

Golder Associates Inc.

6241 NW 23rd Street, Suite 500
Gainesville, FL 32653-1500
Telephone (352) 336-6600
Fax (352) 336-6603



December 6, 1999

9837525

Florida Department of Environmental Protection
Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, FL 32399-2400

RECEIVED

DEC 07 1999

BUREAU OF AIR REGULATION

Attention: Mr. A. A. Linero, P.E.

RE: STONE CONTAINER CORPORATION
DEP FILE NO. 0310067-004-AC (PSD-FL-252)
RECYLCED FIBER FACILITY - INCREASE IN STEAM RATE

Dear Mr. Linero:

This letter is in regard to Stone Container Corporation's (SCC) request to increase the steam production rate from the Package Boiler Nos. 1, 2, and 3 located at their Jacksonville recycled fiber facility. Specifically, SCC requests an increase in the steam production rate for each package boiler from 125,000 pounds per hour (lb/hr) to 150,000 lb/hr without increasing the pollutant emission rates above the current allowable limits.

On September 8, 1999, the Department issued a second completeness letter (the initial completeness letter was issued August 4, 1998, and not responded to by SCC until recently) requesting additional information to process SCC's request. The Department subsequently issued a third completeness letter dated September 10, 1999, referencing concerns expressed in a letter from Richard L. Robinson from the City of Jacksonville's Regulatory & Environmental Services Department, Air and Water Quality Division (AWQD). Mr. Robinson requested that Stone Container Corporation provide reasonable assurance that compliance could be demonstrated with NO_x emission limits for the package boilers at a heat input rate for each unit of 215 MMBtu/hr.

On September 22, 1999, in a letter prepared by Golder Associates Inc. (Golder), SCC responded to the Department's completeness inquiries. Golder's letter specifically addressed the two items presented in the Department's letter dated September 8, 1999, and requested permission to perform additional NO_x testing at the higher steam production rate to alleviate Mr. Robinson's concerns. On September 30, 1999, SCC received permission from the City of Jacksonville to perform the requested source tests. A clarification letter was issued by the AWQD on October 5, 1999, authorizing simultaneous operation of the package boilers at steam production rates of 150,000 lb/hr each.

The purpose of this letter is to present the results of the additional source testing preformed at the requested steam production rate. These results have already been

submitted to the City of Jacksonville AWQD. Please find the attached tables summarizing the steam production rate (1,000 lb/hr), heat input rate (MMBtu/hr), and NO_x emission rate (lb/MMBtu). NO_x emission rates for the package boilers were measured using the existing continuous monitoring system during a 3-day period from October 20, through October 23, 1999. As shown in the attached table, each of the boilers were brought up from a cold start at 5 p.m. on October 20. Generally, the heat input rates were increased until each boiler was operating at a steam production rate of approximately 150,000 lb/hr. The boilers were maintained at a steam production rate of approximately 150,000 lb/hr for approximately 40 hours before the heat input rate was decreased. The package boilers were shut down at 4 p.m. on October 23. NO_x emission rates were measured during start up, shut down, and normal operation.

The maximum NO_x emission rate measured during the test period was 0.139 lb/MMBtu at a steam production rate of 142,000 lb/hr. The maximum NO_x emission rate measured during operation at a steam production capacity of 150,000 lb/hr was 0.135 lb/MMBtu. These measured emission rates are well below the current NO_x emission limit for the package boilers of 0.2 lb/MMBtu.

The maximum heat input rate recorded during the test period was 191 MMBtu/hr at steam production rates from 144,000 to 150,000 lb/hr. Although the package boilers did not operate as high as 215 MMBtu, this is merely an indication that the boilers were operating at better than design efficiency during the test. Due to the variability of boiler operation, SCC continues to request that the boilers be permitted to operate at a maximum heat input rate of 215 MMBtu/hr, if necessary.

If you have any questions concerning the information presented in this letter, please call me at your convenience.

Sincerely,

GOLDER ASSOCIATES INC.

David A. Buff

David A. Buff, P.E.
Principal Engineer
Florida P.E. #19011
SEAL

Sam/jkk

Enclosures

cc: J. Eskridge, SCC
T. Cole, OHFC

cc: S. Arif, BAR
NED
C. Holladay, BAR
EPA
NPS

BOILER DATA--STEAM TRIAL

TIME	BOILER 1				BOILER 2				BOILER 3			
	STEAM	NAT GAS		Nox	STEAM	NAT GAS		Nox	STEAM	NAT GAS		Nox
	KLB/HR	SCFM	mmBtu/hr	Lbs/mmBtu	KLB/HR	SCFM	mmBtu/hr	Lbs/mmBtu	KLB/HR	SCFM	mmBtu/hr	Lbs/mmBtu
7:00	0	0	0	0	0	0	0	0	0	0	0	0
8:00	0	0	0	0	0	0	0	0	0	0	0	0
9:00	0	0	0	0	0	0	0	0	0	0	0	0
10:00	0	0	0	0	0	0	0	0	0	0	0	0
11:00	0	0	0	0	0	0	0	0	0	0	0	0
12:00	0	0	0	0	0	0	0	0	0	0	0	0
13:00	0	0	0	0	0	0	0	0	0	0	0	0
14:00	0	0	0	0	0	0	0	0	0	0	0	0
15:00	0	0	0	0	0	0	0	0	0	0	0	0
16:00	0	0	0	0	0	0	0	0	0	0	0	0
17:00	0	0	0	0.059	0	0	0	0.025	0	0	0	0.076
18:00	31	920	58	0.092	42	796	50	0.053	9	438	28	0.100
19:00	116	2318	146	0.087	107	2214	139	0.058	110	2278	144	0.078
20:00	122	2436	153	0.088	123	2581	163	0.059	137	2793	176	0.075
21:00	122	2440	154	0.087	123	2580	163	0.058	136	2790	176	0.076
22:00	121	2445	154	0.086	122	2579	162	0.057	135	2787	176	0.076
23:00	121	2443	154	0.088	123	2576	162	0.058	136	2776	175	0.078
0:00	121	2441	154	0.088	122	2574	162	0.058	135	2769	174	0.078
1:00	120	2439	154	0.088	122	2571	162	0.058	135	2767	174	0.078
2:00	121	2438	154	0.089	123	2568	162	0.059	136	2757	174	0.079
3:00	121	2437	154	0.090	123	2567	162	0.059	136	2766	174	0.080
4:00	121	2437	154	0.089	123	2566	162	0.059	136	2772	175	0.080
5:00	121	2434	153	0.089	123	2566	162	0.059	135	2760	174	0.080
6:00	95	2028	128	0.091	111	2380	150	0.058	136	2747	173	0.081

OCTOBER 20 1999

BOILER DATA--STEAM TRIAL

TIME	BOILER 1				BOILER 2				BOILER 3			
	STEAM KLB/HR	NAT GAS		Nox	STEAM KLB/HR	NAT GAS		Nox	STEAM KLB/HR	NAT GAS		Nox
		SCFM	mmBtu/hr	Lbs/mmBtu		SCFM	mmBtu/hr	Lbs/mmBtu		SCFM	mmBtu/hr	Lbs/mmBtu
7:00	56	1110	70	0.094	77	1418	89	0.065	140	2756	174	0.084
8:00	55	1076	68	0.089	62	1085	68	0.066	140	2752	173	0.084
9:00	56	1076	68	0.089	62	1083	68	0.067	140	2748	173	0.080
10:00	56	1077	68	0.094	62	1087	68	0.056	140	2766	174	0.079
11:00	55	1084	68	0.093	63	1101	69	0.057	140	2757	174	0.080
12:00		41	3		99	1944	122	0.064	140	2755	174	0.081
13:00	43	1033	65	0.083	76	1462	92	0.064	140	2753	173	0.081
14:00	143	2888	182	0.085	17	223	14		138	2758	174	0.082
15:00	143	2925	184	0.086	99	2066	130	0.068	94	1906	120	0.086
16:00	143	2925	184	0.085	142	2896	182	0.072	0	0	0	
17:00	142	2932	185	0.085	146	2813	177	0.081	20	610	38	
18:00	142	2939	185	0.085	141	2781	175	0.080	130	2626	165	0.082
19:00	140	2937	185	0.085	140	2776	175	0.080	141	2764	174	0.086
20:00	142	2937	185	0.086	134	2775	175	0.081	143	2765	174	0.086
21:00	135	2936	185	0.086	141	2773	175	0.081	144	2761	174	0.087
22:00	136	2932	185	0.085	142	2771	175	0.081	144	2766	174	0.086
23:00	86	1800	113	0.096	95	1715	108	0.088	149	2765	174	0.088
0:00	78	1527	96	0.100	95	1640	103	0.089	148	2746	173	0.090
1:00	83	1605	101	0.095	97	1663	105	0.091	149	2701	170	0.090
2:00	97	2096	132	0.093	109	2037	128	0.088	146	2670	168	0.089
3:00	125	2888	182	0.089	136	2773	175	0.084	144	2668	168	0.087
4:00	143	2885	182	0.088	143	2713	171	0.083	144	2699	170	0.085
5:00	145	2879	181	0.090	145	2705	170	0.084	145	2703	170	0.086
6:00	145	2876	181	0.090	145	2704	170	0.085	145	2696	170	0.087

OCTOBER 21 1999

BOILER DATA--STEAM TRIAL

TIME	BOILER 1				BOILER 2				BOILER 3			
	STEAM	NAT GAS		Nox	STEAM	NAT GAS		Nox	STEAM	NAT GAS		Nox
	KLB/HR	SCFM	mmBtu/hr	Lbs/mmBtu	KLB/HR	SCFM	mmBtu/hr	Lbs/mmBtu	KLB/HR	SCFM	mmBtu/hr	Lbs/mmBtu
7:00	145	2876	181	0.090	145	2705	170	0.083	145	2695	170	0.088
8:00	145	2875	181	0.088	145	2704	170	0.083	145	2696	170	0.089
9:00	145	2876	181	0.088	146	2704	170	0.080	146	2695	170	0.091
10:00	145	2881	182	0.087	145	2705	170	0.081	146	2699	170	0.091
11:00	146	2913	184	0.090	144	2709	171	0.084	145	2705	170	0.094
12:00	148	2966	187	0.092	143	2712	171	0.086	144	2710	171	0.095
13:00	150	3011	190	0.106	142	2714	171	0.084	143	2711	171	0.095
14:00	150	3015	190	0.110	143	2714	171	0.085	144	2718	171	0.094
15:00	149	3022	190	0.111	147	2869	181	0.127	146	2862	180	0.121
16:00	150	3022	190	0.110	149	3019	190	0.135	144	3026	191	0.127
17:00	150	3021	190	0.110	149	3018	190	0.136	149	3027	191	0.127
18:00	150	3019	190	0.110	150	3017	190	0.135	150	3024	191	0.127
19:00	150	3018	190	0.110	150	3018	190	0.135	150	3022	190	0.127
20:00	150	3014	190	0.111	150	3016	190	0.134	150	3013	190	0.127
21:00	150	3013	190	0.111	149	3016	190	0.134	149	3009	190	0.128
22:00	149	3012	190	0.111	149	3016	190	0.133	143	3005	189	0.128
23:00	146	3001	189	0.112	149	3017	190	0.135	149	3006	189	0.129
0:00	145	2921	184	0.114	150	3020	190	0.135	150	3007	189	0.128
1:00	134	2921	184	0.114	150	3021	190	0.135	149	2993	189	0.129
2:00	140	2924	184	0.115	150	3022	190	0.135	148	2991	188	0.131
3:00	147	2923	184	0.115	149	3022	190	0.136	150	3010	190	0.130
4:00	147	2923	184	0.114	149	3023	190	0.134	149	3009	190	0.129
5:00	147	2924	184	0.115	149	3023	190	0.135	149	3012	190	0.130
6:00	148	2962	187	0.114	148	3022	190	0.134	149	3009	190	0.130

