

Harvey, Mary

From: Kirts, Christopher
To: Harvey, Mary
Sent: Wednesday, September 12, 2007 12:56 PM
Subject: Read: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.

Your message

To: 'Mr. George Langstaff, Smurfit-Stone Container Enterprises, Inc.'; 'Mr. Bill Crews, Smurfit-Stone Container Enterprises, Inc.'; Kirts, Christopher; 'Mr. David Buff, P.E., Golder Associates, Inc.'; 'Mr. James Little, EPA Region 4'; 'Ms. Kathleen Forney, EPA Region 4'
Cc: Mitchell, Bruce; Adams, Patty; Gibson, Victoria
Subject: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.
Sent: 9/10/2007 3:53 PM

was read on 9/12/2007 12:56 PM.

Harvey, Mary

From: Mitchell, Bruce
Sent: Tuesday, September 11, 2007 9:49 AM
To: Harvey, Mary
Subject: RE: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.

9/11/07

Dear Mary,

Good morning and many thanks for handling the project. Have a great day.

Bruce

From: Harvey, Mary
Sent: Monday, September 10, 2007 3:53 PM
To: 'Mr. George Langstaff, Smurfit-Stone Container Enterprises, Inc.'; 'Mr. Bill Crews, Smurfit-Stone Container Enterprises, Inc.'; Kirts, Christopher; 'Mr. David Buff, P.E., Golder Associates, Inc.'; 'Mr. James Little, EPA Region 4'; 'Ms. Kathleen Forney, EPA Region 4'
Cc: Mitchell, Bruce; Adams, Patty; Gibson, Victoria
Subject: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.

Dear Sir/Madam:

Please send a "reply" message verifying receipt of the attached document(s); this may be done by selecting "Reply" on the menu bar of your e-mail software and then selecting "Send". We must receive verification of receipt and your reply will preclude subsequent e-mail transmissions to verify receipt of the document(s).

The document(s) may require immediate action within a specified time frame. Please open and review the document(s) as soon as possible.

The document is in Adobe Portable Document Format (pdf). Adobe Acrobat Reader can be downloaded for free at the following internet site:
<http://www.adobe.com/products/acrobat/readstep.html>.

The Bureau of Air Regulation is issuing electronic documents for permits, notices and other correspondence in lieu of hard copies through the United States Postal System, to provide greater service to the applicant and the engineering community. Please advise this office of any changes to your e-mail address or that of the Engineer-of-Record.

Thank you,

DEP, Bureau of Air Regulation

9/11/2007

Harvey, Mary

From: Harvey, Mary
Sent: Monday, September 10, 2007 3:53 PM
To: 'Mr. George Langstaff, Smurfit-Stone Container Enterprises, Inc.'; 'Mr. Bill Crews, Smurfit-Stone Container Enterprises, Inc.'; Kirts, Christopher; 'Mr. David Buff, P.E., Golder Associates, Inc.'; 'Mr. James Little, EPA Region 4'; 'Ms. Kathleen Forney, EPA Region 4'
Cc: Mitchell, Bruce; Adams, Patty; Gibson, Victoria
Subject: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.
Attachments: 0890003.019.AC.R_pdf.zip

Tracking:	Recipient	Read
	<input checked="" type="checkbox"/> Mr. George Langstaff, Smurfit-Stone Container Enterprises, Inc.'	
	<input checked="" type="checkbox"/> Mr. Bill Crews, Smurfit-Stone Container Enterprises, Inc.'	
	<input checked="" type="checkbox"/> Kirts, Christopher	Read: 9/12/2007 12:56 PM
	<input checked="" type="checkbox"/> Mr. David Buff, P.E., Golder Associates, Inc.'	
	<input checked="" type="checkbox"/> Mr. James Little, EPA Region 4'	
	<input checked="" type="checkbox"/> Ms. Kathleen Forney, EPA Region 4'	
	<input checked="" type="checkbox"/> Mitchell, Bruce	
	<input checked="" type="checkbox"/> Adams, Patty	Read: 9/10/2007 4:26 PM
	Gibson, Victoria	

Dear Sir/Madam:

Please send a "reply" message verifying receipt of the attached document(s); this may be done by selecting "Reply" on the menu bar of your e-mail software and then selecting "Send". We must receive verification of receipt and your reply will preclude subsequent e-mail transmissions to verify receipt of the document(s).

