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January 7, 1992

RECEIVED

Carol Browner, Secretary
Florida Department of Environmental
Regulation
2600 Blair Stone Road
Tallahassee, FL 32399-2400

JAN 7 1992

Division of Air Resources Management

Re: Response to Letter from the Mayor of Jacksonville

Dear Secretary Browner:

This letter responds to the Mayor of Jacksonville's December 9, 1991 letter to you, in which he asserts that Seminole Kraft Corporation misled the Siting Board, the Department, and the City of Jacksonville concerning the AES Cedar Bay-Seminole Kraft Corporation Cogeneration Project in Jacksonville. In numerous documents and meetings, many of which are discussed below, Seminole Kraft and AES Cedar Bay have kept the Department and the City informed of plans for the Seminole Kraft Mill and for the AES facility, both before and after issuance of the Final Order of Certification and PSD Permit for the cogeneration plant.

THE APPLICANTS PROMPTLY DESCRIBED SEMINOLE KRAFT'S CHANGING PLANS FOR THE MILL.

In the three years since the site certification application for this cogeneration project was filed, the plans for the Seminole Kraft Mill to which the cogeneration project will supply steam have changed dramatically. In the middle of the site certification process, Seminole Kraft decided on a bold plan to convert the mill to 100% recycled fiber, eliminating kraft recovery boilers and other sources of odor from the kraft pulp mill. The steam needs of the re-configured Seminole Kraft Mill and the preferred way of meeting those needs without the steam generated by the recovery boilers were not finally determined until a study completed a few months ago. Nevertheless, as soon as Seminole Kraft knew that it might be possible to eliminate the recovery boilers entirely but that some new source of steam might also be needed, this issue was discussed with the Department and the City of Jacksonville.

Because federal law requires that sources be "permanently shut down" if their emissions will be credited to the permitting of a new source like the AES Cedar Bay project, Seminole Kraft attempted to be sure that the condition in the proposed air permit for the cogeneration project, requiring the permanent shut down of Seminole Kraft's boilers other than its recovery boilers, would not prohibit operating one or more of the bark or power boilers in the future as a substitute for the recovery boilers that would be shut down, provided appropriate new source permitting procedures were followed. DER and EPA both concluded that the "permanent shutdown" requirement did not preclude that possibility.

Far from attempting to mislead the interested parties or keep them in the dark about its plans, Seminole Kraft attempted to discuss the possible needs of the re-configured mill even before they were fully understood.

#### NEITHER THE DEPARTMENT, THE CITY, OR THE SITING BOARD WAS MISLED.

Although the standard for suspension of a Site Certification is not based on whether the agencies were misled, Seminole Kraft and AES Cedar Bay want to be sure that any question of their integrity is fully rebutted. The discussion below demonstrates that the City was well aware of Seminole Kraft boiler needs and plans. The sheer volume of correspondence and meetings related to Seminole Kraft's boiler needs (with the City even receiving multiple copies of some of the key correspondence) indicates the care applicants have taken to keep the City, the Department, and EPA advised.

- 1. Almost one year before entry of a Final Order of Certification and prior to the conclusion of the first certification hearing, Seminole Kraft, on February 16, 1990, requested amendment of its construction permit for a recovery boiler. (See Attachment 2.) A copy of the letter was provided to the City of Jacksonville Director of Bio-Environmental Services, James Manning, and the City's Office of General Counsel. On page 2 of that letter the possible "use of the creditable emissions from the recovery boilers for a power boiler to supply steam" was discussed. (Emphasis added.) (See Attachment 8.)
- 2. The City, in a letter dated March 22, 1990, from Mr. Manning, signed by Mr. Woosley, air engineer for the City, questioned the creditable emissions from shut down of the recovery boilers, but stated:

It is noted that <u>BESD</u> <u>does not see this</u> <u>decision</u> <u>as an impediment to the future</u> <u>construction</u> <u>of a steam-producing boiler</u> at

the Seminole Kraft facility, should the need arise. A new boiler would be subject to the New Source Performance Standards (NSPS) and possibly subject to the Prevention of Significant Deterioration (PSD) or New Source Review requirements, thus adequately protecting air quality standards. (Emphasis added.) (See Attachment 3)

The City and its counsel were clearly on notice regarding the contemplation of additional boiler capacity during the hearing and evidenced their knowledge by the letter referenced above.

- 3. The EPA on April 4, 1990, responded to the Seminole Kraft package forwarded them by DER. (See Attachment 4.) It recognized the ability of Seminole to preserve the emission credits from shutdown of the recovery boilers for five years.
- 4. The Department, on June 6, 1990, responded to Seminole Kraft regarding contemporaneous emission credit calculations. (See Attachment 5.) The letter was copied to the City (Mr. Manning) and EPA. It had attached the EPA letter and the February 16, 1990, letter from Seminole. The letter established the method of calculation of emission credits recommended by EPA. One stated purpose of requesting the emission credits in the February 16, 1990, letter was for a power boiler. This establishes that DER was also aware of the general plans when it received the February 16, 1990, letter and responded to it.
- 5. The Department on June 6, 1990, also responded to Seminole Kraft's request to amend the Construction Permit for the new recovery boiler to allow an option of closing the three existing recovery boilers down and converting to a 100% recycle fiber operation. (See Attachment 6.) The Department noted receipt of the above-referenced letter from the City and attached it and the February 16, 1990, letter from Seminole to the package. The City (Mr. Manning) was copied on this letter.
- 6. On June 14, 1990, Seminole Kraft formally notified the Department of its election to pursue use of recycle fiber rather than construction of a new recovery boiler. (See Attachment 9.)
- 7. The Department on July 2, 1990, acknowledged receipt of the above letter and referenced a further meeting on the project on July 10, 1990. (See Attachment 10.)
- 8. Seminole Kraft and AES met individually with BESD and its counsel and the Department and its counsel to discuss concerns with the proposed Condition of Certification II-D to insure there was no

Carol Browner, Secretary January 7, 1992 Page 4

impediment to applying for permits for rebuilding of the bark boilers. The City took a very strong position that it could be done only if the sources met NSPS.

9. At the request of the Department a summary of our meeting with the Department was prepared on October 26, 1990, and sent to DER. (See Attachment 11.) The letter was sent to the Director of the Division responsible for both power plant siting and air construction permits. The letter specifically summarized DER's interpretation of proposed Condition of Certification II-D. We described the conclusion of the meeting regarding permitting requirements for bark boilers if the AES/Seminole Kraft project was certified on page 2 of that letter:

In light of this condition [of the proposed Conditions of Certification], the same permitting requirements apply irrespective of whether a new boiler is constructed to burn bark and fiber rejects or an existing boiler is refurbished for this purpose . . . There is no prohibition against applying for a new source permit because of a federally enforceable condition requiring retirement of an existing source. (Emphasis added.)

Again it must be pointed out that AES and Seminole, as their plans become firmer as engineering on the project progressed, met with the Department, the agency charged with administering the power plant siting program. They met within the Department with the personnel specifically charged with supervising and administering the program and later monitoring compliance to insure their plans were in concert with the proposed conditions of certification, months before the conditions became final. The letter requested the Department to respond if correction or clarification were needed. Receiving no corrections or clarification, AES and Seminole Kraft relied on the interpretation provided by the Department and did not request an amendment to the condition prior to final action.

- 10. The Department, on November 21, 1990, transmitted the October 26, 1990 letter referenced above to EPA for its interpretation. (See Attachment 12.) A copy was provided to the City of Jacksonville BESD. Again the City had notice months before final action on the certification of the plans and need for refurbishing the bark boilers. We have found no response or objection from the City to the interpretation of the condition, so long as NSPS and PSD requirements are met.
  - 11. On November 14, 1990, the City and Seminole Kraft signed

Carol Browner, Secretary January 7, 1992 Page 5

a Stipulation for Entry of a Consent Judgment reaching an agreement on a civil action brought by the City relating to odor. (See Attachment 14.) In that Stipulation, agreed to by the City, Seminole specifically reserved the right to repermit and utilize the recovery boiler equipment for future power or steam needs. This again put the City on notice of Seminole needs for additional power or steam.

12. On February 25, 1991, EPA responded to DER regarding its November 21, 1990, letter. (See Attachment 13.) EPA confirmed the DER interpretation that, while they had to be shut down under the PSD permit, if Seminole Kraft chose to refurbish its existing boilers "the boilers would be treated as entirely new emissions units with none of the exemptions from applicability for existing units that are specified under PSD regulations being available." That letter was provided to AES and Seminole Kraft by the Department and has been relied upon in developing the plans for the remainder of the project. The Department has never differed with the EPA interpretation to our knowledge. The letter also reflects the Florida air rules which are a part of the EPA-approved State Implementation Plan and must be consistent with the Federal regulations. We continue to carry out the project in accordance with these rules and regulations and interpretations provided.