OCTOBER 22 1999

BOILER DATA--STEAM TRIAL

TIME	BOILER 1				BOILER 2				BOILER 3			
	STEAM	NAT GAS		Nox	STEAM	NAT GAS		Nox	STEAM	NAT GAS		Nox
	KLB/HR	SCFM	mmBtu/hr	Lbs/mmBtu	KLB/HR	SCFM	mmBtu/hr	Lbs/mmBtu	KLB/HR	SCFM	mmBtu/hr	Lbs/mmBtu
7:00	146	2971	187	0.114	146	3021	190	0.135	147	3009	190	0.131
8:00	144	2856	180	0.114	147	3021	190	0.133	148	3004	189	0.131
9:00	138	2730	172	0.113	144	2862	180	0.134	146	2835	179	0.136
10:00	139	2733	172	0.105	141	2634	166	0.129	142	2720	171	0.139
11:00	144	2823	178	0.102	141	2644	167	0.115	76	1450	91	0.079
12:00	144	2836	179	0.101	139	2537	160	0.097	127	2336	147	0.080
13:00	144	2839	179	0.101	140	2537	160	0.097	125	2335	147	0.083
14:00	103	1964	124	0.114	109	1798	113	0.107	90	1584	100	0.092
15:00	88	1860	117	0.125	109	1819	115	0.105	25	562	35	0.103
16:00	7	189	12		37	487	31	0.071	39	716	45	0.133
17:00												
18:00												
19:00												
20:00												
21:00												
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23:00												
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OCTOBER 23 1999

Golder Associates Inc.

6241 NW 23rd Street, Suite 500
Gainesville, FL 32653-1500
Telephone (352) 336-5600
Fax (352) 336-6603



October 6, 1999

RECEIVED 881521A2

OCT 07 1999

Florida Department of Environmental Protection
Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, FL 32399-2400

BUREAU OF AIR REGULATION

Attention: Mr. A. A. Linero, P.E.

RE: Stone Container Corporation - Jacksonville
DEP File No. 0310067-004-AC (PSD-FL-252)
Recycled Fiber Facility – Increase in Steam Rate

Dear Mr. Linero:

Stone Container Corporation (SCC) has received the Department's letter dated September 22, 1999, regarding SCC's proposed steam rate increase for the three steam boilers located at the Jacksonville recycle fiber mill. This letter included a memo from the U.S. Fish & Wildlife Service (USFWS), which contained additional comments on SCC's PSD permit application. Each of the USFWS's comments are addressed below, in the same order as they appear in their letter.

1. The original application that SCC made to the Department in July 1998 acknowledged that PSD review applied to the proposed project. The application presented the elements of PSD review, i.e., air impact analysis, BACT evaluation, additional impact analysis, etc. Possibly the USFWS has discarded the original application, since it was submitted nearly a year ago.
2. Regarding the SCR cost analysis, the analysis has been revised to incorporate the suggested changes. Structural costs have been eliminated from the purchased equipment costs and are now included in the direct installation costs. Indirect capital costs were based on the purchased equipment costs. Working capital has been eliminated. The interest rate has been revised to reflect 7 percent. These and other factors have been adjusted to be more consistent with the Cost Control manual.

The revised cost analysis is presented in Table 1R attached. As shown, the cost effectiveness decreases slightly to about \$4,600/ton of NO_x removed, assuming maximum boiler operation. Using a still very conservative annual capacity factor of 50 percent, the cost effectiveness increases to more than \$7,300/ton. This economic impact is very high considering that normally SCC's boilers will not operate or will operate at very reduced loads, since the majority of steam needs will be provided by Cedar bay. Considering SCC's normal operating mode, the costs of applying SCR to these boilers is economically infeasible.

Thank you for consideration of these comments. Please call if you have any questions concerning this matter.

Sincerely,

GOLDER ASSOCIATES INC.

David A. Buff

David A. Buff, P.E.
Principal Engineer
Florida P.E. #19011
SEAL

DB/arz

cc: Joe Eskridge
Terry Cole
Buck Oven, FDEP-OSC
J. Manning, RESD

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cc: *S. Arif, BAR*
NEP
C. Holladay, BAR
EPA
NPS

Table 1. Cost Effectiveness for Using SCR to Control NOx Emissions for Boiler Nos.1-3, Stone Container Corp. (revised 10/4/99)

Cost Items	Cost Factors	Maximum Operation		50% Operation
		80% Removal (1998 \$)	90% Removal (1998 \$)	90% Removal (1998 \$)
DIRECT CAPITAL COSTS (DCC):				
(1) Purchased Equipment Cost				
(a) Basic Equipment/Services	Based on Vendor Quote (c)	1,050,000	1,200,000	1,200,000
(b) Instrumentation	0.10 x 1a	105,000	120,000	120,000
(c) Ammonia Storage Tank	\$140 per 1000 lb mass flow	84,000	84,000	84,000
(d) Additional Ductwork	Based on OAQPS Cost Control Manual, Ch. 10	120,000	120,000	120,000
(e) Freight	0.05 x 1a	included	included	included
(f) Sales Tax (Florida)	0.06 x (1a..1e)	81,540	91,440	91,440
(g) Subtotal	(1a..1f)	1,440,540	1,615,440	1,615,440
(2) Direct Installation (a)	0.30 x (1g)	432,162	484,632	484,632
Total DCC:	(1g) + (2)	1,872,702	2,100,072	2,100,072
INDIRECT CAPITAL COSTS (ICC): (a)				
(3) Indirect Installation Costs				
(a) Technology License Fee	Provided from Vendor Quote	included	included	included
(b) Engineering & Supervision	Provided from Vendor Quote	included	included	included
(c) Construction & Field Expenses	(0.05) x (DCC)	93,635	105,004	105,004
(d) Construction Contractor Fee	(0.10) x (DCC)	187,270	210,007	210,007
(e) Contingencies	(0.25) x (DCC) - based on retrofit	468,176	525,018	525,018
(a) Startup & Testing	(0.03) x (DCC)	56,181	63,002	63,002
(b) Model Study	Estimated from Vendor Quote	included	included	included
Total ICC:		805,262	903,031	903,031
TOTAL CAPITAL INVESTMENT (TCI):	DCC + ICC	2,677,964	3,003,103	3,003,103
DIRECT OPERATING COSTS (DOC): (a)				
(1) Operating Labor				
Operator	\$22/hr; 4 hours per day; 1,460 hr/yr	32,120	32,120	32,120
Supervisor	15% of operator cost	4,818	4,818	4,818
(2) Maintenance (a)				
Labor	Equivalent to Operating Labor	36,938	36,938	36,938
Materials	Equivalent to Maintenance Labor	36,938	36,938	36,938
(3) Utilities (b)				
(a) Urea Injection System Electricity	\$34/MW-hr and 108 MW-hr /yr/ boiler	11,016	12,668	6,334
(b) Fan Electricity Increase	Based on 4 inch pressure drop across system for each boiler	17,385	17,385	8,693
(c) Dilution water (c)	1.2 gpm @ \$0.60/1000 gal raw	1,135	1,306	751
(4) Chemicals and Materials (c)				
Urea base chemical	120,000 gallon/yr for 80% @ \$1.00 / gal for each boiler at 80% removal	360,000	414,000	207,000
Catalyst Replacement	Once per three years @ \$100,000 for 80% for each boiler	100,000	125,000	78,125
Total DOC:	(1) + (2) + (3) + (4)	600,350	681,173	411,716
INDIRECT OPERATING COSTS (IOC): (a)				
(7) Overhead	60% of oper. labor & maintenance	66,488	66,488	66,488
(8) Property Taxes	1% of total capital investment	26,780	30,031	30,031
(9) Insurance	1% of total capital investment	26,780	30,031	30,031
(10) Administration	2% of total capital investment	53,559	60,062	60,062
Total IOC:	(7) + (8) + (9) + (10)	173,607	186,613	186,613
CAPITAL RECOVERY COSTS (CRC):	CRF of 0.142 times TCI (10 yrs @ 7%)	380,271	426,441	426,441
ANNUALIZED COSTS (AC):	DOC + IOC + CRC	1,154,228	1,294,226	1,024,770
UNCONTROLLED NOx EMISSIONS (TPY) :	Proposed Limit	310	310	155
TOTAL NOx REMOVED:	80% or 90%	248	279	140
COST EFFECTIVENESS:	\$ per ton of NOx Removed	4,654	4,639	7,346

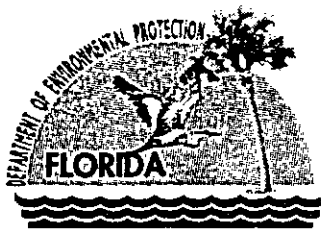
Notes:

Based on proposal provided by Engelhard, 9/22/98

(a) Factors and cost estimates reflect OAQPS Cost Manual, Section 3.

(b) Utility rates reflect actual 1998 rates for SCC

(c) 90% removal costs reflect manufacturer's recommendation of a 15% increase above the 80% removal costs.



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

September 22, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. John L. West, General Manager
Stone Container Corporation
Post Office Box 26998
Jacksonville, Florida 32226-6998

Re: DEP File No. 0310067-004-AC (PSD-FL-252)
Recycled Fiber Facility, Increase in steam rate

Dear Mr. West:

The United States Fish and Wildlife Services raised the attached issue in regards to the above referenced project. Please respond to their concern as well as to our letters dated September 8 and September 10, 1999.

The Department will resume processing this application after receipt of the requested information. If you have any questions regarding this matter, please call Syed Arif, P.E. at (850) 921-9528.

