			
10/23/2008 15:00	7.74			
10/23/2008 15:01	7.74			
10/23/2008 15:02	7.75			
10/23/2008 15:03	7.75			
10/23/2008 15:04	7.75			
10/23/2008 15:05	7.75			
10/23/2008 15:06	7.75			
10/23/2008 15:07	7.76			
10/23/2008 15:08	7.76			
10/23/2008 15:09	7.76			
10/23/2008 15:10	7.76			
10/23/2008 15:11	7.76			
10/23/2008 15:12	7.77			
10/23/2008 15:13	7.77			
10/23/2008 15:14	7.77			
10/23/2008 15:15	7.77			
10/23/2008 15:16	7.77			
10/23/2008 15:17	7.77			
10/23/2008 15:18	7.78			
10/23/2008 15:19	7.78			
10/23/2008 15:20	7.78			
10/23/2008 15:21	7.78			
10/23/2008 15:22	7.78			
10/23/2008 15:23	7.79			
10/23/2008 15:24	7.79			
10/23/2008 15:25	7.79			
10/23/2008 15:26	7.79			
10/23/2008 15:27	7.79			
10/23/2008 15:28	7.79			
10/23/2008 15:29	7.80			
10/23/2008 15:30	7.80			
10/23/2008 15:31	7.80			
10/23/2008 15:32	7.80			
10/23/2008 15:33	7.80			
10/23/2008 15:34	7.81			
10/23/2008 15:35	7.81			
10/23/2008 15:36	7.81			
10/23/2008 15:37	7.81			

10/23/2008 16:29	7.91			
10/23/2008 16:30	7.91			
10/23/2008 16:31	7.91			
10/23/2008 16:32	7.91			
10/23/2008 16:33	7.92			
10/23/2008 16:34	7.92			
10/23/2008 16:35	7.92			
10/23/2008 16:36	7.92			
10/23/2008 16:37	7.92			
10/23/2008 16:38	7.92			
10/23/2008 16:39	7.93			
10/23/2008 16:40	7.93			
10/23/2008 16:41	7.93			
10/23/2008 16:42	7.93			
10/23/2008 16:43	7.93			
10/23/2008 16:44	7.94			
10/23/2008 16:45	7.94			
10/23/2008 16:46	7.94			
10/23/2008 16:47	7.94			
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10/23/2008 16:56	7.96			
10/23/2008 16:57	7.96			
10/23/2008 16:58	7.96			
10/23/2008 16:59	7.96			
10/23/2008 17:00	7.97			
10/23/2008 17:01	7.97			
10/23/2008 17:02	7.97		8.03	Run 5
10/23/2008 17:03	7.97			
10/23/2008 17:04	7.97			
10/23/2008 17:05	7.97			
10/23/2008 17:06	7.98			
10/23/2008 17:07	7.98			
10/23/2008 17:08	7.98			
10/23/2008 17:09	7.98			
10/23/2008 17:10	7.98			
10/23/2008 17:11	7.99			
10/23/2008 17:12	7.99			
10/23/2008 17:13	7.99			
10/23/2008 17:14	7.99			
10/23/2008 17:15	7.99			
10/23/2008 17:16	8.00			
10/23/2008 17:17	8.00			
10/23/2008 17:18	8.00			
10/23/2008 17:19	8.00			

10/23/2008 18:11	8.06			
10/23/2008 18:12	8.06			
10/23/2008 18:13	8.06			
10/23/2008 18:14	8.06			
10/23/2008 18:15	8.06			
10/23/2008 18:16	8.06			
10/23/2008 18:17	8.06			
10/23/2008 18:18	8.06			
10/23/2008 18:19	8.06			
10/23/2008 18:20	8.06			
10/23/2008 18:21	8.05			
10/23/2008 18:22	8.05			
10/23/2008 18:23	8.05			
10/23/2008 18:24	8.05			
10/23/2008 18:25	8.05			
10/23/2008 18:26	8.05			
10/23/2008 18:27	8.05			
10/23/2008 18:28	8.05			
10/23/2008 18:29	8.05			
10/23/2008 18:30	8.05			
10/23/2008 18:31	8.05	8.03	Run 8	
10/23/2008 18:32	8.05			
10/23/2008 18:33	8.04			
10/23/2008 18:34	8.04			
10/23/2008 18:35	8.04			
10/23/2008 18:36	8.04			
10/23/2008 18:37	8.04			
10/23/2008 18:38	8.04			
10/23/2008 18:39	8.04			
10/23/2008 18:40	8.04			
10/23/2008 18:41	8.04			
10/23/2008 18:42	8.04			
10/23/2008 18:43	8.04			
10/23/2008 18:44	8.04			
10/23/2008 18:45	8.04			
10/23/2008 18:46	8.03			
10/23/2008 18:47	8.03			
10/23/2008 18:48	8.03			
10/23/2008 18:49	8.03			
10/23/2008 18:50	8.03			
10/23/2008 18:51	8.03			
10/23/2008 18:52	8.03			
10/23/2008 18:53	8.03			
10/23/2008 18:54	8.03			
10/23/2008 18:55	8.03			
10/23/2008 18:56	8.03			
10/23/2008 18:57	8.03			
10/23/2008 18:58	8.02			
10/23/2008 18:59	8.02	8.02	Run 9	
10/23/2008 19:00	8.02			
10/23/2008 19:01	8.02			