#### CONCLUSION

The above documents, as well as the attached chronology and numerous pieces of correspondence, demonstrate that the City's allegation of being misled about plans for refurbishing of the Seminole Kraft bark or power boilers is groundless. As soon as the possibility of shutting down the mill's recovery boilers and the possible need to replace some of the steam they generated become known, Seminole Kraft and AES began to discuss the issue with the City and with representatives of the Department who serve both as the Department's air permitting staff and as the staff to the Siting Board. As these plans have evolved, a key factor remains: the emissions of the Seminole Kraft bark and power boilers credited to the AES cogeneration project will be eliminated permanently; if those boilers operate after startup of the AES plant they will have to be permitted as new sources (and most of their emissions, in turn, will be offset by reductions in emissions from the recovery boilers and the remainder of the pulp mill sources being eliminated).

We do agree with one point in the Mayor's letter; before any new permits will be issued, it is important to assess the overall impact on ambient air quality. Seminole Kraft has been preparing an application for construction permits to refurbish two bark boilers and one power boiler to new source performance standards. Carol Browner, Secretary January 7, 1992 Page 6

That application will have to include a full assessment of emission increases and decrease, along with air quality modeling to predict the impact on ambient air quality. Obviously, the Department, the City, and the public would have a chance to comment on the predicted effects on ambient air quality. If Seminole Kraft is able to demonstrate that it meets applicable permitting requirements and is consistent with the air quality improvements realized through the cogeneration project, then a permit should be issued for refurbishing the two bark boilers and one power boiler. In any event, both Seminole Kraft and AES Cedar Bay have fully complied with and intend to continue to comply with the Site Certification.

We have attached a number of the documents we felt were most important in response to the issues discussed in the Mayor's letter. If you have questions about other points in the attached chronology or about any other related issues, please let us know.

Sincerely,

Terry Cole

TC/dg/A:Browner.ltr/1003/1219

cc: Richard Donelan (with attachments)
Gary Smallridge (with attachments)
Greg Radlinski (with attachments)
Mayor Ed Austin (with attachments)
Larry Stanley (with attachments)
Kerry Varkonda (with attachments)
Steve Smallwood (with attachments)
Clair Fancy (with attachments)
T. R. Hainline (with attachments)
J. L. Manning
EPA
Heinz Mueller

#### CHRONOLOGY

November 10, 1988	-	Need determination application filed with the Department of Environmental Regulation and petition for determination of need filed with the PSC
November 14, 1988	-	Application filed
December, 1988	-	Application Determined Complete
February 10, 1989	-	Application Amended
February 14, 1989	-	Land Use Hearing Held in Jacksonville
	-	Recommended Order Issued - In Compliance
April 24, 25, 1989	-	PSC Hearing
June 10, 1989	-	PSC Order Finding a need exists for the proposed cogeneration project
June 27, 1989	-	Siting Board - Determined Site in Compliance with Jacksonville Land Use Plans and Zoning Ordinances
June 30, 1989	-	PSC Order Determining Need
July 7, 1989	-	Application Amended
August 4, 1989	-	Seminole Kraft made Application for Permit to Construct new Kraft Recovery Boiler
October 13, 1989	-	Application Amended
December 13, 1989	-	Application Amended
December 21. 1989	-	Application Amended
January 4, 1990	-	Application Amended - Recovery Boiler and Associated Facility Removed (attached)
January 5, 1990	-	DER Issued Final Permit to Construction New Kraft Recovery Boiler
February 5, 6, 7, 20, 21, 1990	-	Cert. Hearing before Hearing Officer Robert T. Benton, II

February 16, 1990	-	Seminole Kraft Filed a Request to Amend the Construction Permit for the Kraft Recovery Boiler to Provide the Option to Convert the Mill to 100% Recycled Fiber - Reference to need for power boiler
March 22, 1990	-	Letter from City (Manning) discussing additional power boiler at Seminole
April 4, 1990	-	Letter from EPA regarding emission credits
April 5, 1990	-	Proposed Recommended Order Submitted
May 29, 1990	-	Recommended Order
June 6, 1990	-	DER Issued an Amendment to the New Kraft Recovery Boiler Construction Permit amended to allow conversion to 100% recycled fiber (attached)
June 6, 1990	-	DER letter setting forth method for preserving Contemporaneous Emission Credits (attached)
August 14, 1990	-	Siting Board Hearing
August 24, 1990	_	Order of Remand Issued
October 26, 1990	-	Letter to Steve Smallwood Confirming Discussion with DER on Refurbishment or Replacement of Seminole Kraft Bark Boilers and Changing Fuel Mix (attached)
October 29, 30, 1990	-	Hearing on Remand
November 14, 1990	-	Consent Judgment - Reservation of right to operate recovery boilers as power boilers (attached)
November 21, 1990	-	DER Letter to EPA Forwarding October 26 Letter; cc to City of Jacksonville, BESD (attached)
December 5, 1990	-	Supplemental Recommended Order
January 22, 1991	-	Hearing by Siting Board on Supplemental Order
February 22, 1991	-	Siting Board Order Approving Certification

February 24, 1991	<b>-</b>	Letter From EPA to DER re: Refurbishment of Boilers if AES Certified, if it is not Certified (attached)
March 19, 1991	-	PSD Permit Issued by DER to AES/Seminole Kraft
June 25, 1991	-	Letter to Smallwood w/cc to James Manning Construction Permit Application to be Filed After AESCB Startup and Testing (attached)
July 16, 1991	-	DER Letter to Seminole Kraft Co; cc: to R. Robertson, BESD (attached)
December 2, 1991	-	Letter from Terry Cole to Gregory G. Radlinski (attached)
December 4, 1991	-	Meeting with City of Jacksonville (Radlinski and Lucas)
December 9, 1991	_	Letter from Mayor to DER
December 19, 1991	-	Meeting at DER with City of Jacksonville, EPA, public and media

dg/a:chronolo.tc

January 4, 1990

Mr. Hamilton S. Oven
Administrator, Siting Coordination Section
Division of Air Resources Management
Department of Environmental Regulation
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

#### Dear Buck:

This letter is to serve as formal notification of the withdrawal of the kraft recovery boiler, multiple effect evaporators, smelt dissolving tanks and associated facilities from the Cedar Bay Cogeneration Project's Site Certification Application. This deletion is at the request of Rich Maguire, counsel for the City of Jacksonville, and Betsy Hewitt, counsel for the FDER, since these sources are being permitted separately.

The SCA sections primarily affected by this action include the Preface, 3.4 Air Emissions and control, 5.6 Air Quality Impacts, 10.1.4 Coastal Zone Management Certification, 10.6.1 Application to Operate/Construct Air Pollution Sources, and 10.9 Kraft Recovery Boiler BACT Analysis.

Seminole Kraft Corporation remains a joint applicant with AES Cedar Bay. This deletion is intended to simplify the review of the SCA, the certification hearing, and the preparation of the conditions of certification.

Sincerety

Preject director

## Seminole Kiuft Corporation

Ja. onville Mill

9469 Eastport Road P.O. Box 26998 Jacksonville, Florida 32218-0988

February 16, 1990

904 751-6400

Mr. C.H. Fancy, P.E. Bureau of Air Regulation Florida Dept. of Environmental Regulation 2600 Blair Stone Road Tallahassee, FL 32399-2400

Dear Mr. Fancy:

This letter is to request an amendment to construction permit No. AC16-168607 (Kraft Recovery Boiler) for our mill in Jacksonville, As indicated earlier, Seminole Kraft has engaged in extensive engineering studies related to the proposed new recovery boiler installation as well as examining how best to position the mill for the future. These studies have concluded that the mill is a high cost operation in its current configuration and would remain so even after the installation of the new recovery boiler currently estimated to cost \$130,000,000.

Accordingly, three months ago, Seminole Kraft began an investigation to determine what technology alternatives to the recovery boiler project might provide an improved environment to the City of Jacksonville and a mill that would be more competitive in domestic and foreign markets in the future.

An alternative has been tentatively selected that will provide the business with the stability required to insure a long term viable operation. This alternative provides for reconfiguration of the existing mill to enable it to use 100% recycled fiber instead of virgin fiber to produce 1,200 tons per day of linerboard on our existing No.2 paper machine. The kraft pulp mill, old recovery boilers and associated facilities will be permanently shut down and the No.1 paper machine will be placed on cold standby. This alternative will result in the elimination of all regulated TRS (odor) emission sources prior to the stated November 12, 1992 deadline as well as substantial reductions in particulate emissions. This conversion will increase the use of recycled fiber at the mill from about 100 TPD to about 1,400 TPD and will substantially increase Florida's waste paper recycle rate.

Mr. C.H. Fancy, P.E. February 16, 1990 Page 2

As we discussed, the best approach to providing regulatory approval of this alternative appears to be an amendment to the specific conditions in the new recovery boiler construction We believe this new condition should relieve Seminole Kraft of the obligation of building a new recovery boiler if Seminole chooses to shut down the kraft pulping operation, old recovery boilers and related facilities by supplying recycled fiber to the paper machine instead of virgin wood pulp from the Krart pulp mill. In addition, this new condition would require Seminole Kraft to turn in the operating permits for the old recovery boilers once the recycle operation is up and running and to make the old recovery boiler incapable of operation. believe this specific condition should also provide the mechanism for retaining the recovery boiler creditable emission reductions for potential use by Seminole Kraft pursuant to 17-2.500(2)(e) 3 & 4. As noted, our No.1 paper machine (presently making bag paper) will be placed on cold standby for the time being. However we hope to develop a project to use recycle fiber on the No.1 paper machine in the future and if AES cannot supply the required steam, we would like to use the creditable emissions from the recovery boilers for a power boiler to supply steam to the No.1 paper machine.