Sincerely,

A. A. Linero, P.E. Administrator
New Source Review Section

AAL/sa

Enclosure

cc: Doug Neely, EPA
John Bunyak, NPS
C. Kirts, DEP-NED
B. Oven, DEP-OSC
J. Manning, RESD
D. Roberts, Esq., HGSS
J. Antista, General Counsel, Fl Game & Fresh Water Fish Commission
D. Russ, Esq., Dept. of Community Affairs
E. M. Barker, Esq., Slott & Barker
L. N. Curtin, Esq., Holland & Knight
G. K. Radlinski, Esq., City of Jacksonville
N. B. Barnard, Esq., St. Johns River Water Management District
R. Vandiver, General Counsel, Fl Public Service Commission
David Buff, Golder Associates Inc.

"Protect, Conserve and Manage Florida's Environment and Natural Resources"

Printed on recycled paper.

NOTE

To: Al Linero
From: Ellen Porter, USFWS
Subject: Stone Container Corp—PSD Applicability and BACT
Date: September 9, 1999

Stone Container Corporation (SCC) is requesting a modification of its permit to allow greater utilization of its boilers 1-3 at its recycled fiber facility in Jacksonville, Florida. The increase boiler utilization is a result of the plant changing paper grades to produce more medium weight paper products. NO_x emissions would be limited to the current permit limit of 310 TPY, but would increase from actual levels of 7 TPY.

PSD Applicability

Although there is no mention of PSD in the information provided, this would appear to be a major modification because SCC is changing its method of operation (making more medium weight paper) and the result of that change is an increase in NO_x emissions from 7 TPY to 310 TPY.

Best Available Control Technology (BACT) Review

SCR was dismissed on the premise that it is not economically feasible for application to these package boilers. However, the cost analysis provided by SCC lacks documentation and contains several errors that tend to inflate costs:

- Structural support costs were included with Purchased equipment Costs.
- Indirect Capital Costs were based upon Total Direct Costs instead of Purchased Equipment Costs as recommended by the EPA OAQPS Control Cost Manual.
- An unjustified cost for Working Capital was included.
- The interest rate used to calculate the Capital recovery Factor should be 7% as recommended by the OAQPS Control Cost Manual.

Our cost analysis (enclosed) estimated costs of over \$4700 per ton of NO_x removed.

Conclusions and Recommendations

- PSD applies to these boilers due to increased emissions resulting from a change in the method of operation.
- SCR may be economically feasible. SCC should provide justification for its cost estimates.

P 265 659 435

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
John West	
Street & Number	
Stone Container	
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Spartan FL	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	9-22-99
0310067-004-AC	
PSD-FI-252 1	

PS Form 3800, April 1995

Fold at line over top of envelope to

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
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Consult postmaster for fee.

3. Article Addressed to:
 John L. West, Gen. Mgr.
 Stone Container Corp.
 PO Box 26998
 Jacksonville, FL
 32224-6998

4a. Article Number
 P 265 659 435

4b. Service Type

- Registered
- Certified
- Express Mail
- Insured
- Return Receipt for Merchandise
- CCD

7. Date of Delivery
 9/28/99

5. Received By: (Print Name)
 Joe Eskridge

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee's Name)

X

PS Form

Receipt

Thank you for using Return Receipt Service.

Golder Associates Inc.

6241 NW 23rd Street, Suite 500
Gainesville, FL 32653-1500
Telephone (352) 336-5600
Fax (352) 336-6603



September 22, 1999

9837525

Florida Department of Environmental Protection
Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, FL 32399-2400

RECEIVED

SEP 23 1999

Attention: Mr. A. A. Linero, P.E.

BUREAU OF AIR REGULATION

RE: STONE CONTAINER CORPORATION - JACKSONVILLE
DEP FILE NO. 0310067-004-AC (PSD-FL-252)
RECYCLED FIBER FACILITY - INCREASE IN STEAM RATE

Dear Mr. Linero:

Stone Container Corporation (SCC) has received the Department's letters dated September 8 and 10, 1999, regarding SCC's proposed steam rate increase for the three steam boilers located at the Jacksonville recycle fiber mill. Each of the Department's comments are addressed below, in the same order as they appear in the letter.

1. Selective non-catalytic reduction (SNCR) involves injection of ammonia or urea into the boiler flue gases while the flue gases are within a specific temperature window. This temperature window is from 1,600 to 1,900°F. As a result, the SNCR ammonia injection system must be located in the boiler. The temperature at the stack, approximately 330 to 350°F, is insufficient for the SNCR chemical reaction to take place.

SCR is similar to SNCR but involves a catalyst which lowers the reaction temperature window to 600 to 1,000°, depending upon the type of catalyst employed. Again, however, these temperatures only exist within the boiler itself, and the temperature at the stack is insufficient. As a result, the SCR system must be located within the boiler, and not at the stack.

It is also noted that the three steam boilers have relatively long ducts, which run from the boiler to the common stack. The ducts come together at the stack, but prior to the stack, are completely separate. Therefore, it is not technically feasible to install a single SCR or SNCR system to accommodate all three package boilers at SCC.

In regards to Table 5-2 of the application, it is not known which boilers are low heat release rate boilers versus high heat release rate boilers. Low heat release rate boilers are able to achieve lower NO_x emissions due to their larger furnace volume compared to higher heat release rate boilers. They also would have been required to meet an NSPS

limit under Subpart Db of 0.1 lb/MMBtu. SCC's three package boilers are high heat release rate boilers, and therefore the NSPS limit is 0.2 lb/MMBtu.

Past NO_x continuous emissions monitoring (CEM) data for SCC's three package boilers have indicated actual average emissions of 0.05 lb/MMBtu (based on 1997 data). RATA data from 1998 showed that NO_x emissions ranged from 0.09 to 0.13 lb/MMBtu. So the CEM data has indicated that the boilers actually achieve a comparable NO_x emission rate to the boilers cited in the Department's letter. However, the NO_x data for SCC is very limited simply because Cedar Bay has been supplying the majority of SCC's steam needs. Another factor to consider is that SCC often times operates its boilers at reduced loads in order to meet steam needs. NO_x emissions may be higher at these lower loads, since combustion efficiency may be reduced. Also, the majority of actual operation to date has been on natural gas, and operating on oil could cause higher NO_x emissions. A third factor is that the boilers will be operated at somewhat higher heat input and steam rates, which may lead to slightly higher NO_x emissions.

Based on these considerations, SCC desires to retain the 0.2 lb/MMBtu limit. As SCC has proposed, this limit would actually be reduced to 0.175 lb/MMBtu at the maximum heat input rate to the boilers. The proposed NO_x emissions limit, in conjunction with operation and maintenance of the boilers and burners according to the manufacturer's specifications, will insure that actual NO_x emissions are maintained at the lowest achievable level.

2. The condition is acceptable with the following minor revisions:

"The facility is limited to 640,000 lb/hr total steam **consumption** (380,000 lb/hr imported from the CBCP and 260,000 lb/hr produced by SCC). When CBCP is not in operation or operating at reduced rates, SCC is permitted to produce up to 450,000 lb/hr steam and import up to 190,000 lb/hr from CBCP. This allows a maximum firing rate of 645 MMBtu/hr for all three package boilers when the CBCP facility is **shutdown** or operating at reduced rates.

Regarding the City of Jacksonville's letter dated September 9, and provided via the Department's letter dated September 10, the following response is provided. In April 1998, RESD granted SCC permission to operate each of the three boilers up to 150,000 lb/hr steam during the May 1998 stack testing. During the testing, each boiler individually could operate up to 150,000 lb/hr steam, while the other two boilers were operated at or below the permitted rate of 125,000 lb/hr steam. The purpose of the testing was to support the current request to increase the permitted steam rate of each boiler to 150,000 lb/hr steam.

The May 8, 1998 compliance tests were performed at steam rates between 140,000 and 145,000 lb/hr steam. This is within the 90% of the maximum requested steam production rate of 150,000 lb/hr for each boiler. The heat input rates were between 172 and 187 MMBtu/hr, or between 80 to 87 percent of the requested maximum heat input of 215 MMBtu/hr. However, this merely indicates that the boiler was operating more efficiently than designed.

It is believed that reasonable assurance has been provided through the past CEM data and compliance test data that the proposed emission limit can be met. However, to provide further assurance that the proposed limit of 0.2 lb/MMBtu (0.175 lb/MMBtu at maximum heat input rate) can be met, SCC proposes to conduct additional stack testing on the boilers at the higher steam rate (up to 150,000 lb/hr steam). Cedar Bay is planning an outage during late October or early November of this year. SCC would like to obtain permission to operate the three boilers at up to 150,000 lb/hr steam each for up to four days when Cedar Bay is shutdown. During this testing, boiler operation would be adjusted and optimized (i.e., air flow, oxygen level, etc.) for optimum performance and emissions. SCC would invite RESD, and FDEP, to witness the testing. The testing will provide reasonable assurance that the emission limit can be met at the higher operating rates.

Thank you for consideration of these comments. Please call if you have any questions concerning this matter.

Sincerely,

GOLDER ASSOCIATES INC.

David A. Buff

David A. Buff, P.E.
Principal Engineer
Florida P.E. #19011
SEAL

DB/jkk

cc: Joe Eskridge
Terry Cole
Buck Oven, FDEP-OSC
J. Manning, RESD

\\GATORBAIT\DP\Projects\9837525a\011\#011tr.dot

cc: *S. Ariz, BAR*
EPA
NPS
NED
B. Oven, PPS
Duval Co.
D. Roberts
J. Antista
D. Russ

E. Barker
L. Curtin
G. Radlinski
N. Barnard
R. Vandiver

cc: **Addresses for Stone Container**
CERTIFICATE OF SERVICE

I DO HEREBY CERTIFY that a true and correct copy of the foregoing document has been sent by U.S. Mail to the following listed persons:

Doug Roberts, Esq. *
Hopping Green Sams & Smith ✓
P.O. Box 6526
Tallahassee, FL 32314

Gregory K. Radlinski, Esq. *
City of Jacksonville ✓
600 City Hall
220 E. Bay Street
Jacksonville, FL 32202

~~Ferry Cole, Esq.
Scott Shirley, Esq.
Oertel Hoffman Fernandez & Cole
P.O. Box 6507
Tallahassee, FL 32314-6507~~

Nancy B. Barnard, Esq. *
St. Johns River Water ✓
Management District
P.O. Box 1429
Palatka, FL 32178-1429

Jim Antista, General Counsel *
Florida Game & Fresh Water ✓
Fish Commission
620 S. Meridian Road
Tallahassee, FL 32399-1600

Rob Vandiver, General Counsel *
Bob Elias, Esquire ✓
Bureau of Electric & Gas
Florida Public Service Comm.
2540 Shumard Oak Blvd..
Tallahassee, FL 32399-0850