Mitchell, Erica

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From: Mitchell, Erica
Sent: Friday, December 05, 2008 12:05 PM
To: Koerner, Jeff; Holtom, Jonathan; Arif, Syed
Cc: Thomas, Bruce X.; Vielhauer, Trina; Bradburn, Rick
Subject: RE: Smurfit-Stone Container, Panama City, Bay County (PSD-FL-388)
Attachments: DOC120408.pdf

Jeff,

Thank you for the quick response. We will forward one of the copies of the stack test reports to your office as required by the permittee to fulfill condition, paragraph 3.A.15, of the petcoke permit (PSD-FL-388), which requires the permittee to: submit a report to the Bureau of Air Regulation that summarizes the testing program and proposes for approval a minimum pH operating level and the appropriate monitoring frequency that will provide reasonable assurance of compliance with the SO2 BACT standard.

I'm still not sure that the cover letter to the report is an "official" proposal, for approval, of a minimum pH operating level (cover letter attached above), but I'll leave that up to you. If this is their "official" proposal, we don't have a problem if it is a little bit late, considering the information in the e-mail from Tom Clements and their compliance history.

Erica.Mitchell@dep.state.fl.us
Air Program, Compliance Supervisor
Phone: (850) 595-8300 x 1223 Fax: (850) 595-8096

From: Koerner, Jeff
Sent: Friday, December 05, 2008 11:37 AM
To: Mitchell, Erica; Holtom, Jonathan; Arif, Syed
Cc: Thomas, Bruce X.; Vielhauer, Trina; Bradburn, Rick
Subject: RE: Smurfit-Stone Container, Panama City, Bay County (PSD-FL-388)

Based on the information in these e-mails, here's my opinion:

- Looks like they already submitted the report to you around December 2nd, so it's probably late. (Not sure BAR ever got a copy ...)
- Looks like they conducted the required pH testing and even tried to adjust operations for lower pH levels.
- When operating, looks like they should be operating at a pH level around 7+ since that's where they demonstrated compliance.
- They can conduct additional testing if they want to show compliance with the SO2 standard at a lower pH level.
- If the plant is in a cold outage due to economic reasons, I don't see the benefit of making them startup to conduct additional pH testing.
- The most important issue is that it looks like they demonstrated compliance with the SO2 and NOx limits.

I believe District and local programs may use enforcement discretion for minor compliance issues or when there are extenuating circumstances. I would think considerations would include previous violations or frequently late report submittals, etc. I recommend contacting Cindy Phillips to discuss.

Thanks.

Jeff Koerner, BAR - New Source Review Section
Florida Department of Environmental Protection
850/921-9536

From: Mitchell, Erica
Sent: Friday, December 05, 2008 11:10 AM
To: Holtom, Jonathan; Koerner, Jeff; Arif, Syed
Cc: Thomas, Bruce X.; Vielhauer, Trina; Bradburn, Rick
Subject: RE: Smurfit-Stone Container, Panama City, Bay County (PSD-FL-388)

Hi,

One thing to keep in mind when reviewing Clement's e-mail and his cover letter is that the facility is currently in a cold outage due to economic reasons. They plan to start up again in January, but no one is really sure. So, if they chose to perform a re-test, I'm not sure when they would perform the re-test and I'm not sure how this factors into the required timeframes for demonstrating compliance.

Erica

From: Holtom, Jonathan
Sent: Friday, December 05, 2008 10:03 AM
To: Koerner, Jeff; Arif, Syed
Cc: Thomas, Bruce X.; Vielhauer, Trina; Mitchell, Erica; Bradburn, Rick
Subject: FW: Smurfit-Stone Container, Panama City, Bay County (PSD-FL-388)

Jeff/Syed,

This was a project that Bruce Thomas worked on and I don't have any background on it. Could one of you please help Erica with her questions? Be sure to read Joe Clement's email at the bottom. He is asking for relief from enforcement for submitting the PSD-required report late, but if we won't agree, then he will schedule another test and say that he hasn't completed testing, so the 30 day period has not yet started. Are you willing to give them more time, or do we need information about their Petcoke firing now?

I seem to remember that Rick already gave them one pass from a permit condition regarding the Petcoke feeder not being installed in the prescribed time frame (with our concurrence).