Finally, this specific condition should provide for notice to DER of Seminole Kraft's final decision to pursue this alternative or proceed with the new recovery boiler by a date certain.

To facilitate development of the language for this amendment, we have prepared the draft specific condition shown below for your consideration.

- 15. Seminole Kraft Corporation has indicated to the Department that as an alternative to replacing the three existing kraft recovery boilers with a new recovery boiler, it may choose to convert the mill to a 100% recycle fiber operation and close down the kraft pulp mill, recovery boilers and associated facilities. In the event that Seminole Kraft chooses this alternative, the following conditions apply:
  - n. The existing kraft pulp mill, including three recovery boilers, three smelt dissolving tanks, digester system, three lime kilns and three multiple effect evaporators, will be permanently shut down and be made incapable of operation by November 12, 1992. Operating permits for these sources shall be turned into the BESD office by this same date.

- b. Notice of Seminole Kraft's decision to proceed with construction of a new recovery boiler or to convert the mill to 100% recycle fiber operation shall be provided to DER and BESD by May 1, 1990.
- c. If Seminole Kraft chooses to convert the mill to 100% recycle fiber operation, it shall submit semi-annual progress reports to DER and BESD by June 30 and December 31 of each year until the recycle fiber project is completed and in operation.
- d. If Seminole Kraft chooses to convert the mill to 100% recycle fiber operation and shuts down the kraft pulp mill sources listed in a. above, the following creditable emission reductions are available to Seminole Kraft for five (5) years from the date construction on this alternative is complete or November 12, 1992, whichever is earlier.

## CREDITABLE EMISSION REDUCTIONS (TPY) (1983-84)\*

Source	TSP	<u>PM</u> 10	<u>so</u> 2	<u>ио</u> х	co	TRS
3 existing Recovery Boilers	427.2	320.5	1481	321.1	2327.2	89.3
5 Existing Smelt Dissolving Tanks	122.6	109.7	8.6	_	_	8.9
3 Existing Lime Kilns	74.1	72.6	1.4	98.1	21.2	17.3
No.1 & No.2 Lime Slaker (shut down in 1988)	140.5	133.0	_	•	_	-
No.3 Lime Slaker	14.0	12.8	_	-	-	_

\*Note that emissions for the recovery boilers, smelt dissolving tanks, and lime slakers are the same as in the PSD construction permit application (see Attachment A). The emissions for the lime kilns are based on 1983-84 operating hours, but today's control technology/emission limits. See Attachment B for details.

Mr. C.H. Fancy, P.E. February 16, 1990 page 4

We hope this information will be adequate to proceed with processing the proposed amendment. Please let us know if you require any additional information. We would be happy to meet with the Department to help expedite the handling of this matter.

Sincerely,

L.A. Stanley General Manager

ah

CC: Steve Smallwood
Dale Twachtmann
James L.Manning
Richard Maguire
Mike Riddle
Curt Barton
Al Koleff

A Reval

The Eline WE but St. Green APS

Lear KKI/E

ATTACHMENT A

(Table 4-3 from Original Recovery Boiler PSD Application)

Table 4-3 Baseline Emissions (1983-1984) from Existing Recovery Boilers and Smelt Dissolving Tanks et . Seminole Kraft

. (	Annual Baseline Emissions (TPY)						
Polllutant	RB1	RB2	RB3	SDT1	SDT2	<b>S</b> 773	Totals
Particulate Matter (TSP)	143.8	144.4	139.0	31.3	48.4	42.9	549.8
Particulate Matter (PM10)	107.9	108.3	104.3	28.0	43.3	38.4	430.2
Sulfur Dioxide	429.5	519.8	531.7	2.5	3.0	3.1	1,489.6
Nitrogen Oxides	94.4	112.7	114.0	•	-	•	321.1
Carbon Monoxida	674.9	815.8	835.5	-	-	- ;	2,327.2
Volatila Organic Compounds	100.0	119.4	120,8	-	•	-	340.2
Total Reduced Sulfur	25.2	31.3	32.8	2.6	3.1	3.2	98.2
Lead	.012	0.13	0.12	-	•	-	0.37
Mercury	-	-	-	-	•	•	•
Beryllium	0.0090	0.0098	0.0090	-	•	-	0.0278
Sulfuric loid Mist	6.18	6.76	6.19	-	•	-	19.1
Inorganio Arsenic	-	•	•	•	•	-	-
Fluorides	-	-	-	-	•	•	-
Asbestoes	-	-	-	-	-	-	-
Vinyl Chloride	-	•	-	-	•	•	-

Note: TPY = tons per year

#### ATTACHMENT B

#### Basis for Lime Kiln Creditable Emissions

Particulate Emissions - actual data from 1983-84 Annual Report  $p_{M_{10}}$  - used AP-42 Table 10.1-4 and particulate emissions from 1983-84 Annual Report.

 $NO_{_{\mathbf{Y}}}$  used NCASI Technical Bulletin No. 107, April 1988

Kiln

No.	mmBTU/Year		Tons N	Tons No /Year		
	83	84	83	<del></del> 84		
1	156150	89535	12.5	7.16	9.8	
2	241883	322084	37.5	49.9	43.7	
3	267245	308848	41.4	47.9	44.6	
				Total	98.1	

TRS emissions calculated from actual gas flow rates in 1983-84 and at 20 ppm TRS as  ${\rm H_2S}$ . This would correspond to permit limit today.

CO used AP-42 Table 10.1-1 (0.1 lbs/ADUP)

	Fulb bloduced	
Year	(Tons-ADUP/Year)	CO Emissions (TPY)
1983	410,238	20.5
1984	436,032	21 - 8
		Avg. 21.2

For SO2-use data compiled in 1989's operating permit application.

	so <sub>2</sub>	Emission	Avg. Hours	so <sub>2</sub>
<u>Kiln</u>		Rate	of Operation	(TPY)
No.1	0.16	lb/hr	3882	0.31
No.2	0.06	lb/hr	6829	0.21
йо.3	0.24	lb/hr w/noncondensibl	es 7462	0.90
			Total	1.42

## DEPARTMENT OF HEALTH, WELFARE & BIO-ENVIRONMENTAL SERVICES

Bio-Environmental Services

March 22, 1990



Mr. Clair H. Fancy, P.E. Bureau of Air Regulation Florida Department of Environmental Regulation 2600 Blair Stone Road Taliahassee, FL 32399-2400

Re: Seminole Kraft Corporation (SKC) letter dated February 16, 1990

Dear Mr. Fancy:

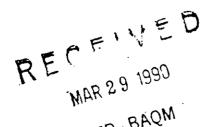
The Bio-Environmental Services Division staff has carefully reviewed the requested permit revisions in the above-captioned letter. It is the recommendation of our Division that the permit modification be denied for the following reasons:

A. Inserting a statement in a construction permit to address the issue of not constructing the source for which the permit was issued is not appropriate. Rule 17-2.210 (1), Florida Administrative Code (FAC) provides that "...The construction permit shall be issued for a period of time sufficient to allow construction or modification of the source..." Since SKC has stated in a Variance Request that construction will not take place, the new recovery boiler permit is not required, nor should it be allowed to continue, since available ambient increment is used by the permit for a source which, by admission of the applicant, will not be constructed.

Rule 17-2.210 FAC (Permits Required) requires applicable permits for sources of air pollution, however; based on information available to BESD, the proposed recycling operation will not be expected to be a source of air pollution and, therefore, will not be required to obtain a construction permit.

B. Creditable Emissions - The shutdown of sources at SKC for the construction of the new recovery boiler and the Applied Energy Systems (AES) co-generation facility has been an integral part of the permitting process for both of the new projects. Direct emission reductions, modeling to determine ambient pollutant concentrations, and permit stipulations have all involved the shutdown of these sources. A permit to construct the recovery boiler has been issued and accepted by the applicant, which includes the use of creditable emissions.

Based upon the information which is available to the BESD at this time, there are no creditable emissions for future use.





Mr. Clair H. Fancy, P.E. March 22, 1990 Page 2

It is noted that BESD does not see this decision as an impediment to the future construction of a steam-producing boiler at the Seminole Kraft facility, should the need arise. A new boiler would be subject to the New Source Performance Standards (NSPS) and possibly subject to the Prevention of Significant Deterioration (PSD) or New Source Review requirements, thus adequately protecting air quality standards.

C. Compliance with Total Reduced Sulfur rule — It is suggested that if SKC does proceed with the recycling project and does not construct the new recovery boiler, a determination should be made as to the compliance status of the Seminole Kraft Corporation facility in regard to compliance with the May 12, 1989, TRS compliance date stated in Rule 17-2.966, FAC.

If BESD may be of further assistance in this matter, please advise.

Very truly yours,

James L. Manning, P.E.