David Russ, Esq. *
Department of Community Affairs ✓
2740 Centerview Dr.
Tallahassee, FL 32399-2100

~~James A. Heard, Esq.
1845 Lake Street No. 3
San Francisco, CA 94121~~

Earl M. Barker, Esq. *
Slott & Barker ✓
334 East Duval St.
Jacksonville, FL 32302

~~Lisa B. Cooper, Esq.
Margol & Pennington
76 Laura St.
Jacksonville, FL 32202~~

NOTE - there should be a sheet of labels w/ these addresses for easier mailing

Certificate of Service
Page 2

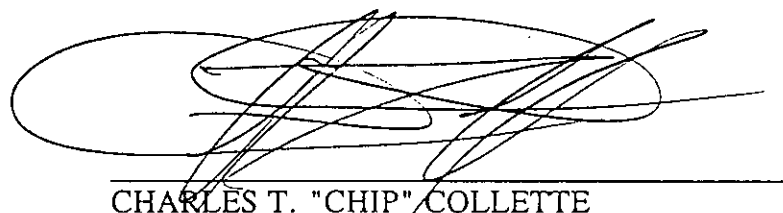
Lawrence N. Curtin, Esq.
Holland & Knight
P.O. Drawer 810
Tallahassee, FL 32302



~~Charles W. Bostwick
P.O. Box 12
Jacksonville, FL 32201-0012~~

this 25th day of July, 1996.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION



CHARLES T. "CHIP" COLLETTE
Assistant General Counsel

3900 Commonwealth Blvd.
MS 35
Tallahassee, FL 32399-3000
904/488-9730



Department of Environmental Protection

Jeb Bush
Governor

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

David B. Struhs
Secretary

September 10, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. John L. West, General Manager
Stone Container Corporation
Post Office Box 26998
Jacksonville, Florida 32226-6998

Re: DEP File No. 0310067-004-AC (PSD-FL-252)
Recycled Fiber Facility, Increase in steam rate

Dear Mr. West:

The Regulatory and Environmental Services Department of Jacksonville raised the attached incompleteness issue in regards to the above referenced project. Please respond to their concern as well as to the second incompleteness letter dated September 8, 1999 sent by the Department.

The Department will resume processing this application after receipt of the requested information. If you have any questions regarding this matter, please call Syed Arif, P.E. at (850) 921-9528.

Sincerely,

A. A. Linero, P.E. Administrator
New Source Review Section

AAL/sa

Enclosure

- cc: Doug Neely, EPA
- John Bunyak, NPS
- C. Kirts, DEP-NED
- B. Oven, DEP-OSC
- J. Manning, RESD
- D. Roberts, Esq., HGSS
- J. Antista, General Counsel, FI Game & Fresh Water Fish Commission
- D. Russ, Esq., Dept. of Community Affairs
- E. M. Barker, Esq., Slott & Barker
- L. N. Curtin, Esq., Holland & Knight
- G. K. Radlinski, Esq., City of Jacksonville
- N. B. Barnard, Esq., St. Johns River Water Management District
- R. Vandiver, General Counsel, FI Public Service Commission
- David Buff, Golder Associates Inc.

no green card
Z 333 618 138

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
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Sent to	John West	
Street & Number	Stone Container	
Post Office, State, & ZIP Code	Jax FL	
Postage	\$	
Certified Fee		
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		
Return Receipt Showing to Whom, Date, & Addressee's Address		
TOTAL Postage & Fees	\$	
Postmark or Date	0310067-004AC 9-10-99 PSD-FL-252	

PS Form 3800, April 1995

"Protect, Conserve and Manage Florida's Environment a

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REGULATORY & ENVIRONMENTAL SERVICES DEPARTMENT

Air and Water Quality Division



September 9, 1999

RECEIVED

SEP 15 1999

BUREAU OF AIR REGULATION

Mr. Syed Arif, Air Permit Engineer
Florida Department of Environmental Protection
Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, FL 32399-2400

**RE: Duval County – Air Pollution
Stone Container Corporation
Permit Modification Request
DEP File No. 031-0067-004-AC**

Dear Mr. Arif:

The City of Jacksonville, Air and Water Quality Division (AWQD) has reviewed the referenced request dated August 11, 1999 and the stack test results on the three package boilers performed on May 8, 1998. The stack test results indicate the average actual heat input while firing natural gas during the tests on No. 1, No. 2, and No. 3 package boilers was 181 MMBtu/hr., 187 MMBtu/hr. and 172 MMBtu/hr. respectively. The steam production rate during the tests was between 140,000 and 145,000 lb/hr.

The referenced request is asking for an increase in the maximum heat input rate to 215 MMBtu/hr, an increase in steam production rate to 150,000 lb/hr. and to keep the existing allowable NO_x emission rates of 0.2 lb/MMBtu, 34.94 lb/hr. and 153.1 tons/yr. per boiler. The AWQD believes Stone Container Corporation has not provided reasonable assurance that the three package boilers can demonstrate compliance with the NO_x emission rates while operating at a heat input rate of 215 MMBtu/hr. The AWQD recommends Florida Department of Environmental Protection request Stone Container Corporation provide additional information providing reasonable assurance the existing allowable NO_x emission rates can be achieved with a maximum heat input rate of 215 MMBtu/hr. while firing natural gas or No. 2 fuel oil.

Should you have any questions concerning this matter, please contact me at (904) 630-3484.

Very truly yours,

A handwritten signature in black ink, appearing to read "Richard L. Robinson".

Richard L. Robinson, P.E., Manager
Air Pollution Source Permitting Section

RLR/rt

117 West Duval Street, Suite 225
Jacksonville, Florida 32202
Fax (904) 630-3638

Air Quality	630-3484
Water Quality	630-3461
Ground Water	630-4900
Hazardous Materials	630-3404



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

September 8, 1999

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. John L. West, General Manager
Stone Container Corporation
Post Office Box 26998
Jacksonville, Florida 32226-6998

Re: DEP File No. 0310067-004-AC (PSD-FL-252)
Recycled Fiber Facility, Increase in steam rate

Dear Mr. West:

The Department has received the response to our initial incompleteness letter of August 4, 1998 on August 12, 1999, for an increase in the maximum permitted steam and heat input rate for Package Boilers Nos. 1-3 of the above referenced facility in Duval County. Based on our review of the response submitted, we have determined that additional information is needed in order to continue processing this application package. Please submit the information requested below pursuant to Rules 62-4.055 and 62-4.070(1), F.A.C.:

1. The response for the economic analysis for SCR and SNCR technologies included cost to install these technologies on all three package boilers. The application states that all three package boilers exhaust to a common stack. Please provide the economic analysis in \$/ton removed if a single SCR or SNCR system is installed in the common stack to reduce the NO_x emissions. Additionally, explain why some of the facilities (Transamerican Refining Corporation, La; American Crystal Sugar Company, Mn; James River Corp; etc.) listed in Table 5-2 of the application employing the same controls of Low NO_x burners and FGR are able to meet a much lower emission limit compared to the emission limit established for Stone Container.
2. During PSD permit amendment in 1995 (PSD-FL-198A), the following specific condition was removed and replaced by the current specific condition 4:

"The facility is limited to 640,000 lb/hr total steam production [380,000 lbs/hr imported from the Cedar Bay Cogeneration Project (CBCP) facility and 260,000 lbs/hr produced by Stone Container Corporation (SCC)]. When CBCP facility is not in operation or operating at reduced rates, SCC is permitted to make up the difference between the 380,000 lbs/hr imported steam rate and the steam production level that CBCP facility provides. This allows a maximum firing rate of 524 MMBtu/hr for all three package boilers when the CBCP facility is down."

"Protect, Conserve and Manage Florida's Environment and Natural Resources"

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Please indicate if the following specific condition will be acceptable to SCC if PSD-FL-252 is issued:

"The facility is limited to 640,000 lb/hr total steam production [380,000 lb/hr imported from the CBCP and 260,000 lb/hr produced by SCC]. When CBCP facility is not in operation or operating at reduced rates, SCC is permitted to produce up to 450,000 lb/hr steam and import up to 190,000 lb/hr from CBCP. This allows a maximum firing rate of 645 MMBtu/hr for all three package boilers when the CBCP facility is down or operating at reduced rates."

If this condition is not acceptable, please provide reasons for the same.

The Department will resume processing this application after receipt of the requested information. If you have any questions regarding this matter, please call Syed Arif, P.E. at (850) 921-9528.

Sincerely,



A. A. Linero, P.E. Administrator
New Source Review Section

AAL/sa

Enclosure

cc: Doug Neely, EPA
John Bunyak, NPS
C. Kirts, DEP-NED
B. Oven, DEP-OSC
J. Manning, RESD
D. Roberts, Esq., HGSS
J. Antista, General Counsel, FI Game & Fresh Water Fish Commission
D. Russ, Esq., Dept. of Community Affairs
E. M. Barker, Esq., Slott & Barker
L. N. Curtin, Esq., Holland & Knight
G. K. Radlinski, Esq., City of Jacksonville
N. B. Barnard, Esq., St. Johns River Water Management District
R. Vandiver, General Counsel, FI Public Service Commission

Z 333 618 137

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Mr. John L. West	
Street & Number Post Office Box 26998	
Post Office, State, & ZIP Code Jacksonville, FL 32226-6998	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date 9/9/99	
DEP File No. 0310067-004-AC (PSD-FL-252)	

PS Form 3800, April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. John L. West, General Manager
 Stone Container Corporation
 Post Office Box 26998
 Jacksonville, Florida
 32226-6998

4a. Article Number

Z 333 618 137

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery

9-13-99

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X William D. Myer

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

Golder Associates Inc.

6241 NW 23rd Street, Suite 500
Gainesville, FL 32653-1500
Telephone (352) 336-5600
Fax (352) 336-6603



August 11, 1999

9837525

Florida Department of Environmental Regulation
Safety & Coordination Office
2600 Blair Stone Road, MS 48
Tallahassee, FL 32399-2400

RECEIVED

AUG 16 1999

BUREAU OF AIR REGULATION

Attention: Mr. Buck Oven

RE: Stone Container Corporation - Jacksonville
Site Certification PA88-24A
Recycled Fiber Facility - Increase in Steam Rate

Dear Mr. Oven:

Stone Container Corporation (SCC) has requested modification of its current prevention of significant deterioration (PSD) permit to allow an increase in the maximum steam rate for the three steam boilers located at their Jacksonville recycle paper mill. This request was sent to the Bureau of Air Regulation in June 1998. The Department issued a request for additional information, and SCC has recently responded to this request. Therefore, the Department will now resume its review of the project.