Jon

From: Mitchell, Erica
Sent: Thursday, December 04, 2008 5:15 PM
To: Holtom, Jonathan
Cc: Bradburn, Rick; Sarasua, Armando
Subject: Smurfit-Stone Container, Panama City, Bay County (PSD-FL-388)

Hi Jonathan,

We received the e-mail below from Tom Clements with the Smurfit-Stone Container paper mill facility in Panama City, Bay County. He has some questions about paragraph 3.A.15 of the petcoke permit (PSD-FL-388), which requires that: the permittee shall submit a report to the Bureau of Air Regulation that summarizes the testing program and proposes for approval a minimum pH operating level and the appropriate monitoring frequency that will provide reasonable assurance of compliance with the SO2 BACT standard.

PSD-FL-388, 0050009-028-AC, 20070926

MONITORING REQUIREMENTS

15. Scrubber Monitoring: The permittee shall monitor the following scrubber parameters: bull nozzle flow rate in gpm, tangential flow rate in gpm, and pressure differential in inches of water column. The permittee shall monitor these scrubber parameters in accordance with the provisions in Subpart MM of 40 CFR Part 63. In addition, the permittee shall submit a testing protocol to the Bureau of Air Regulation for approval to determine the minimum pH operating level and the appropriate monitoring frequency that will provide reasonable assurance of compliance with the SO2 BACT standard. The testing protocol shall include, but not be limited to, the following information: SO2 stack testing methods and procedures, pH monitoring methods and frequency, pH adjustment, and a test schedule. Within 90 days of approval, the permittee shall conduct the tests. Within 30 days of conducting the last test, the permittee shall submit a report to the Bureau of Air Regulation that summarizes the testing program and proposes for approval a minimum pH operating level and the appropriate monitoring frequency that will provide reasonable assurance of compliance with the SO2 BACT standard. The permittee shall operate the scrubber and conduct the monitoring in accordance with the approval. [Rule 62-4.070(3) and 62-212.400 (BACT), F.A.C.]

Mr. Clement's main question is "Will FDEP accept a late report without penalty?" We have not yet responded to his e-mail.

Our concern is that, based on his e-mail below and the cover letter (attached above,) transmitting stack testing reports, we don't know how "late" he wants to submit the report.

It seems that they may not be willing, at this time, to propose "a minimum pH operating level ... that will provide reasonable assurance of compliance with the SO2 BACT standard" as required, and yet they also do not want to re-test at this time.

Check out his e-mail below, and then read the cover letter (attached above) transmitting stack testing reports and let us know your comments and/or if you think that you should respond to his e-mail.

Thanks.

Erica.Mitchell@dep.state.fl.us
Air Program, Compliance Supervisor
Phone: (850) 595-8300 x 1223 Fax: (850) 595-8096

From: Clements, Tom [mailto:TMCLEMEN@SMURFIT.COM]
Sent: Tuesday, December 02, 2008 8:15 AM

To: Bradburn, Rick
Cc: Thomas, Laura
Subject: Clarification
Importance: High

Rick

I need to request your opinion on a couple of items.

1. The petcoke permit PSD-FL-388, paragraph 3.A.15 requires us to submit the results of the scrubber pH test within 30 days of conducting the last test.

These tests were run in conjunction with the October compliance testing.

I didn't have the stack test reports required to prepare the scrubber pH report until just recently.

In addition to this, because we ran the test during maximum production,

we were unable to lower the scrubber pH very much (higher production = higher dust loading = higher capture of the dust in the scrubber = higher pH).

The lowest pH we were able to obtain was 7.7.

This corresponded to the lowest SO₂ discharge, but we feel that this is just coincidental, since we were running very low SO₂ emissions during the entire test, averaging 2.1 lbs/hr as compared to a permit limit of 18.8 lbs/hr.

Because we were unable to reduce the scrubber pH,

we wanted to run for a period of time and see if we could live with a 7.7 pH limit.

If we ran close to or below the 7.7 level during normal operations, the plan was to re-test during the allowable 300 days.

My question:

Will FDEP accept a late report without penalty?

If not, we will re-run the test.

In that case the October test would not be the "last test", and the 30 day deadline would not apply.

With the mill down for economic reasons, I'd prefer not to, unless we find out that the 7.7 pH limit is too high for normal operations.

One other thing, is "Air Resources Management" the same as "Bureau of Air Regulations" (for who to submit this to)?

2. For some reason, the stack testers included the "Lab Reports in their entirety" for the Method 16 TRS tests.

This is an inch thick package of chromatograph runs, and backup information.

We've never received or submitted this information in the past.

Do you want us to include a copy in the rest of the stack test reports - which will be going out today?

Please give me a call at (850) 785-4311 x470 if you have additional questions.

Sincerely Tom Clements