Deputy Director

cc:

Andy Kutyna, P.E., DER BESD File 2155 A

JLM:gw

20.00 (1600) 78 - 72007 1841 / 27



#### UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

#### REGION IV

## 345 COURTLAND STREET, N.E. ATLANTA, GEORGIA 30365

APR 4 1990

4APT-AEB

RECEIVED

APR 09 1990

DER-BAQIVI

Mr. C. H. Fancy, P.E., Chief
Bureau of Air Regulation
Florida Department of Environmental
Regulation
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RE: Seminole Kraft Corporation (PSD-FL-141)

Dear Mr. Fancy:

This is to acknowledge receipt of a package from your office transmitting a request from Seminole Kraft Corporation to modify their prevention of significant deterioration (PSD) permit, dated February 16, 1990. As discussed between Mr. Pradeep Raval of your staff and Mr. Gregg Worley of my staff on March 30, 1990, we have the following comments.

#### CREDITABLE EMISSIONS REDUCTIONS

The source has requested that conditions be placed in the PSD permit to allow them the flexibility to convert to 100% recycled fiber in lieu of constructing the new recovery boiler. In the event that the source makes the decision to convert to recycled fiber, the source would like to retain emissions credit for the units which would be shut down at the facility (i.e., the existing kraft pulp mill). The credit for shutting down any units may be retained but we must emphasize that such credit must be based on actual operating data from the two years previous to the shutdown, unless another time period is determined to be more representative of actual operating conditions. The information submitted by Seminole Kraft is based on the years 1983-84. Apparently the source used the operating hours of this time period along with presently permitted allowable emission rates to arrive at their creditable emission reductions. This is not acceptable. We would suggest that it would be prudent of FDER to require testing of the units prior to shutdown for the pollutants which are to be credited. In any case, the actual emission rates must be used rather than the permitted allowable rates unless the actual emissions exceed the allowable emissions.

In a related matter, we do not think it is wise to include as a permit condition the language suggested by the source in provision 15 (d) which specifies what credits are available prior to the shutdown of the units. It appears that such a provision would lock FDER into accepting those numbers as creditable emissions no matter what the source operation was prior to shutdown. The fact that emissions resulting from federally enforceable shutdowns are creditible does not need to be established in a permit; the fact that such emissions are creditable is already established in federal and Florida regulations. In addition, the contemporaneous time period for which the emissions are creditable is established in regulations. Thus, it is redundant to state that "...the following emissions reductions will be available to Seminol $\epsilon$ Kraft for five (5) years from the date construction on this alternative is complete or November 12, 1992, whichever is earlier." By establishing a federally enforceable shutdown date at the completion of construction or November 12, 1992, whichever is earlier, it is understood that emissions credit is available for a period of five years from that point.

#### EFFECT ON THE AES CEDAR BAY PROJECT

The AES project which is currently under review for permitting plans to use the ambient impacts of shutting down several units at Seminole Kraft in their air quality analysis. How will the proposed permit amendment by Seminole Kraft affect the AES project?

Thank you for the opportunity to review and comment on this proposal by Seminole Kraft. If you have any questions or comments on this matter, please do not hesitate to contact Mr. Gregg Worley of my staff at 404/347-2864.

Sincerely yours

Jewelly A. Harper, Chief

Air Enforcement Branch Air, Pesticides and Toxics

Management Division



## Florida Department of Environmental Regulation

Twin Towers Office Bldg. ● 2600 Blair Stone Road ● Tallahassee, Florida 32399-2400

Bob Martinez, Governor

Dale Twachtmann, Secretary

John Shearer, Assistant Secretary

June 6, 1990

Ce: M. Risdle C. Barton 2. Cole

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. L. A. Stanley General Manager Seminole Kraft Corporation 9469 Eastport Road Jacksonville, Florida 32218-0998

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

1990 איוון 1 איוון

Dear Mr. Stanley:

Re: Contemporaneous Emissions Credit Calculations

The Department and the U.S. EPA - Region IV have reviewed your letter with attachments dated February 16, 1990. A letter of response, which is attached, was received from Ms. Jewell A. Harper, Chief of the Air Enforcement Branch, U.S. EPA-Region IV, posing a concern about the calculation of contemporaneous emissions credit. Specifically, contemporaneous emissions shall be based on actual emissions data established by conducting emissions tests and on actual operating data (hours per year) from the two years previous to shutdown, unless another time period within the last 5 years prior to shutdown is more representative of actual operating conditions. The Department concurs with EPA on this issue since this is the guidelines established in both the federal and state regulations.

Because Seminole Kraft Corporation (SKC) has indicated that the mill might be going to 100% recycled fiber by no later than November 12, 1992, the mill will have adequate time to conduct emissions tests on the various sources that would be shut down and candidates for contemporaneous emissions credit. Therefore, the Department requests that SKC conduct emissions tests on all sources that it intends to shutdown in order to calculate contemporaneous emissions credit.

Mr. L. A. Stanley Page 2 June 6, 1990

If there are any questions, please call Bruce Mitchell at (904)488-1344 or write to me at the above address.

Sincerely,

C. H. Fancy, P.E.

Chief

Bureau of Air Regulation

#### CHF/BM/t

#### attachments

cc: A. Kutyna, NE District

J. Manning, BESD J. Harper, U.S. EPA C. Shaver, NPS

T. Cole, OHF & C, P.A.

Attachments



J .sonviile Mill

9469 Eastport Road P.O. Box 26998 Jacksonville, Florida 32218-0988

February 16, 1990

904 751-6400

Mr. C.H. Fancy, P.E. Bureau of Air Regulation Florida Dept. of Environmental Regulation 2600 Blair Stone Road Tallahassee, FL 32399-2400

Dear Mr. Fancy:

This letter is to request an amendment to construction permit No. AC16-168607 (Kraft Recovery Boiler) for our mill in Jacksonville, As indicated earlier, Seminole Kraft has engaged in extensive engineering studies related to the proposed new recovery boiler installation as well as examining how best to position the mill for the future. These studies have concluded that the mill is a high cost operation in its current configuration and would remain so even after the installation of the new recovery boiler currently estimated to cost \$130,000,000.

Accordingly, three months ago, Seminole Kraft began an investigation to determine what technology alternatives to the recovery boiler project might provide an improved environment to the City of Jacksonville and a mill that would be more competitive in domestic and foreign markets in the future.

An alternative has been tentatively selected that will provide the business with the stability required to insure a long term viable operation. This alternative provides for reconfiguration of the existing mill to enable it to use 100% recycled fiber instead of virgin fiber to produce 1,200 tons per day of linerboard on our existing No.2 paper machine. The kraft pulp mill, old recovery boilers and associated facilities will be permanently shut down and the No.1 paper machine will be placed on cold standby. This alternative will result in the elimination of all regulated TRS (odor) emission sources prior to the stated November 12, 1992 deadline as well as substantial reductions in particulate emissions. This conversion will increase the use of recycled fiber at the mill from about 100 TPD to about 1,400 TPD and will substantially increase Florida's waste paper recycle rate.

Mr. C.H. Fancy, P.E. February 16, 1990 Page 2

As we discussed, the best approach to providing regulatory approval of this alternative appears to be an amendment to the specific conditions in the new recovery boiler construction We believe this new condition should relieve Seminole Kraft of the obligation of building a new recovery boiler if Seminole chooses to shut down the kraft pulping operation, old recovery boilers and related facilities by supplying recycled fiber to the paper machine instead of virgin wood pulp from the Krart pulp mill. In addition, this new condition would require Seminole Kraft to turn in the operating permits for the old recovery boilers once the recycle operation is up and running and to make the old recovery boiler incapable of operation. believe this specific condition should also provide the mechanism for retaining the recovery boiler creditable emission reductions for potential use by Seminole Kraft pursuant to 17-2.500(2)(e) 3 £ 4. As noted, our No.1 paper machine (presently making bag paper) will be placed on cold standby for the time being. However we hope to develop a project to use recycle fiber on the No.1 paper machine in the future and if AES cannot supply the required steam, we would like to use the creditable emissions from the recovery boilers for a power boiler to supply steam to the No.1 paper machine.

Finally, this specific condition should provide for notice to DER of Seminole Kraft's final decision to pursue this alternative or proceed with the new recovery boiler by a date certain.

To facilitate development of the language for this amendment, we have prepared the draft specific condition shown below for your consideration.

- 15. Seminole Kraft Corporation has indicated to the Department that as an alternative to replacing the three existing kraft recovery boilers with a new recovery boiler, it may choose to convert the mill to a 100% recycle fiber operation and close down the kraft pulp mill, recovery boilers and associated facilities. In the event that Seminole Kraft chooses this alternative, the following conditions apply:
  - The existing kraft pulp mill, including three recovery boilers, three smelt dissolving tanks, digester system, three lime kilns and three multiple effect evaporators, will be permanently shut down and be made incapable of operation by November 12, 1992. Operating permits for these sources shall be turned into the BESD office by this same date.

- b. Notice of Seminole Kraft's decision to proceed with construction of a new recovery boiler or to convert the mill to 100% recycle fiber operation shall be provided to DER and BESD by May 1, 1990.
- c. If Seminole Kraft chooses to convert the mill to 100% recycle fiber operation, it shall submit semi-annual progress reports to DER and BESD by June 30 and December 31 of each year until the recycle fiber project is completed and in operation.
- d. If Seminole Kraft chooses to convert the mill to 100% recycle fiber operation and shuts down the kraft pulp mill sources listed in a. above, the following creditable emission reductions are available to Seminole Kraft for five (5) years from the date construction on this alternative is complete or November 12, 1992, whichever is earlier.