SCC is requesting that the maximum steam rate for each package boiler be increased from 125,000 lb/hr to 150,000 lb/hr. The reason for this request is that SCC is changing the grades of paper it produces, and more steam is needed for the process. SCC will continue to rely on Cedar Bay for the majority of its steam needs.

Although SCC is increasing the maximum steam rates on the boilers, SCC is not requesting any change in its already permitted allowable NO_x emissions of 0.2 lb/MMBtu, 34.94 lb/hr per boiler, and 310 TPY total all three boilers. SCC is permitted for this level of emissions now, and these emissions have undergone full regulatory review in previous permitting. SCC is only requesting a change in the maximum hourly steam production rate from 125,000 lb/hr per boiler to 150,000 lb/hr per boiler.

It is emphasized that SCC has no intention of operating independent of Cedar Bay, as long as Cedar Bay continues to provide SCC steam on a reliable basis. Cedar Bay now has routine shutdowns for both planned and unplanned maintenance. However, catastrophic events have occurred at power plants in the past, which have shutdown such facilities for more than a year. Although such an event at Cedar Bay is very unlikely, it is not impossible.

SCC has customers to which it is contractually obligated to supply paper. If SCC cannot produce paper for whatever reason, SCC will lose its customers. Therefore a steam shortage

is not an option. SCC cannot be in a position where a long-term shutdown at Cedar Bay occurs, and SCC is not permitted to generate the necessary steam to operate. As a result, SCC must be permitted for full operation.

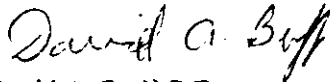
The Site Certification (PA88-24A) Conditions of Certification (COC) for Cedar Bay Cogeneration Project will require modification. However, the only condition requiring modification is that related to SCC steam boiler emissions (Condition II.E.), and that only so far as the limitation on steam rate for the SCC boilers (i.e., 375,000 lb/hr steam to be revised to 450,000 lb/hr steam). No change in emission limits contained in the COC is necessary or requested.

As described previously, it is imperative that SCC obtain this approval by October 25, 1999 in order to avoid curtailment of production.

Attached is the modification fee of \$10,000. Thank you for review of this information. Please call if you have any questions concerning this matter.

Sincerely,

GOLDER ASSOCIATES INC.



David A. Buff, P.E.
Principal Engineer
Florida P.E. #19011
SEAL

DB/jkk

Enclosures

cc: Joe Eskridge
Terry Cole
A. A. Linero

Stone Container Corporation

invoice date/account	invoice reference	invoice amount	discount	net amount
8/04/99	FEE H 175	10000.00	.00	10000.00 \$10000.00*

detach before presenting check for payment

THE FACE OF THIS CHECK HAS A COLORED BACKGROUND — NOT A WHITE BACKGROUND



Stone Container Corporation

62-26
311

9948-09

401 ALTON STREET, P.O. BOX 276
ALTON, IL 62002-2276

CHASE MANHATTAN BANK DELAWARE
1201 Market Street
Wilmington, DE 19801

1240059

date	amount
8/06/99	\$10,000.00

PAY
to the order of

10000 dollars and *00 cents

THIS CHECK NOT VALID UNLESS PRESENTED FOR
PAYMENT WITHIN 180 DAYS FROM DATE OF ISSUE.
2nd SIGNATURE REQUIRED IF OVER \$5,000.

FL. DEPART. OF ENVIR. PROTECT
OFFICE OF SITING COORDINATION
2600 BLAIRE STONE ROAD, MS4B
TALLAHASSEE FL 323992400

Stone Container Corporation

[Signature]

⑈ 1240059 ⑈ ⑆ 031100267⑆ 6301499483 509 ⑈

Golder Associates Inc.

6241 NW 23rd Street, Suite 500
Gainesville, FL 32653-1500
Telephone (352) 336-5600
Fax (352) 336-6603



August 11, 1999

9837525

Florida Department of Environmental Protection
Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, FL 32399-2400

RECEIVED

AUG 12 1999

BUREAU OF AIR REGULATION

Attention: Mr. A. A. Linero, P.E.

RE: Stone Container Corporation - Jacksonville
DEP File No. 0310067-004-AC (PSD-FL-252)
Recycled Fiber Facility – Increase in Steam Rate

Dear Mr. Linero:

Stone Container Corporation (SCC) has received the Department's letter dated August 4, 1998, and is now ready to move forward with obtaining approval for the steam rate increase. SCC would like to obtain approval for this request no later than October 25, 1999. On this date, Cedar Bay will begin an outage. If SCC cannot operate their boilers at the increased steam rate, they will be forced to cut production during this outage.

Each of the Department's comments is addressed below, in the same order as they appear in the letter.

1. A request to modify the Conditions of Certification (COC) for the Cedar Bay Cogeneration Project (PA88-24A) is being submitted concurrently with this request to modify the air construction permit. A copy of the submittal is will be forthcoming to you.
2. Past operation of the three steam boilers has typically been as standby in the event that Cedar Bay loses steam production. As such, SCC normally keeps one boiler on idle in case of a loss in steam by Cedar Bay; SCC can immediately replace the steam loss and avoid an interruption in production. So normally, one boiler is always operating, but at a very low load. On a very infrequent basis, Cedar Bay is shutdown and during these times SCC must generate its own steam. During 1997 and 1998, total steam production from all three boilers averaged approximately 319,800,100 lbs steam per year. This is equivalent to one boiler operating approximately 2,560 hr/yr at full load.

The NO_x emissions are based on continuous emission monitoring (CEM) data, not stack test data. The requested allowable of 310 tons per year (TPY) is the current permitted emissions for the three boilers combined. SCC is only asking to retain the current permitted level, in terms of both lb/hr and TPY, even though the

maximum hourly steam rate will increase. Thus, at maximum load of 150,000 lb/hr steam (215 MMBtu/hr), the maximum hourly NO_x emission rate for each boiler of 34.94 lb/hr (0.2 lb/MMBtu) will equate to an NO_x emission rate of 0.175 lb/MMBtu. It is noted that SCC has already accepted an annual limit (310 TPY) that is considerably lower than the maximum each boiler could emit. At maximum year-around operation, each boiler could emit 153.1 TPY, which equates to 459.3 TPY total for all three boilers.

SCC is requesting to retain the current 310 TPY NO_x emission rate in the event that Cedar Bay is unable to supply SCC with the necessary steam to meet production. SCC is in the process of changing paper grades and plans on producing more medium weight paper products. These changes will require up to 450,000 lb/hr steam because of the heavier weight of the paper. The ability to operate at the higher steam rate, and to operate at any time Cedar Bay is shut down, is required in order to insure production needs are met. In summary, SCC must retain the flexibility to operate all its boilers on a year-around basis, although this is unlikely to actually occur.

In this regard, SCC would like to clarify the language presented in Attachment A, page 1-1, of the June 1998 PSD permit application. SCC has no intention of operating independently of Cedar Bay. However, it is prudent for SCC to retain the ability to operate in the event that Cedar Bay does not operate, for whatever reason or length of shutdown. Cedar Bay now experiences both planned and unplanned shutdowns for maintenance and other reasons. Catastrophic events have occurred at power plants in the past, which have shut down such facilities for more than a year.

3. As requested, an economic analysis for add-on NO_x control technologies was performed. Both selective catalytic reduction (SCR) and selective non-catalytic reduction (SNCR) technologies were evaluated. The results of the economic analysis are presented in Tables 1 and 2. For SCR (Table 1), the estimated capital cost to install SCR on all three boilers is \$3.36 million (for the 90% NO_x removal case). Assuming 100% capacity factor operation, the total annual operating cost is estimated at \$1.43 million. The resulting cost effectiveness is \$5,100/ton of NO_x removed. However, as described above, actual operation is expected to be well below 100% capacity factor. If it is conservatively assumed that 50% capacity operation is achieved in the future, then the total annual operating cost becomes \$1.15 million, and the cost effectiveness then becomes \$8,300/ton of NO_x removed. As presented in the application, actual NO_x emissions have only been 7 TPY. If this actual historic operation were used for cost effectiveness calculations, the cost effectiveness would become (assuming no direct operating costs) approximately \$120,000/ton of NO_x removed. The cost effectiveness of SNCR is much higher than SCR due to the lower removal efficiency expected for SNCR (refer to Table 2).

Based on the above analysis, the application of SCR or SNCR to the existing SCC boilers is economically infeasible. A review of the BACT Clearinghouse information reveals that no boilers in the size range of the SCC boilers (i.e., 100-300

MMBtu/hr) which fire primarily natural gas have been required to install SCR or SNCR as BACT. All have employed low- NO_x burners and flue gas recirculation (FGR), which the SCC boilers employ. This is a result of the low NO_x emissions achieved by boilers, which utilize low- NO_x burners and FGR.

4. The requested documentation is attached.
5. A response to the Department of Community Affairs letter is attached. This response is being sent directly to the DCA.

As described previously, it is imperative that SCC obtain this approval by October 25, 1999 in order to avoid curtailment of production.

Thank you for consideration of these comments. Please call if you have any questions concerning this matter.

Sincerely,

GOLDER ASSOCIATES INC.

David A. Buff

David A. Buff, P.E.
Principal Engineer
Florida P.E. #19011
SEAL

DB/jkk

Enclosures

cc: Joe Eskridge
Terry Cole

G:\DATA\DP\PROJECTS\98\9837\9837525A\07\07-ltr.doc

cc: EPA
NPS
NED
B. Oren
Dural Co.
D. Roberts, HG S+S
J. Antista, Gen. Coun. FG+F
D. Russ, Esq., Dept. of C.A.
E. M. Barker, Esq. S+B

cc: (continued :)

L. N. Cullen, H&K
H. Radlinski, City of Jay
NB Barnard SJRWMO
R. Vandiver, PSC
Syed Arif, BAR, DET

Table 1. Cost Effectiveness for Using SCR to Control NOx Emissions for Boiler Nos. 1-3, Stone Container Corp.