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Thank you,

DEP, Bureau of Air Regulation

9/17/2007

Harvey, Mary

From: Langstaff, George [GLANGSTA@SMURFIT.COM]
Sent: Monday, September 10, 2007 4:07 PM
To: Harvey, Mary
Cc: Crews, Bill
Subject: RE: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.

Mary,

As requested, this will serve as confirmation of our receipt of the referenced material.

Bill and his team will review and advise if there are any questions.

Thanks,

George Langstaff

work Fernandina Mill: (904) 277-5723

cell: (314) 409-1428

glangstaff@smurfit.com

From: Harvey, Mary [mailto:Mary.Harvey@dep.state.fl.us]
Sent: Monday, September 10, 2007 3:53 PM
To: Langstaff, George; Crews, Bill; Kirks, Christopher; Mr. David Buff, P.E., Golder Associates, Inc.; Mr. James Little, EPA Region 4; Ms. Kathleen Forney, EPA Region 4
Cc: Mitchell, Bruce; Adams, Patty; Gibson, Victoria
Subject: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.

Dear Sir/Madam:

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<http://www.adobe.com/products/acrobat/readstep.html>.

The Bureau of Air Regulation is issuing electronic documents for permits, notices and other correspondence in lieu of hard copies through the United States Postal System, to

9/10/2007

Harvey, Mary

From: Forney.Kathleen@epamail.epa.gov
Sent: Monday, September 10, 2007 3:56 PM
To: Harvey, Mary
Subject: Re: FW: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.

thanks. got them this time...

Katy R. Forney
Air Permits Section
EPA - Region 4
61 Forsyth St., SW
Atlanta, GA 30024 .

Phone: 404-562-9130
Fax: 404-562-9019

"Harvey, Mary"
<Mary.Harvey@dep
.state.fl.us>

09/10/2007 03:55
PM

To
Kathleen Forney/R4/USEPA/US@EPA
cc
Subject
FW: Draft Permit
#0890003-019-AC-/PSD-FL-062B -
Smurfit-Stone Container
Enterprises, Inc.

Sorry about that.

Thanks,
Mary

From: Harvey, Mary
Sent: Monday, September 10, 2007 3:53 PM
To: 'Mr. George Langstaff, Smurfit-Stone Container Enterprises, Inc.'; 'Mr. Bill Crews, Smurfit-Stone Container Enterprises, Inc.'; Kirts, Christopher; 'Mr. David Buff, P.E., Golder Associates, Inc.'; 'Mr. James Little, EPA Region 4'; 'Ms. Kathleen Forney, EPA Region 4'
Cc: Mitchell, Bruce; Adams, Patty; Gibson, Victoria
Subject: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.

Dear Sir/Madam:

Harvey, Mary

From: Buff, Dave [DBuff@GOLDER.com]
To: undisclosed-recipients
Sent: Monday, September 10, 2007 4:08 PM
Subject: Read: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.

Your message

To: DBuff@GOLDER.com
Subject:

was read on 9/10/2007 4:08 PM.

Harvey, Mary

From: Crews, Bill [BCREWS@SMURFIT.COM]
To: undisclosed-recipients
Sent: Monday, September 10, 2007 4:04 PM
Subject: Read: Draft Permit #0890003-019-AC-/PSD-FL-062B - Smurfit-Stone Container Enterprises, Inc.

Your message

To: BCREWS@SMURFIT.COM
Subject:

was read on 9/10/2007 4:04 PM.



Florida Department of Environmental Protection

Bob Martinez Center
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

September 7, 2007

Mr. George Q. Langstaff, V.P., Regional Mill Operations
Smurfit-Stone Container Enterprises, Inc.
North 8th Street
Fernandina Beach, Florida 32034

Re: Draft Permit Nos. 0890003-019-AC / PSD-FL-062B
Fernandina Beach Mill, No. 7 Power Boiler
Revisions to Permit Nos. AC45-35532 and PSD-FL-062
Revised Draft Permit Package

Dear Mr. Langstaff:

On March 6, 2007, you submitted an application to remove a limit on the fuel sulfur content for coal and to remove a requirement to meet Performance Specification 3 in Appendix B of Title 40, Code of Federal Regulations, Part 60 for the existing flue gas oxygen meter for the No. 7 Power Boiler at the Fernandina Beach Mill. The Department's permitting package issued electronically on July 17, 2007, is hereby rescinded. Enclosed is a revised draft permit package including the following documents:

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

Please submit any written comments you wish to have considered concerning the permitting authority's proposed action to Jeff Koerner at the above letterhead address. If you have any questions, please contact the project engineer, Bruce Mitchell, at 850/413-9198.