#### CREDITABLE EMISSION REDUCTIONS (TPY) (1983-84)\*

Source	TSP	<u>PM</u> 10	<u>so</u> 2	<u> ио</u> х	CO TRS
<pre>3 existing Recovery Boilers</pre>	427.2	320.5	1481	321.1	2327.2 89.3
5 Existing Smelt Dissolving Tanks	122.6	109.7	8.6	-	- 8.9
3 Existing Lime Kilns	74.1	72.6	1.4	98.1	21.2 17.3
No.1 & No.2 Lime Slaker (shut down in 1988)	140.5	133.0	-	-	
No.3 Lime Slaker	14.0	12.8	-	-	

\*Note that emissions for the recovery boilers, smelt dissolving tanks, and lime slakers are the same as in the PSD construction permit application (see Attachment A). The emissions for the lime kilns are based on 1983-84 operating hours, but today's control technology/emission limit. See Attachment B for details.

Mr. C.H. Fancy, P.E. February 16, 1990 page 4

We hope this information will be adequate to proceed with processing the proposed amendment. Please let us know if you require any additional information. We would be happy to meet with the Department to help expedite the handling of this matter.

Sincerely,

L.A. Stanley General Manager

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CC: Steve Smallwood
Dale Twachtmann
James L.Manning
Richard Maguire
Mike Riddle
Curt Barton
Al Koleff

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St. Aionean, EPA

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# ATTACHMENT A (Table 4-3 from Original Recovery Boiler PSD Application)

Table 4-3 Baseline Emissions (1983-1984) from Existing Recovery Boilers and Smelt Dissolving Tanks et Seminole Kraft

	Annual Baseline Emissions (TPY)						
Polllutant	RB1	RB2	RB3	SDT1	SDT2	SDT3	Totals
Particulate Matter (TSP)	143.8	144.4	139.0	31.3	48.4	42.9	549.8
Particulate Natter (PM10)	107.9	108.3	104,3	28.0	43.3	38.4	430.2
Sulfur Dioxide	429.5	519.8	531,7	2.5	3.0	3.1	1,489.6
Witrogen Oxides	94.4	112.7	114.0	-	-	•	321.1
Carbon Monoxide	674.9	815.8	835,5	-	•	<b>-</b> (	2,327.2
Volatila Organic Compounds	100.0	119.4	120.8	-	•	•	340.2
Total Reduced Sulfur	25.2	31.3	32.8	2.6	3.1	3.2	98.2
Lead	.012	0.13	0.12	-	•	-	0.37
Heroury	-	-	•	-	•	-	•
Beryllium	0.0090	0.0098	0.0090	-	•	-	0.0278
Sulfuric leid Hist	6.18	6.76	6.19	-	•	-	19.1
Inorganic Arsenic	-	-	•	•	-	-	-
Fluorides	-	-	•	-	•	•	-
Asbestoes	-	-	-	-	-	-	-
Vinyl Chloride	•	-	-	-	•	-	-
•							

Note: TPT - tons per year

#### ATTACHMENT B

#### Basis for Lime Kiln Creditable Emissions

Particulate Emissions - actual data from 1983-84 Annual Report  $PM_{10}$  - used AP-42 Table 10.1-4 and particulate emissions from 1983-84 Annual Report.

NO, used NCASI Technical Bulletin No. 107, April 1988

Kiln

No.	mmBTU/Year		Tons N	Tons No /Year		
	83	84	83	<u>A</u> 84		
1	156150	89535	12.5	7.16	9.8	
2	241883	322084	37.5	49.9	43.7	
3	267245	308848	41.4	47.9	44.6	
				Total	98.1	

TRS emissions calculated from actual gas flow rates in 1983-84 and at 20 ppm TRS as  ${\rm H_2S}$ . This would correspond to permit limit today.

CO used AP-42 Table 10.1-1 (0.1 lbs/ADUP)

Pulp Produced

Year	(Tons-ADUP/Year)	CO Emissions (TPY)
1983	410,238	20.5
1984	436,032	21.8
		Avg. 21.2

For SO2-use data compiled in 1989's operating permit application.

	so <sub>2</sub>	Emission		Avg. Hours		so <sub>2</sub>
<u>Kiln</u>	Rate		of Operation		(TPY)	
No.1	0.16	lb/hr		3882		0.31
No.2	0.06	lb/hr		6829		0.21
No.3	0.24	lb/hr w/none	condensibles	7462		0.90
•					Total	1.42



#### UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

#### REGION IV

## 345 COURTLAND STREET, N.E. ATLANTA, GEORGIA 30365

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Mr. C. H. Fancy, P.E., Chief
Bureau of Air Regulation
Florida Department of Environmental
Regulation
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RE: Seminole Kraft Corporation (PSD-FL-141)

Dear Mr. Fancy:

This is to acknowledge receipt of a package from your office transmitting a request from Seminole Kraft Corporation to modify their prevention of significant deterioration (PSD) permit, dated February 16, 1990. As discussed between Mr. Pradeep Raval of your staff and Mr. Gregg Worley of my staff on March 30, 1990, we have the following comments.

#### CREDITABLE EMISSIONS REDUCTIONS

The source has requested that conditions be placed in the PSD permit to allow them the flexibility to convert to 100% recycled fiber in lieu of constructing the new recovery boiler. In the event that the source makes the decision to convert to recycled fiber, the source would like to retain emissions credit for the units which would be shut down at the facility (i.e., the existing kraft pulp mill). The credit for shutting down any units may be retained but we must emphasize that such credit must be based on actual operating data from the two years previous to the shutdown, unless another time period is determined to be more representative of actual operating conditions. The information submitted by Seminole Kraft is based on the years 1983-84. Apparently the source used the operating hours of this time period along with presently permitted allowable emission rates to arrive at their creditable This is not acceptable. We would suggest emission reductions. that it would be prudent of FDER to require testing of the units prior to shutdown for the pollutants which are to be credited. In any case, the actual emission rates must be used rather than the permitted allowable rates unless the actual emissions exceed the allowable emissions.

In a related matter, we do not think it is wise to include as a permit condition the language suggested by the source in provision 15 (d) which specifies what credits are available prior to the shutdown of the units. It appears that such a provision would lock FDER into accepting those numbers as creditable emissions no matter what the source operation was prior to shutdown. The fact that emissions resulting from federally enforceable shutdowns are creditible does not need to be established in a permit; the fact that such emissions are creditable is already established in federal and Florida regulations. In addition, the contemporaneous time period for which the emissions are creditable is established in regulations. Thus, it is redundant to state that "...the following emissions reductions will be available to Seminole Kraft for five (5) years from the date construction on this alternative is complete or November 12, 1992, whichever is earlier." By establishing a federally enforceable shutdown date at the completion of construction or November 12, 1992, whichever is earlier, it is understood that emissions credit is available for a period of five years from that point.

#### EFFECT ON THE AES CEDAR BAY PROJECT

The AES project which is currently under review for permitting plans to use the ambient impacts of shutting down several units at Seminole Kraft in their air quality analysis. How will the proposed permit amendment by Seminole Kraft affect the AES project?

Thank you for the opportunity to review and comment on this proposal by Seminole Kraft. If you have any questions or comments on this matter, please do not hesitate to contact Mr. Gregg Worley of my staff at 404/347-2864.

Sincerely yours

Jewell A. Harper, Chief

Air Enforcement Branch Air, Pesticides and Toxics

Management Division





## Florida Department of Environmental Regulation

Twin Towers Office Bldg. ● 2600 Blair Stone Road ● Tallahassee, Florida 32399-2400 John Shearer, Assistant Secretary Dale Twachtmann, Secretary Bob Martinez, Governor

June 6, 1990

JUN 18 1990

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. L. A. Stanley General Manager Seminole Kraft Corporation 9469 Eastport Road Jacksonville, Florida 32218-0998

Dear Mr. Stanley:

Amendment Request to Construction Permits: AC 16-168607

PSD-FL-141

The Department and the U.S. EPA-Region IV have reviewed your letter with attachments dated February 16, 1990, which was amended by a letter from Mr. Terry Cole on May 21, 1990. above an amendment to the letters requested The Department received responses to the construction permits. request from Mr. James L. Manning, Deputy Director of Duval County's Bio-Environmental Services Division, on March 29, 1990, and from Ms. Jewell A. Harper, Chief of the Air Enforcement The Department's Branch, U.S. EPA-Region IV, on April 9, 1990. response to the request package will follow.

The final compliance date for those recovery furnaces subject to F.A.C. Rule 17-2.600(4)(c), that will be replaced, is November 12, 1992, pursuant to F.A.C. Rule 17-2.960(1)(d)2.b.(ii). plan to change to 100% recycle fiber constructing a new recovery furnace to comply with the applicable regulations would not be a SIP violation because there is no change in the final compliance date. Therefore, the Department is in agreement to establish the potential for the mill to change to 100% recycle fiber for compliance purposes and to establish certain critical dates for reasonable assurances.