Cost Items	Cost Factors	Maximum Operation		50% Operation
		80% Removal (1998 \$)	90% Removal (1998 \$)	90% Removal (1998 \$)
DIRECT CAPITAL COSTS (DCC):				
(1) Purchased Equipment Cost				
(a) Basic Equipment/Services	Based on Vendor Quote (c)	1,050,000	1,200,000	1,200,000
(b) Instrumentation	0.10 x 1a	105,000	120,000	120,000
(c) Ammonia Storage Tank	\$140 per 1000 lb mass flow	84,000	84,000	84,000
(d) Additional Ductwork	Based on OAQPS Cost Control Manual, Ch. 1	120,000	120,000	120,000
(f) Structural Support (a)	0.10 x (1a..1e)	135,900	152,400	152,400
(g) Freight	0.05 x 1a	included	included	included
(h) Sales Tax (Florida)	0.06 x (1a..1f)	89,694	100,584	100,584
(i) Subtotal	(1a..1h)	1,584,594	1,776,984	1,776,984
(2) Direct Installation (a)	0.30 x (1i)	475,378	533,095	533,095
Total DCC:	(1i) + (2)	2,059,972	2,310,079	2,310,079
INDIRECT CAPITAL COSTS (ICC): (a)				
(3) Indirect Installation Costs				
(a) Technology License Fee	Provided from Vendor Quote	included	included	included
(b) Engineering & Supervision	Provided from Vendor Quote	included	included	included
(c) Construction & Field Expenses	(0.05) x (DCC)	102,999	115,504	115,504
(d) Construction Contractor Fee	(0.10) x (DCC)	205,997	231,008	231,008
(e) Contingencies	(0.25) x (DCC) - based on retrofit	514,993	577,520	577,520
(4) Other Indirect Costs				
(a) Startup & Testing (a)	(0.03) x (DCC)	61,799	69,302	69,302
(b) Model Study	Estimated from Vendor Quote	included	included	included
(c) Working Capital	30-day DOC	50,029	56,764	34,310
Total ICC:	(3) + (4)	935,817	1,050,098	1,027,644
TOTAL CAPITAL INVESTMENT (TCI):	DCC + ICC	2,995,789	3,360,178	3,337,723
DIRECT OPERATING COSTS (DOC):				
(1) Operating Labor				
Operator	\$22/hr; 4 hours per day; 1,460 hr/yr	32,120	32,120	32,120
Supervisor	15% of operator cost	4,818	4,818	4,818
(2) Maintenance (a)				
Labor	Equivalent to Operating Labor	36,938	36,938	36,938
Materials	Equivalent to Maintenance Labor	36,938	36,938	36,938
(3) Utilities (b)				
(a) Urea Injection System Electricity	\$34/MW-hr and 108 MW-hr /yr/ boiler	11,016	12,668	6,334
(b) Fan Electricity Increase	Based on 4 inch pressure drop across system for each boiler	17,385	17,385	8,693
(c) Dilution water (c)	1.2 gpm @ \$0.60/1000 gal raw	1,135	1,306	751
(4) Chemicals and Materials (c)				
Urea base chemical	120,000 gallon/yr for 80% @ \$1.00 / gal for each boiler at 80% removal	360,000	414,000	207,000
Catalyst Replacement	Once per three years @ \$100,000 for 80% for each boiler	100,000	125,000	78,125
Total DOC:	(1) + (2) + (3) + (4)	600,350	681,173	411,716
INDIRECT OPERATING COSTS (IOC): (a)				
(7) Overhead	60% of oper. labor & maintenance	66,488	66,488	66,488
(8) Property Taxes	1% of total capital investment	29,958	33,602	33,377
(9) Insurance	1% of total capital investment	29,958	33,602	33,377
(10) Administration	2% of total capital investment	59,916	67,204	66,754
Total IOC:	(7) + (8) + (9) + (10)	186,320	200,896	199,997
CAPITAL RECOVERY COSTS (CRC):	CRF of 0.1627 times TCI (10 yrs @ 10%)	487,415	546,701	543,048
ANNUALIZED COSTS (AC):	DOC + IOC + CRC	1,274,085	1,428,769	1,154,761
UNCONTROLLED NOx EMISSIONS (TPY) :	Proposed Limit	310	310	155
TOTAL NOx REMOVED:	80% or 90%	248	279	140
COST EFFECTIVENESS:	\$ per ton of NOx Removed	5,137	5,121	8,278

Notes:

Based on proposal provided by Engelhard, 9/22/98

(a) Factors and cost estimates reflect OAQPS Cost Manual, Section 3.

(b) Utility rates reflect actual 1998 rates for SCC

(c) 90% removal costs reflect manufacturer's recommendation of a 15% increase above the 80% removal costs.

Table 2. Cost effectiveness for Using SNCR to Control NOx Emissions for Package Boiler Nos.1-3, Stone Container Corp.

Cost Items	Cost Factors	Maximum Operation		50% Operation
		50% removal (d) (1995 dollars)	Adjusted to 1997 dollars (e)	Adjusted to 1997 dollars (e)
DIRECT CAPITAL COSTS (DCC):				
(1) Purchased Equipment Cost				
(a) Basic Equipment/Services	Based on Vendor Quote	1,158,720	1,175,632	1,175,632
(b) Reductant Tank & Auxiliary System	included	included	included	included
(c) Instrumentation & Controls (a)	0.10 x (1a..1b)	115,872	117,563	117,563
(d) Structural Support	0.10 x (1a..1b)	115,872	117,563	117,563
(e) Freight	0.05 x (1a..1d)	69,523	70,538	70,538
(f) Sales Tax (Florida)	0.06 x (1a..1d)	83,428	84,645	84,645
(g) Subtotal	(1a..1f)	1,543,415	1,565,941	1,565,941
(2) Direct Installation (a)	Based on Vendor Quote	288,000	292,203	292,203
Total DCC:	(1g) + (2)	1,831,415	1,858,145	1,858,145
INDIRECT CAPITAL COSTS (ICC): (a)				
(3) Indirect Installation Costs				
(a) Technology License Fee	Estimated from Vendor Quote	included	included	included
(b) Engineering & Supervision (a)	(0.20) x (DCC)	366,283	371,629	371,629
(c) Construction & Field Expenses (a)	(0.20) x (DCC)	366,283	371,629	371,629
(d) Construction Contractor Fee (a)	(0.10) x (DCC)	183,142	185,814	185,814
(e) Contingencies	(0.25) x (DCC)	457,854	464,536	464,536
(4) Other Indirect Costs				
(a) Startup & Testing (a)	Estimated from Vendor Quote	included	included	included
(b) Model Study	Estimated from Vendor Quote	N/A	N/A	N/A
(c) Working Capital	30-day DOC	46,403	46,403	27,819
Total ICC:	(3) + (4)	1,419,964	1,440,011	1,421,427
TOTAL CAPITAL INVESTMENT (TCI):	DCC + ICC	3,251,379	3,298,156	3,279,572
DIRECT OPERATING COSTS (DOC):				
(1) Operating Labor				
Operator	\$22/hr; 4 hr/day; 1,460 hr/yr	32,120	32,120	32,120
Supervisor (a)	15% of operator cost	4,818	4,818	4,818
(2) Maintenance (a)				
Labor	Equivalent to Operating Labor	36,938	36,938	36,938
Maintenance	Equivalent to Maintenance Labor	36,938	36,938	36,938
(3) Utilities (b)				
(a) Urea Injection System Electricity	\$34/MW-hr and 70 MW-hr /yr/boiler	7,140	7,140	3,570
(b) Dilution water (c)	4.1 gpm @ \$0.60/1000 gal/boiler	3,879	3,879	1,939
(4) Chemicals and Materials (c)				
Reductant	145,000 gallon/yr @ \$1.00 / gal for each boiler	435,000	435,000	217,500
Total DOC:	(1) + (2) + (3) + (4)	556,833	556,833	333,823
INDIRECT OPERATING COSTS (IOC): (a)				
(7) Overhead (a)	60% of oper. labor & maintenance	22,163	22,163	22,163
(8) Property Taxes (a)	1% of total capital investment	32,514	32,982	32,796
(9) Insurance (a)	1% of total capital investment	32,514	32,982	32,796
(10) Administration (a)	2% of total capital investment	65,028	65,963	65,591
Total IOC:	(7) + (8) + (9) + (10)	152,218	154,089	153,346
CAPITAL RECOVERY COSTS (CRC):	CRF of 0.1627 times TCI (10 yrs @ 10%)	528,999	536,610	533,586
ANNUALIZED COSTS (AC):	DOC + IOC + CRF	1,238,050	1,247,532	1,020,756
UNCONTROLLED NOx EMISSIONS (TPY) :	Proposed Limit	310	310	155
TOTAL NOx REMOVED:	50%	155	155	78
COST EFFECTIVENESS:	\$ per ton of NOx Removed	7,987	8,049	13,171

Notes:

(a) Factors and cost estimates reflect OAQPS Cost Manual.

(b) Utility rates reflect actual 1998 rates for SCC.

(c) Uncontrolled emissions reflect proposed limit

(d) Cost estimates based on 1995 dollars - first quarter (vendor quote April 1995).

(e) Cost estimates adjusted to third quarter 1997 dollars using the EPA's, Escalation Indexes for Air Pollution Control Costs

REGULATORY & I
Air and Water Qua

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To: David Buff	From: W. Joe Eskridge
Co: Golden & Assoc	Co: SCC
Dept:	Phone #
Fax #	Fax #



April 27, 1998

Mr. W. Joe Eskridge
 Environmental Engineer
 Stone Container Corporation
 Post Office Box 26998
 Jacksonville, Florida 32218

RE: Request For Increased Process Rate During Compliance Testing
No. 1 - No. 3 Package Steam Boilers
Permit Number: AO16-262702
Stone Container Corporation (SCC) Correspondence of April 16, 1998

Dear Mr. Eskridge:

This is to acknowledge receipt of the above captioned Stone Container Corporation (SCC) correspondence, submitted April 20, 1998.

The Air and Water Quality Division (AWQD) hereby grants SCC permission to operate each of the three (3) emission units at a steam production rate not to exceed 150,000 lbs/hr. during the upcoming May, 1998 stack testing series. As stated in SCC's correspondence, the increased steam production rate is only permissible for the individual boilers when tested; the other two (2) boilers shall be operated at a steam production rate at or below the permitted 125,000 lbs/hr.

If there are any questions concerning this matter, please contact Mr. Wayne Walker at (904) 630-3484.

Very truly yours,

Wayne E. Tutt, QEP
 Associate Engineer

WET/WLW/rt

c: Ms. Rita Smith, Engineer, DEP
 Mr. Richard Robinson, P.E., AWQD
 AQD File 2155 B (0067)

117 West Duval Street, Suite 225
 Jacksonville, Florida 32202
 Fax (904) 630-3638

Air Quality 630-3484
 Water Quality 630-3461
 Ground Water 630-4900
 Hazardous Materials 630-8404



Stone Container Corporation

Containerboard and Paper Division

P.O. Box 26998
Jacksonville, Florida 32226-6998

904-751-6400

April 16, 1988

Rita Felton-Smith
Engineer
Florida Department of
Environmental Protection
7825 Baymeadows Way Suite B-200
Jacksonville, Florida 32256-7590

Wayne Walker,
Regulatory and Environmental
Services Division
Air and Water Quality Division
City Hall - St. James Building
117 West Duval Street - Suite 225
Jacksonville, Florida 32202

Dear Ms. Felton-Smith, Mr. Walker;


We will be performing our annual stack testing (RATA) on May 7 - 9, 1988.