Sincerely,

Trina Vielhauer, Chief
Bureau of Air Regulation

Enclosures

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

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

Smurfit-Stone Container Enterprises, Inc.
North 8th Street
Fernandina Beach, Florida 32034

Air Permit No. 0890003-019-AC
Facility ID No. 0890003
Fernandina Beach Mill
No. 7 Power Boiler, Permit Revisions
Revised Draft Permit
Nassau County, Florida

Authorized Representative:

Mr. George Q. Langstaff, V.P., Regional Mill Operations

Facility Location: The applicant, Smurfit-Stone Container Enterprises, Inc., operates an existing Kraft pulp and paper mill located in Nassau County at North 8th Street, Fernandina Beach, Florida.

Project: The No. 7 Power Boiler was originally permitted in 1981. At that time, EPA Region 4 issued the preconstruction review permit for the Prevention of Significant Deterioration (PSD) of Air Quality and the Department issued the state air construction permit. The applicant requests revision of these permits to remove a limit on the fuel sulfur content for coal and to remove a requirement to meet Performance Specification 3 in Appendix B of Title 40, Code of Federal Regulations, Part 60 for the existing flue gas oxygen meter. Since these permit conditions originate from historical EPA and Department construction permits, the Bureau of Air Regulation is the permitting authority for considering the requests.

After review of the historical permitting documents, the Department finds it unnecessary to revise the permit with regard to the fuel sulfur limit. Although the draft permit included a limit on the coal fuel sulfur, the final permit uses the actual fuel sulfur from coal sampling and analysis to calculate the predicted sulfur dioxide emissions to ensure continual compliance. The Department determined that the requirement to meet Performance Specification 3 for the existing flue gas oxygen meter could be removed because the meter is used to measure the oxygen content of the exhaust from the boiler flue for promoting good combustion practices. Pursuant to Rule 62-297.310(7), Florida Administrative Code (F.A.C.), the Department will also clarify the permit to establish annual testing to demonstrate compliance with emissions standards for nitrogen oxides, particulate matter, sulfur dioxide and opacity.

The Department rescinds the original draft permit package issued on July 17, 2007, and issues this revised draft permit package.

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

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

Public Notice: Pursuant to Section 403.815, F.S. and Rules 62-110.106 and 62-210.350, F.A.C., you (the

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

applicant) are required to publish at your own expense the enclosed Public Notice of Intent to Issue Air Permit (Public Notice). The Public Notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected by this project. The newspaper used must meet the requirements of Sections 50.011 and 50.031, F.S. in the county where the activity is to take place. If you are uncertain that a newspaper meets these requirements, please contact the Permitting Authority at above address or phone number. Pursuant to Rule 62-110.106(5) and (9), F.A.C., the applicant shall provide proof of publication to the Permitting Authority at the above address within 7 days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rule 62-110.106(11), F.A.C.

Comments: The Permitting Authority will accept written comments concerning the proposed Draft Permit for a period of 14 days from the date of publication of the Public Notice. Written comments must be postmarked by the Permitting Authority by close of business (5:00 p.m.) on or before the end of this 14-day period. If written comments received result in a significant change to the Draft Permit, the Permitting Authority shall revise the Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of when and how each petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact. If there are none, the petition must so state; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action including an explanation of how the alleged facts relate to the specific rules or statutes; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

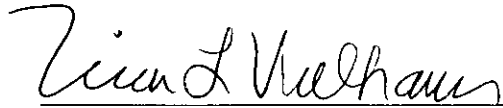
Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Written

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

Notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation: Mediation is not available in this proceeding.

Executed in Tallahassee, Florida.