The letter of response from Ms. Jewell A. Harper posed specific The Department concerns about contemporaneous emissions credit. the letter, with the issues discussed in (1) contemporaneous emissions shall be based on actual emissions data established by conducting emissions tests and on actual operating data (hours per year) from the two years previous to shutdown, unless another time period within the last 5 years Mr. L. A. Stanley Page Two June 6, 1990

prior to shutdown is more representative of actual operating conditions, and (2) contemporaneous emissions credit should not be established as a permit condition prior to a source shutting down because of the potential premature lock-in of a shutdown date. Since both the federal and state regulations clearly define the process and time frames for the establishment of contemporaneous emissions credit, the request to establish contemporaneous emissions credit as a condition in the above referenced construction permits is denied.

The letter of response from Mr. James L. Manning posed concerns about the issues already discussed in the previous two paragraphs as well as a concern over the validity of the new recovery furnace construction permits. Since the mill is privileged to demonstrate compliance by its own choosing so long as it is within the guidelines of the appropriate rules, the permits shall remain viable in case the mill decides that it will continue with its original plans, which is to construct the new recovery boiler. The permits also contain compliance dates that still must be met and are federally enforceable. Consequently, until the mill makes its decision on how it will demonstrate compliance with the lll(d) TRS rule, the surrendering of the construction permits will not be required at this time.

Therefore, based on the discussions in the previous paragraphs, the following will be added:

#### Specific Condition (new)

- 15. Seminole Kraft Corporation has indicated to the Department that as an alternative to replacing the three existing kraft recovery boilers with a new recovery boiler, it may choose to convert the mill to a 100% recycle fiber operation and close down the kraft pulp mill, recovery boilers and associated facilities. In the event that Seminole Kraft chooses this alternative, the following conditions apply:
  - a. The existing three recovery boilers and three smelt dissolving tanks will be permanently shut down and be made incapable of operation by November 12, 1992. Operating permits for these sources shall be turned into the BESD office by this date.
  - b. Notice of Seminole Kraft's decision to proceed with construction of a new recovery boiler or to convert the mill to 100% recycle fiber operation shall be provided to DER and BESD by June 15, 1990.

Mr. L. A. Stanley Page Three June 6, 1990

c. If Seminole Kraft chooses to convert the mill to 100% recycle fiber operation, it shall submit semi-annual progress reports to DER and BESD by June 30 and December 31 of each year until the recycle project is completed and in operation.

#### Attachments to be Incorporated

- 16. Mr. L. A. Stanley's letter with attachments dated February 16, 1990.
- 17. Mr. James L. Manning's letter received March 29, 1990.
- 18. Ms. Jewell A. Harper's letter received April 9, 1990.
- 19. Mr. Terry Cole's letter received May 21, 1990.
- 20. Mr. Bruce Mitchell's Interoffice Memorandum dated June 1, 1990.

This letter must be attached to your air construction permits, AC 16-168607 and PSD-FL-141, and shall become a part of the permits.

Dale Twachtmann

Secketary

DT/plm

#### Attachments

c: A. Kutyna, NE District

J. Manning, BESD

- J. Harper, U.S. EPA
- C. Shaver, NPS
- T. Cole, OHF&C, P.A.

ATTACHMENT 16



□ ...sonviile Mill

9469 Eastport Road P.O. Box 26998 Jacksonville, Florida 32218-0998

February 16, 1990

904 751-6400

Mr. C.H. Fancy, P.E. Bureau of Air Regulation Florida Dept. of Environmental Regulation 2600 Blair Stone Road Tallahassee, FL 32399-2400

Dear Mr. Fancy:

This letter is to request an amendment to construction permit No. AC16-168607 (Kraft Recovery Boiler) for our mill in Jacksonville, As indicated earlier, Seminole Kraft has engaged in extensive engineering studies related to the proposed new recovery boiler installation as well as examining how best to position the mill for the future. These studies have concluded that the mill is a high cost operation in its current configuration and would remain so even after the installation of the new recovery boiler currently estimated to cost \$130,000,000.

Accordingly, three months ago, Seminole Kraft began an investigation to determine what technology alternatives to the recovery boiler project might provide an improved environment to the City of Jacksonville and a mill that would be more competitive in domestic and foreign markets in the future.

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Mr. C.H. Fancy, P.E. February 16, 1990 Page 2

As we discussed, the best approach to providing regulatory approval of this alternative appears to be an amendment to the specific conditions in the new recovery boiler construction permit. We believe this new condition should relieve Seminole Kraft of the obligation of building a new recovery boiler if Seminole chooses to shut down the kraft pulping operation, old recovery boilers and related facilities by supplying recycled fiber to the paper machine instead of virgin wood pulp from the Krart pulp mill. In addition, this new condition would require Seminole Kraft to turn in the operating permits for the old recovery boilers once the recycle operation is up and running and to make the old recovery boiler incapable of operation. believe this specific condition should also provide the mechanism for retaining the recovery boiler creditable emission reductions for potential use by Seminole Kraft pursuant to 17-2.500(2)(e) 3 As noted, our No.1 paper machine (presently making bag paper) will be placed on cold standby for the time being. However we hope to develop a project to use recycle fiber on the No.1 paper machine in the future and if AES cannot supply the required steam, we would like to use the creditable emissions from the recovery boilers for a power boiler to supply steam to the No.1 paper machine.

Finally, this specific condition should provide for notice to DER of Seminole Kraft's final decision to pursue this alternative or proceed with the new recovery boiler by a date certain.

To facilitate development of the language for this amendment, we have prepared the draft specific condition shown below for your consideration.

- 15. Seminole Kraft Corporation has indicated to the Department that as an alternative to replacing the three existing kraft recovery boilers with a new recovery boiler, it may choose to convert the mill to a 100% recycle fiber operation and close down the kraft pulp mill, recovery boilers and associated facilities. In the event that Seminole Kraft chooses this alternative, the following conditions apply:
  - n. The existing kraft pulp mill, including three recovery boilers, three smelt dissolving tanks, digester system, three lime kilns and three multiple effect evaporators, will be permanently shut down and be made incapable of operation by November 12, 1992. Operating permits for these sources shall be turned into the BESD office by this same date.

- b. Notice of Seminole Kraft's decision to proceed with construction of a new recovery boiler or to convert the mill to 100% recycle fiber operation shall be provided to DER and BESD by May 1, 1990.
- c. If Seminole Kraft chooses to convert the mill to 100% recycle fiber operation, it shall submit semi-annual progress reports to DER and BESD by June 30 and December 31 of each year until the recycle fiber project is completed and in operation.
- d. If Seminole Kraft chooses to convert the mill to 100% recycle fiber operation and shuts down the kraft pulp mill sources listed in a. above, the following creditable emission reductions are available to Seminole Kraft for five (5) years from the date construction on this alternative is complete or November 12, 1992, whichever is earlier.

## CREDITABLE EMISSION REDUCTIONS (TPY) (1983-84)\*

	Source	TSP	<u>PM<sub>10</sub></u>	<u>so</u> 2	<u>ио</u> х		TRS
3	existing Recovery Boilers	427.2	320.5	1481	321.1	2327.2	89.3
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3	Existing Lime Kilns	74.1	72.6	1.4	98.1	21.2	17.3
No	o.1 & No.2 Lime Slaker (shut down in 1988)	140.5	133.0	-	•	-	-
No	o.3 Lime Slaker	14.0	12.8	-	-	-	-

\*Note that emissions for the recovery boilers, smelt dissolving tanks, and lime slakers are the same as in the PSD construction permit application (see Attachment A). The emissions for the lime kilns are based on 1983-84 operating hours, but today's control technology/emission limits. See Attachment B for details.

Mr. C.H. Fancy, P.E. February 16, 1990 page 4

We hope this information will be adequate to proceed with processing the proposed amendment. Please let us know if you require any additional information. We would be happy to meet with the Department to help expedite the handling of this matter.

Sincerely,

L.A. Stanley General Manager

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CC: Steve Smallwood
Dale Twachtmann
James L.Manning
Richard Maguire
Mike Riddle
Curt Barton
Al Koleff

P. Powal

To the WE West of the State of Stance MPS

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### ATTACHMENT A

## (Table 4-3 from Original Recovery Boiler PSD Applicaation)

Table 4-3 Baseline Emissions (1983-1984) from Existing Recovery Boilers and Smelt Dissolving Tanks at Seminola Kraft

	Annual Baseline Emissions (TPY)						
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Nitrogen Oxides	94.4	112.7	114.0	-	-	•	321.1
Carbon Monoxide	674.9	815.8	835.5	-	-	- 2	2,327.2
Volatila Organic Compounds	100.0	119.4	120.8	-	•	-	340.2
Total Reduced Sulfur	25.2	31.3	32.8	2.6	3.1	3.2	98.2
Leed	.012	0.13	0.12	-	•	-	0.37
Mercury	-	-	-	-	•	•	•
Beryllium	0.0090	0.0098	0.0090	-	•	•	0.0278
Sulfuric leid Mist	6.18	6.76	6.19	•	•	•	19.1
Inorganic Arsenic	-	•	•	•	-	-	-
Fluorides	-	-	-	-	-	•	-
Ambastons	-	-	-	-	-	-	-
Vinyl Chloride	-	•	•	-	•	-	-

Note: TPT = tons per year

#### ATTACHMENT B

## Basis for Lime Kiln Creditable Emissions

Particulate Emissions - actual data from 1983-84 Annual Report  $PM_{10}$  - used AP-42 Table 10.1-4 and particulate emissions from 1983-84 Annual Report.