We request permission to run each boiler at 150,000 lbs/hr of steam production for the duration of the test on that particular boiler. The other two (2) boilers will be run at a lower rate.

The purpose of this testing at higher rate is to generate data to support our construction permit request to fire the boilers at 150,000 lbs/hr rate.

Sincerely

STONE CONTAINER CORPORATION
Jacksonville Mill


W. Joe Eskridge,
Environmental Engineer

/maa

Golder Associates Inc.

6241 NW 23rd Street, Suite 500
Gainesville, FL 32653-1500
Telephone (352) 336-5600
Fax (352) 336-6603



August 11, 1999

9837525

Department of Community Affairs
Bureau of State Planning
2555 Shumard Oak Boulevard
Tallahassee, FL 32399-2100

Attention: Mr. James L. Quinn

RE: Stone Container Corporation - Jacksonville
DEP File No. 0310067-004-AC (PSD-FL-252)
Recycled Fiber Facility - Increase in Steam Rate

Dear Mr. Quinn:

Stone Container Corporation (SCC) has received the Department of Community Affairs (DCA) letter dated August 4, 1998, and is providing this letter for response and clarification of SCC's reasons for requesting an increase in steam production. First, it is emphasized that SCC is not requesting any change in its already permitted allowable NO_x emissions of 0.2 lb/MMBtu, 34.94 lb/hr per boiler, and 310 TPY total all three boilers. SCC is permitted for this level of emissions now, and these emissions have undergone full regulatory review in previous permitting. SCC is only requesting a change in the maximum hourly steam production rate from 125,000 lb/hr per boiler to 150,000 lb/hr per boiler. The reason for this change is that SCC is changing the grades of paper it produces, and more steam is needed for the process.

SCC has no intention of operating independently of Cedar Bay, as long as Cedar Bay continues to provide SCC steam on a reliable basis. Cedar Bay now has routine shutdowns for both planned and unplanned maintenance. However, catastrophic events have occurred at power plants in the past, which have shut down such facilities for more than a year.

SCC has customers to which it is contractually obligated to sell paper. If SCC cannot produce paper for whatever reason, SCC will lose its customers. Therefore a steam shortage is not an option. SCC cannot be in a position where a long-term shutdown at Cedar Bay occurs, and SCC is not permitted to generate the necessary steam to operate. As a result, SCC must be permitted for full operation. Future actual operation is expected to result in the equivalent of one boiler operating at full load year-around.

The Site Certification (PA88-24A) Conditions of Certification (COC) for Cedar Bay Cogeneration Project will require modification. However, the only condition requiring modification is that related to SCC steam boiler emissions (Condition II.E.), and that only in

so far as the limitation on steam rate for the SCC boilers (i.e., 375,000 lb/hr steam to be revised to 450,000 lb/hr steam). No change in emission limits contained in the COC is necessary or requested.

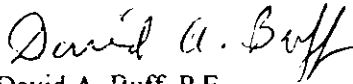
The SCC mill over the last few years has converted from a paper mill to a 100% recycle mill. This has resulted in major decreases in emissions to the atmosphere and discharges to water. It also resulted in almost total elimination odors.

As described previously, it is imperative that SCC obtain this approval by October 25, 1999 in order to avoid curtailment of production.

Thank you for review of this information. Please call if you have any questions concerning this matter.

Sincerely,

GOLDER ASSOCIATES INC.



David A. Buff, P.E.
Principal Engineer
Florida P.E. #19011
SEAL

DB/jkk

Enclosures

cc: Joe Eskridge
Terry Cole
A. A. Linero :

JADP\PROJECTS\98\9837525A\1999-1tr.doc

Golder Associates Inc.

6241 NW 23rd Street, Suite 500
Gainesville, FL 32653-1500
Telephone (352) 336-5600
Fax (352) 336-6603



August 11, 1999

9837525

Florida Department of Environmental Regulation
Safety & Coordination Office
2600 Blair Stone Road, MS 48
Tallahassee, FL 32399-2400

Attention: Mr. Buck Oven

RE: Stone Container Corporation - Jacksonville
Site Certification PA88-24A
Recycled Fiber Facility - Increase in Steam Rate

Dear Mr. Oven:

Stone Container Corporation (SCC) has requested modification of its current prevention of significant deterioration (PSD) permit to allow an increase in the maximum steam rate for the three steam boilers located at their Jacksonville recycle paper mill. This request was sent to the Bureau of Air Regulation in June 1998. The Department issued a request for additional information, and SCC has recently responded to this request. Therefore, the Department will now resume its review of the project.

SCC is requesting that the maximum steam rate for each package boiler be increased from 125,000 lb/hr to 150,000 lb/hr. The reason for this request is that SCC is changing the grades of paper it produces, and more steam is needed for the process. SCC will continue to rely on Cedar Bay for the majority of its steam needs.

Although SCC is increasing the maximum steam rates on the boilers, SCC is not requesting any change in its already permitted allowable NO_x emissions of 0.2 lb/MMBtu, 34.94 lb/hr per boiler, and 310 TPY total all three boilers. SCC is permitted for this level of emissions now, and these emissions have undergone full regulatory review in previous permitting. SCC is only requesting a change in the maximum hourly steam production rate from 125,000 lb/hr per boiler to 150,000 lb/hr per boiler.

It is emphasized that SCC has no intention of operating independent of Cedar Bay, as long as Cedar Bay continues to provide SCC steam on a reliable basis. Cedar Bay now has routine shutdowns for both planned and unplanned maintenance. However, catastrophic events have occurred at power plants in the past, which have shutdown such facilities for more than a year. Although such an event at Cedar Bay is very unlikely, it is not impossible.

SCC has customers to which it is contractually obligated to supply paper. If SCC cannot produce paper for whatever reason, SCC will lose its customers. Therefore a steam shortage

is not an option. SCC cannot be in a position where a long-term shutdown at Cedar Bay occurs, and SCC is not permitted to generate the necessary steam to operate. As a result, SCC must be permitted for full operation.

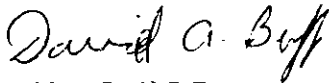
The Site Certification (PA88-24A) Conditions of Certification (COC) for Cedar Bay Cogeneration Project will require modification. However, the only condition requiring modification is that related to SCC steam boiler emissions (Condition II.E.), and that only so far as the limitation on steam rate for the SCC boilers (i.e., 375,000 lb/hr steam to be revised to 450,000 lb/hr steam). No change in emission limits contained in the COC is necessary or requested.

As described previously, it is imperative that SCC obtain this approval by October 25, 1999 in order to avoid curtailment of production.

Attached is the modification fee of \$10,000. Thank you for review of this information. Please call if you have any questions concerning this matter.

Sincerely,

GOLDER ASSOCIATES INC.



David A. Buff, P.E.
Principal Engineer
Florida P.E. #19011
SEAL

DB/jkk

Enclosures

cc: Joe Eskridge
Terry Cole
~~A.A. Linero~~



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

August 4, 1998

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. John L. West, General Manager
Stone Container Corporation
Post Office Box 26998
Jacksonville, Florida 32226-6998

Re: DEP File No. 0310067-004-AC (PSD-FL-252)
Recycled Fiber Facility, Increase in steam rate

Dear Mr. West:

The Department has received the application on July 6, 1998 for an increase in the maximum permitted steam and heat input rate for Package Boilers Nos. 1-3 of the above referenced facility in Duval County. Based on our initial review of the proposed project, we have determined that additional information is needed in order to continue processing this application package. Please submit the information requested below to the Department's Bureau of Air Regulation:

1. Submit an additional \$10,000 to modify Conditions of Certification for Cedar Bay Cogeneration Project PA 88-24. The additional permitting fees should be sent to the Office of Siting Coordination. The modification request should address the removal of the key restriction placed in Condition of Certification No. II.E.1 regarding the maximum steam rate allowed for Stone Container. This request should be addressed to Buck Oven of the Office of Siting Coordination.
2. Table 3-3 of the application indicates the current actual emissions for NO_x to be less than 7 tons per year. What was the steam rate production at this level of NO_x emissions? How many stack tests were considered in determining the actual NO_x emissions? What are the reasons for asking an enormously high allowable emission rate for NO_x (310 TPY) when the actual emissions are down in single digit.
3. An economic analyses is required for various control technologies suggested in the BACT analyses. Please provide this information for SCR and SNCR control systems.
4. Provide the documentation that allowed Stone Container to conduct continuous NO_x emission monitor relative accuracy testing at the proposed increased steam rate of 150,000 lb/hr.
5. Attached is a letter from the Department of Community Affairs. We invite your comments regarding this letter.

We have not yet received comments from the U.S. Fish and Wildlife Service or from the EPA. Their comments will be forwarded to you as soon as we receive them.

The Department will resume processing this application after receipt of the requested information. If you have any questions regarding this matter, please call Syed Arif, P.E. at (850) 921-9528.

Sincerely,



A. A. Linero, P.E. Administrator
New Source Review Section

AAL/sa

Enclosure

- cc: Doug Neely, EPA
John Bunyak, NPS
C. Kirts, DEP-NED
B. Oven, DEP-OSC
J. Manning, RESD
✓D. Roberts, Esq., HGSS
✓J. Antista, General Counsel, Fl Game & Fresh Water Fish Commission
✓D. Russ, Esq., Dept. of Community Affairs
✓E. M. Barker, Esq., Slott & Barker
L. N. Curtin, Esq., Holland & Knight
✓G. K. Radlinski, Esq., City of Jacksonville
✓N. B. Barnard, Esq., St. Johns River Water Management District
✓R. Vandiver, General Counsel, Fl Public Service Commission
✓L. B. Cooper, Esq., Margol & Pennington

P 265 659 401

US Postal Service
Receipt for Certified Mail

No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to <i>John West</i>	
Street Number <i>Stone Container</i>	
Post Office, State, & ZIP Code <i>Jax. Fl</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date <i>8-5-98</i>	
<i>0310067-004-Ac</i>	
<i>PSD-F1-252</i>	

PS Form 3800, April 1995

Fold at line over top of envelope to the right of the return address

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Mr. John L. West, Gen. Mgr.
Stone Container Corp
P.O. Box 26998
Jacksonville, Fl
32226-6998

4a. Article Number
P 265 659 401

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
8-7

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X Mr. Clark

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
TWIN TOWERS OFFICE BUILDING
2600 BLAIR STONE ROAD
TALLAHASSEE, FLORIDA 32399-2400

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
TWIN TOWERS OFFICE BUILDING
2600 BLAIR STONE ROAD
TALLAHASSEE, FLORIDA 32399-2400

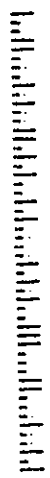


NSR

Ms. Lisa Cooper, Esq.
Margol Pennington
76 L... Street
Jacksonville, FL 32202

Lisa Cooper, Esq.

22202-20228



Rob Vandiver, Esq. Counsel

Copy to [unclear]

*PSC & A
Nov 16
Graps*

08/05/98 TLH FL 32301

FORWARDING ORDER EXPIRED
JACKSONVILLE, FL 32202

BUREAU OF
AIR REGISTRATION



STATE OF FLORIDA

DEPARTMENT OF COMMUNITY AFFAIRS

"Helping Floridians create safe, vibrant, sustainable communities"

LAWTON CHILES
Governor

JAMES F. MURLEY
Secretary

31 July 1998

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AUG 04 1998

BUREAU OF
AIR REGULATION

A A. Linero
Administrator, New Source Review
Department of Environmental Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Dear Mr. Linero:

RE: Stone Container Corporation's application for a modification to their PSD permit

Thank you for informing us of the Stone Container Corporation (SCC) application for modification of its current Prevention of Significant Deterioration (PSD) permit. We have reviewed the excerpts from SCC's application which were attached to your letter of 15 July 1998.

SCC is currently operating a recycled fiber paper mill in Jacksonville, Florida, adjacent to the Cedar Bay cogeneration facility. The Cedar Bay facility burns coal to produce steam which is then used to generate electrical power. As a cogenerator, some of the steam is used for another purpose. In this case, it is sent next door to the SCC plant for use in the paper-making process. According to SCC, its paper plant required additional steam beyond the amount supplied by Cedar Bay and therefore three package boilers were installed at the paper plant to supply the additional steam. SCC obtained a PSD permit for these boilers in 1993. This permit was amended in 1995 to allow increased steam production from the three boilers (125,000 lbs/hr steam for each of the boilers).

Now SCC is seeking to amend the PSD permit again to allow each boiler to produce 150,000 lbs/hr steam. The attached PSD report states that "Although at present SCC anticipates that this increased level of steam production will be needed infrequently, such as during a scheduled outage by Cedar Bay, SCC would like to plan for the future independently of Cedar Bay."

Though the Department does not object to SCC's understandable desire to continue operating its paper plant during those periods when the Cedar Bay power plant is offline for a scheduled outage, SCC's stated intention to plan for the future independently of Cedar Bay appears to go further than this. It suggests a future scenario in which SCC would be burning fossil fuel to

2555 SHUMARD OAK BOULEVARD • TALLAHASSEE, FLORIDA 32399-2100

Phone: 850.488.8466/Suncom 278.8466 FAX: 850.921.0781/Suncom 291.0781

Internet address: <http://www.state.fl.us/comaff/dca.html>

FLORIDA KEYS
Area of Critical State Concern Field Office
2796 Overseas Highway, Suite 212
Marathon, Florida 33050-2227

GREEN SWAMP
Area of Critical State Concern Field Office
155 East Summerlin
Bartow, Florida 33830-4641

SOUTH FLORIDA RECOVERY OFFICE
P.O. Box 4022
8600 N.W. 36th Street
Miami, Florida 33159-4022

A.A. Linero
31 July 1998
Page 2

produce all of the steam it needs in the paper-making process—all of the time. Cedar Bay would also be burning fossil fuel to produce steam, but only for generation of electrical power—it would not be supplying steam to the SCC plant. In short, Cedar Bay would no longer be a cogeneration power plant.

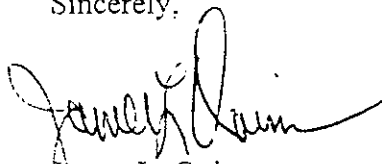
This would appear to eliminate one of the public benefits taken into account by the Siting Board in its certification of the Cedar Bay power plant. It was understood during the certification process, based on information presented in the site certification application, that one of the benefits of the Cedar Bay cogeneration facility was its production of steam to generate electrical power and to use in an industrial process, thus effecting a saving in the cost of producing electrical power or process steam, or both.

Without prejudging all of the benefits and costs entailed in SCC's intention to become independent of Cedar Bay, it appears that such an action may require a modification of the certification order issued by the Siting Board to Cedar Bay. Furthermore, if the modification of the certification would, by removing Cedar Bay's cogeneration function, eliminate one of the public benefits of the original site certification, it may be necessary to consider whether SCC's proposed course of action in supplying its own steam requirements provides a public benefit to offset the loss of the cogeneration benefit. Certainly, it would not be a public benefit if the total air emissions from Cedar Bay and the SCC plant increased while the amount of power generated by Cedar Bay and the quantity of paper produced by the SCC plant remained the same.

Therefore the Department recommends that modification of the PSD permit should be postponed pending clarification by the Department of Environmental Protection of whether such an action requires a modification of the Cedar Bay site certification order.

Please keep us informed of action taken on this PSD permit modification request. Any questions regarding this matter may be referred to Paul Darst at (850) 922-1764.

Sincerely,



James L. Quinn

Chief, Bureau of State Planning

JLQ/rpd

OERTEL, HOFFMAN, FERNANDEZ & COLE, P.A.

301 SOUTH BRONOUGH STREET
FIFTH FLOOR
TALLAHASSEE, FLORIDA 32301

(850) 521-0700
FAX (850) 521-0720

MAILING ADDRESS:
POST OFFICE BOX 1110
TALLAHASSEE, FLORIDA 32302-1110

TIMOTHY P. ATKINSON
M. CHRISTOPHER BRYANT
C. ANTHONY CLEVELAND
TERRY COLE
SEGUNDO J. FERNANDEZ
DANIEL W. HARTMAN
KENNETH F. HOFFMAN
KENNETH G. OERTEL
PATRICIA A. RENOVITCH
SCOTT SHIRLEY

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SEP 08 1998
BUREAU OF
AIR REGULATION

September 8, 1998

Syed Arif, P.E.
Division of Air
Department of Environmental Protection
2600 Blair Stone Road, MS-5505
Tallahassee, Florida 32399-2400

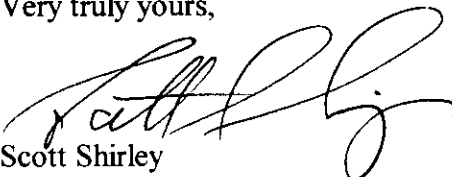
Re: DEP File No. 0310067-004-AC (PSD-FL-252)

Dear Mr. Arif:

This firm represents Stone Container Corporation respecting a requested modification to the PSD Permit for the Stone Jacksonville papermill, DEP File No. 0310067-004-AC (PSD-FL-252). Stone Container has received, and is in the process of formulating a response to, the Department of Environmental Protection's request for additional information dated August 4, 1998. You confirmed by telephone today that there is no time line currently running regarding Stone Container's response to the Department's request for additional information. I informed you that Stone Container will not have its response to the Department's request for additional information ready for at least another 30 days from today's date. You further confirmed that this delay would be acceptable within the present context.

If your understanding of these matters is other than as stated above, please contact me. In addition, please contact me should you have any other questions or comments.

Very truly yours,


Scott Shirley

SS:cjb/F:\Document\SS\LTR\arif-1003-28.wpd

c: Al Koleff
John West
Joe Eskridge
David Buff

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SEP 09 1998
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STATE OF FLORIDA

DEPARTMENT OF COMMUNITY AFFAIRS

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Administrator, New Source Review
Department of Environmental Protection
Twin Towers Office Building
2600 Blair Stone Road
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A.A. Linero
31 July 1998
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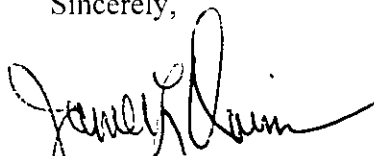
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Sincerely,



James L. Quinn

Chief, Bureau of State Planning

JLQ/rpd

REGULATORY & ENVIRONMENTAL SERVICES DEPARTMENT

Air and Water Quality Division

July 31, 1998



AUG 04 1998

BUREAU OF
AIR REGULATION

Mr. Syed Arif
Department of Environmental Protection
Twin Towers Office Bldg.
2600 Blair Stone Rd.
Tallahassee, FL 32399-2400

RE: Stone Container Corporation, Jacksonville, Three Steam Generating Boilers, PSD Determination

Dear Mr. Arif:

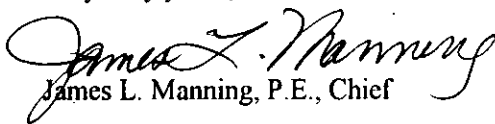
It is suggested that the following BACT Determinations from the RACT/BACT/LAER Clearinghouse seventh supplement be reviewed during your BACT determination for the referenced steam generating units:

ID Number	BACT for NO _x (lbs/mmBtu)
AL 0093	0.0700
AL 0098	0.1000
GA 0063	0.1000 0.1500 *
MS 0029	0.1000
CA 0675	0.0330

* Oil Fired

If you have any further questions concerning this issue or if we may be of further assistance, please contact Mr. Richard Robinson, P.E., of my staff at (904) 630-3484.

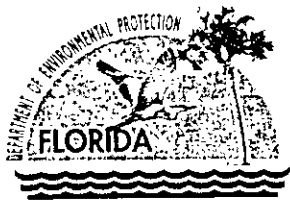
Very truly yours,


James L. Manning, P.E., Chief

JLM/JEW/be

c: Greg Radlinski, Esq, OGC
Richard Robinson, P.E., AWQD
AWQD File 0067-A

s:\permit\0067bact.nox



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

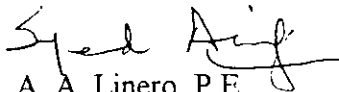
July 15, 1998

Distribution List Below

RE: Stone Container Corporation
Three Gas-Fired Package Boilers - Duval County

Attached are excerpts from an application submitted by Stone Container Corporation for a modification to their PSD permit to allow an increase in steam production rate from three gas-fired boilers. The request by Stone Container may require modification of the Site Certification to the adjacent Cedar Bay Cogeneration Facility.

Please review and submit comments to the New Source Review Section, Bureau of Air Regulation, MS # 5505, 2600 Blairstone Road, Tallahassee, Florida 32399. The comments should be submitted by July 31, 1998, so they can be included in the Department's initial completeness review letter. If there are any questions regarding this matter, please call Syed Arif at (850) 921-9528.

for 
A. A. Linero, P.E.
Administrator
New Source Review

AL/SA/t

cc: Buck Oven, PPS
Doug Roberts, HGS&S
Jim Antista, FG&F
David Russ, DCA
Earl Barker, S&B
Lawrence Curtin, H&K
Gregory Radlinski, C of J
Nancy Barnard, SJRWD
Rob Vandiver, FPSC
James Heard, Esq.
Lisa Cooper, M&P

"Protect, Conserve and Manage Florida's Environment and Natural Resources"