NO used NCASI Technical Bulletin No. 107, April 1988

Kiln

No.	mmBTU/Year		Tons N	<u>Average</u>	
. –	83	34	83	<del></del> 84	
1	156150	89535	12.5	7.16	9.8
2	241883	322084	37.5	49.9	43.7
3	267245	308848	41.4	47.9	44.6
				Total	98.1

TRS emissions calculated from actual gas flow rates in 1983-84 and at 20 ppm TRS as  ${\rm H_2S}$ . This would correspond to permit limit today.

CO used AP-42 Table 10.1-1 (0.1 lbs/ADUP)

	Pulp Produced	•
Year	(Tons-ADUP/Year)	CO Emissions (TPY)
1983	410,238	20.5
1984	436,032	21.8
		Avg. 21.2

For SO2-use data compiled in 1989's operating permit application.

	so <sub>2</sub>	Emission	A	vg. Hours	so <sub>2</sub>
<u>Kiln</u>		Rate	<u>of</u>	Operation	(TPY)
No.1	0.16	lb/hr		3882	0.31
No.2	0.06	lb/hr		6829	0.21
No.3	0.24	lb/hr w/nonconden	sibles	7462	0.90
				Total	1.42

ATTACHMENT 17

ATTACINE

# DEPARTMENT OF HEALTH, WELFARE & BIO-ENVIRONMENTAL SERVICES

Bio-Environmental Services

March 22, 1990



Mr. Clair H. Fancy, P.E. Bureau of Air Regulation Florida Department of Environmental Regulation 2600 Blair Stone Road Taliahassee, FL 32399-2400

Re: Seminole Kraft Corporation (SKC) letter dated February 16, 1990

Dear Mr. Fancy:

The Bio-Environmental Services Division staff has carefully reviewed the requested permit revisions in the above-captioned letter. It is the recommendation of our Division that the permit modification be denied for the following reasons:

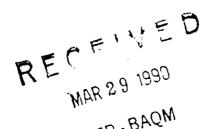
A. Inserting a statement in a construction permit to address the issue of not constructing the source for which the permit was issued is not appropriate.

Rule 17-2.210 (1), Florida Administrative Code (FAC) provides that "...The construction permit shall be issued for a period of time sufficient to allow construction or modification of the source..." Since SKC has stated in a Variance Request that construction will not take place, the new recovery boiler permit is not required, nor should it be allowed to continue, since available ambient increment is used by the permit for a source which, by admission of the applicant, will not be constructed.

Rule 17-2.210 FAC (Permits Required) requires applicable permits for sources of air pollution, however; based on information available to BESD, the proposed recycling operation will not be expected to be a source of air pollution and, therefore, will not be required to obtain a construction permit.

B. Creditable Emissions - The shutdown of sources at SKC for the construction of the new recovery boiler and the Applied Energy Systems (AES) co-generation facility has been an integral part of the permitting process for both of the new projects. Direct emission reductions, modeling to determine ambient pollutant concentrations, and permit stipulations have all involved the shutdown of these sources. A permit to construct the recovery boiler has been issued and accepted by the applicant, which includes the use of creditable emissions.

Based upon the information which is available to the BESD at this time, there are no creditable emissions for future use.





Mr. Clair H. Fancy, P.E. March 22, 1990 Page 2

> It is noted that BESD does not see this decision as an impediment to the future construction of a steam-producing boiler at the Seminole Kraft facility, should the need arise. A new boiler would be subject to the New Source Performance Standards (NSPS) and possibly subject to the Prevention of Significant Deterioration (PSD) or New Source Review requirements, thus adequately protecting air quality standards.

C. Compliance with Total Reduced Sulfur rule — It is suggested that if SKC does proceed with the recycling project and does not construct the new recovery boiler, a determination should be made as to the compliance status of the Seminole Kraft Corporation facility in regard to compliance with the May 12, 1989, TRS compliance date stated in Rule 17-2.960, FAC.

If BESD may be of further assistance in this matter, please advise.

Very truly yours,

WE Woods for James L. Manning, P.E.

Deputy Director

Andy Kutyna, P.E., DER cc:

BESD File 2155 A

JLM:gw 1. 7. . . . 4. TA

> 71 72900 EnrieT

ATTACHMENT 18



## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

#### REGION IV

345 COURTLAND STREET, N.E. ATLANTA, GEORGIA 30365

APR 4 1990

4APT-AEB

RECEIVED

APR 09 1990

Mr. C. H. Fancy, P.E., Chief
Bureau of Air Regulation
Florida Department of Environmental
Regulation
Twin Towers Office Building

DER-BAQIN

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

RE: Seminole Kraft Corporation (PSD-FL-141)

Dear Mr. Fancy:

This is to acknowledge receipt of a package from your office transmitting a request from Seminole Kraft Corporation to modify their prevention of significant deterioration (PSD) permit, dated February 16, 1990. As discussed between Mr. Pradeep Raval of your staff and Mr. Gregg Worley of my staff on March 30, 1990, we have the following comments.

#### CREDITABLE EMISSIONS REDUCTIONS

The source has requested that conditions be placed in the PSD permit to allow them the flexibility to convert to 100% recycled fiber in lieu of constructing the new recovery boiler. In the event that the source makes the decision to convert to recycled fiber, the source would like to retain emissions credit for the units which would be shut down at the facility (i.e., the existing kraft pulp mill). The credit for shutting down any units may be retained but we must emphasize that such credit must be based on actual operating data from the two years previous to the shutdown, unless another time period is determined to be more representative of actual operating The information submitted by Seminole Kraft is conditions. based on the years 1983-84. Apparently the source used the operating hours of this time period along with presently permitted allowable emission rates to arrive at their creditable emission reductions. This is not acceptable. We would suggest that it would be prudent of FDER to require testing of the units prior to shutdown for the pollutants which are to be credited. In any case, the actual emission rates must be used rather than the permitted allowable rates unless the actual emissions exceed the allowable emissions.

In a related matter, we do not think it is wise to include as a permit condition the language suggested by the source in provision 15 (d) which specifies what credits are available prior to the shutdown of the units. It appears that such a provision would lock FDER into accepting those numbers as creditable emissions no matter what the source operation was prior to shutdown. The fact that emissions resulting from federally enforceable shutdowns are creditible does not need to be established in a permit; the fact that such emissions are creditable is already established in federal and Florida In addition, the contemporaneous time period for regulations. which the emissions are creditable is established in Thus, it is redundant to state that "...the following emissions reductions will be available to Seminol $\epsilon$ Kraft for five (5) years from the date construction on this alternative is complete or November 12, 1992, whichever is earlier." By establishing a federally enforceable shutdown date at the completion of construction or November 12, 1992, whichever is earlier, it is understood that emissions credit is available for a period of five years from that point.

### EFFECT ON THE AES CEDAR BAY PROJECT

The AES project which is currently under review for permitting plans to use the ambient impacts of shutting down several units at Seminole Kraft in their air quality analysis. How will the proposed permit amendment by Seminole Kraft affect the AES project?

Thank you for the opportunity to review and comment on this proposal by Seminole Kraft. If you have any questions or comments on this matter, please do not hesitate to contact Mr. Gregg Worley of my staff at 404/347-2864.

Sincerely yours

Jewell A. Harper, Chief

Air Enforcement Branch Air, Pesticides and Toxics

Management Division

ATTACHMENT 19

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

ATTORNEYS AT LAW

M. CHRISTOPHER BRYANT
R. L. CALEEN, JR.
C. ANTHONY CLEVELAND
TERRY COLE
MARTHA J. EDENFIELD
SEGUNDO J. FERNANDEZ
KENNETH F. HOFFMAN
KENNETH G. OERTEL
HAROLD F. X. PURNELL
PATRICIA A. RENOVITCH
SCOTT SHIRLEY
THOMAS G. TOMASELLO
W. DAVID WATKINS

SUITE C 2700 BLAIR STONE ROAD TALLAHASSEE, FLORIDA 32301

MAILING ADDRESS.
POST OFFICE BOX 6507
TALLAHASSEE, FLORIDA 323/4-6507

TELEPHONE (904) 877-0099 FACSIMILE (904) 877-098)

JOHN H. MILLICAN
ENVIRONMENTAL CONSULTANT
(NOT A MEMBER OF THE FLORIDA BAR)

J. P. SUBRAMAN (, PH.D., P. E. ENVIRONMENTAL CONSULTANT (NUT A MEMBER OF THE FLORIDA BAR)

May 21, 1990 RECEIVED

MAY 2 1 1990

DER - BAQM

Mr. Bruce Mitchell
Engineer IV
Florida Department of
Environmental Regulation
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Re: Seminole Kraft Corporation

Construction Permit No. AC16-168607

#### Dear Bruce:

On behalf of Seminole Kraft this will amend the letter of February 16, 1990 dealing with the above construction permit. We request that the suggested amendment to paragraph 15 be changed as follows:

- 15. Seminole Kraft Corporation has indicated to the Department that as an alternative to replacing the three existing kraft recovery botlers with a new recovery botler, it may choose to convert the mill to a 100% recycle fiber operation and close down the kraft pulp mill, recovery boilers and associated facilities. In the event that Seminole Kraft chooses this alternative, the following conditions apply:
  - a. The existing three recovery boilers and three smelt dissolving tanks, will be permanently shut down and be made incapable of operation by November 12, 1992. Operating permits for these sources shall be turned into the BESD office by this same date.
  - b. Notice of Seminole Kraft's decision to proceed with construction of a new recovery boiler or to convert the mill to 100% recycle fiber operation shall be provided to DER and BESD by June 1, 1990.

- c. If Seminole Kraft chooses to convert the mill to 100% recycle fiber operation, it shall submit beminimual progress reports to DER and BESD by June 30 and December 31 of each year until the recycle fiber project is completed and in operation.
- d. To be inserted by DER.

We appreciate you cooperation in this matter. Please let me know if you have any questions.

Sincerely,

Terry cole

TC:slw

cc: Curt Barton Larry Stanley Mike Riddle

> 1 1-216 1.00 5.7-1.1.6250 0-4424

7. 1. 1. 1. 1. 1. 1.

ATTACHMENT 20



# State of Florida DEPARTMENT OF ENVIRONMENTAL REGULATION

	For Routing To Other Than The Addressee
то	rocation.
То	Location
ъ	Location
From	Date

# Interoffice Memorandum

TO: File: Seminole Kraft Corporation - Recovery Boiler

AC 16-168607 PSD-FL-141

FROM: Bruce Mitchell

DATE: June 1, 1990

SUBJ: Amendment to Mr. Terry Cole's letter dated May 21, 1990

In a phone conversation with Mr. Terry Cole, it was agreed to change the date in the proposed condition No. 15.b. from June 1, 1990 to June 15, 1990.

BM/plm



## **Seminole Kraft Corporation**

Jacksonville Mill

9469 Eastport Road P.O. Box 26998 Jacksonville, Florida 32218-0998

May 7, 1990

904 751-6400

Mr. Dale Twachtmann, Secretary Florida Department of Environmental Regulation 2600 Blair Stone Road Tallahassee, FL 32399-2400

Dear Mr. Twachtmann:

This letter is to inform you of some additional recycling plans at Seminole Kraft Corporation in Jacksonville. As you will recall from our January meeting, Seminole Kraft is in the process of making plans to convert our mill to 100% recycle fiber. These plans are progressing nicely. We expect to order major equipment in July and be fully operational by September, 1992.

You mentioned at our January meeting that a real concern of yours was old newspapers and could we do anything in this area. We indicated Seminole was always looking for recycle opportunities that would make economic sense and would seriously look into how we might use old newspaper. However, we had no idea we would be able to move so quickly.

The attached announcement is being released today by our parent company, Stone Container Corporation. As noted in this press release, Stone Container is unveiling a grocery sack that uses 20% old newspaper fiber, 13% saw mill waste and Kraft pulp in its makeup. The initial paper machine trials on the "good news" grocery sack paper were run on the No.1 paper machine at Seminole Kraft in Jacksonville. As noted in the press release, Stone plans to have adequate supplies of "good news" grocery sacks available to meet supermarket demand by the end of 1990. Seminole Kraft will be a key supplier of the paper which will be used by Stone's converting plants to make the "good news" grocery sacks.

We plan to produce 120,000 TPY of "good news" sack paper on our No.1 paper machine instead of 100% virgin kraft paper. We will use 30,000 tons per year of old newsprint in this paper. This is approximately the same amount that is used in the First Coast area each year.



Mr. Dale Twachtmann, P.E. May 7, 1990 Page 2

It should also be noted that this change in fiber composition will have no negative effects on the environment systems at the mill. Our environmental review indicates the wastewater characteristics will remain essentially the same. TRS emissions may actually decrease slightly as the result of slightly less kraft pulp production. Seminole will continue to comply with all applicable regulations and permit conditions.

Seminole Kraft is very pleased that this recycle concept came to fruition so quickly to assist in Florida's recycling effort. Please let me know if you have any questions.

Sincerely,

: ......

L.A. Stanley General Manager

ah

CC: Ernest Frey
Jim Manning - BESD





Stone Container Corporation (160 Morth Michigan (Warthe) (Clambita, Et nor v. 1980 (17.198) (1.198)

#### Contact:

William J. Klaisle Stone Container Corporation (312) 580-4718

#### FOR IMMEDIATE RELEASE

STONE CONTAINER ANNOUNCES RECYCLING BREAKTHROUGH

-- GROCERY BAG MADE FROM OLD NEWSPAPERS

Process Could Use Up 1.5 Billion Pounds Of Used Newsprint Annually

CHICAGO, IL., May 7 -- A new recycling breakthrough that could use up 1.5 billion pounds of old newspapers annually in the manufacture of grocery bags was announced today by Stone Container Corporation.

The disclosure follows full-scale production testing completed in the last 10 days at Stone's Jacksonville paper mill and Yulee bag plant, both in Florida.

Stone calls its new product, which is composed of 20 percent old newsprine, the "Good News" bag. "We gave it this name because we're excited that we have discovered a significant new and practical use for old newspapers", said Ira. N. Stone, senior vice president, who made the announcement. "It is a recycling development for which our R&D people have been searching. Stone already has considerable knowledge about recycling newspapers since we are one of the world's largest suppliers of recycled newsprint. Our newsprint mills around the world use old newspapers in about 44% of the paper we make," he said.

Production plans at the Jacksonville paper mill call for 60 million pounds of old newspapers being recycled yearly in the manufacture of the "Good News" bag. "We fully expect this figure to grow. Only the market will determine how the capacity grows," said the Stone executive. "If all grocery bags in the country were made of paper containing 20 percent newsprint we would use up 1.5 billion pounds of old newspapers. And, that would save a tremendous amount of landfill space."

According to industry figures, that volume is equal to the total annual newsprint usage of the Sun-Times, Chicago Tribune, New York Times and Wall Street Journal.

"We expect to be able to be making the "Good News" bag at all our mills over the next few months," said Stone, adding, "this is just the beginning. We are also looking at the possibility of increasing the old newsprint content beyond the 20% level which could mean that it might be possible to consume an even greater amount of old newspapers in the future. We are also offering our new recycling knowhow to other paper bag producers because we believe the industry should work together when there are opportunities where we can all help with a solution to the growing solid waste problem."

Extensive testing of the new grocery bag shows that it meets or exceeds all the properties of a 100% virgin bag with respect to tear, weight, appearance, and strength.

Initial shipments for the "Good News" bag are going to supermarket chains in the southeast but will be made available nationally in the coming weeks. "The few supermarket chains that have been exposed to the new bag in the last week or so have been very excited about it", said Stone. "We expect interest to grow

as the industry continues to respond to growing consumer concerns about the environment and the ability to recycle packaging taken home from the supermarkets.

Thinking about the future and how supermarkets, consumers and manufactures like ourselves might work even closer together, Stone suggested "we have also given some thought to encouraging consumers to fill their paper bags with old newspapers and return them together at their recycling center. We can recycle both papers into new bags once again."

The new recycling development follows Stone announcement to spend some \$200 million over the next two years to increase its total use of old corrugated containers and old newsprint from about 2 million tons to 3 million tons. On a combined basis, said Stone, "we believe this makes us the largest user of these recycled paper grades in North America and possibly the world."

Headquartered in Chicago, Stone Container Corporation is a major international pulp and paper company. With manufacturing facilities in the United States, Canada, the United Kingdom, Western Germany, the Netherlands and Mexico (an affiliate), the Company's product line includes containerboard, cor agated containers, kraft paper, paper bags and sacks, market pulp, newsprint, groundwood specialties, flexible packaging, and wood products.

JUN 7 1990



# Florida Department of Environmental Regulation

Twin Towers Office Bldg. ● 2600 Blair Stone Road ● Tallahassee, Florida 32399-2400

Bob Martinez, Governor

Dale Twachtmann, Secretary

John Shearer, Assistant Secretary

June 4, 1990

Mr. L. A. Stanley General Manager Seminole Kraft Corporation Post Office Box 26998 Jacksonville, Florida 32218-0998 DECEIVED

JUN 12 1990

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

Dear Mr. Stanley:

Thank you for your May 7 letter concerning recycling activities at Seminole Kraft Corporation in Jacksonville. We applaud your efforts to convert your mill to 100% recycled fiber and your plan to be fully operational by September 1992. By then, the county recycling programs will be in high gear and we will need all the recycling capacity we can muster.

Your announcement about the "good news" recycled paper grocery sack is also very exciting and will be a great addition to uses for old newspaper. It was especially gratifying to hear that there would be no additional environmental impacts at the mill resulting from these changes.

We have been very impressed lately with the activities and commitment of the paper industry to recycling. This includes the announcement by the Florida Press Association of a statewide task force to improve the recycling of old newspaper, as well as the recent announcement by the American Paper Institute of its 40% recycling goal by 1995. These steps show the commitment by the paper industry to help solve Florida's solid waste problems.

Thank you for keeping us apprised of your recycling activities and for showing such leadership in recycling. If other industries were to follow your example, we should have no problems achieving our recycling goals.

Dale Twachtmann

Secretary

DT/bhm