Trina Vielhauer, Chief
Bureau of Air Regulation

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

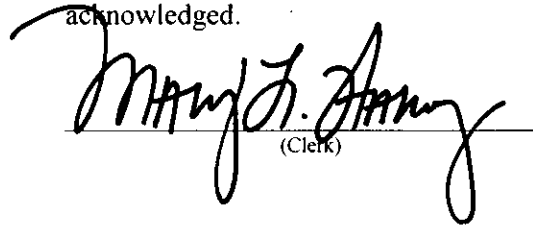
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Written Notice of Intent to Issue Air Permit package (including the Public Notice, the Technical Evaluation and Preliminary Determination, and the Revised Draft Permit) was sent by electronic mail with received receipt requested before the close of business on 9/10/07 to the persons listed below.

- cc: Mr. George Langstaff, Smurfit-Stone Container Enterprises, Inc. (glangsta@smurfit.com)
- Mr. Bill Crews, Smurfit-Stone Container Enterprises, Inc. (bcrews@smurfit.com)
- Mr. Chris Kirts, Northeast District (Christopher.Kirts@dep.state.fl.us)
- Mr. David Buff, P.E., Golder Associates, Inc. (dbuff@golder.com)
- Mr. James Little, EPA Region 4 (Little.James@epa.gov)
- Ms. Kathleen Forney, EPA Region 4 (Forney.Kathleen@epa.gov)

Clerk Stamp

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



(Clerk)

9/10/07
(Date)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Florida Department of Environmental Protection (Department)
Division of Air Resource Management, Bureau of Air Regulation

Draft Air Permit Nos. 0890003-019-AC / PSD-FL-062B
Smurfit-Stone Container Enterprises, Inc., Fernandina Beach Mill

Nassau County, Florida

Applicant: The applicant for this project is Smurfit-Stone Container Enterprises, Inc. The applicant's authorized representative and mailing address is: Mr. George Q. Langstaff, V.P., Regional Mill Operations, Smurfit-Stone Container Enterprises, Inc., North 8th Street, Fernandina Beach, Florida 32034.

Facility Location: The applicant, Smurfit-Stone Container Enterprises, Inc., operates an existing Kraft pulp and paper mill located in Nassau County at North 8th Street, Fernandina Beach, Florida.

Project: The No. 7 Power Boiler was originally permitted in 1981. At that time, EPA Region 4 issued the preconstruction review permit for the Prevention of Significant Deterioration (PSD) of Air Quality and the Department issued the state air construction permit. The applicant requests revision of these permits to remove a limit on the fuel sulfur content for coal and to remove a requirement to meet Performance Specification 3 in Appendix B of Title 40, Code of Federal Regulations, Part 60 for the existing flue gas oxygen meter. Since these permit conditions originate from historical EPA and Department construction permits, the Bureau of Air Regulation is the permitting authority for considering the requests.

After review of the historical permitting documents, the Department finds it unnecessary to revise the permit with regard to the fuel sulfur limit. Although the draft permit included a limit on the coal fuel sulfur, the final permit uses the actual fuel sulfur from coal sampling and analysis to calculate the predicted sulfur dioxide emissions to ensure continual compliance. The Department determined that the requirement to meet Performance Specification 3 for the existing flue gas oxygen meter could be removed because the meter is used to measure the oxygen content of the exhaust from the boiler flue for promoting good combustion practices. Pursuant to Rule 62-297.310(7), Florida Administrative Code (F.A.C.), the Department will also clarify the permit to establish annual testing to demonstrate compliance with emissions standards for particulate matter, nitrogen oxides, sulfur dioxide and opacity.

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

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

<http://www.dep.state.fl.us/air/eproducts/apds/default.asp>.

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

(Public Notice to be Published in the Newspaper)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

Comments: The Permitting Authority will accept written comments concerning the proposed Draft Permit for a period of 14 days from the date of publication of the Public Notice. Written comments must be postmarked by the Permitting Authority by close of business (5:00 p.m.) on or before the end of this 14-day period. If written comments received result in a significant change to the Draft Permit, the Permitting Authority shall revise the Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address and telephone number of the petitioner; the name address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial rights will be affected by the agency determination; (c) A statement of when and how the petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact. If there are none, the petition must so state; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action including an explanation of how the alleged facts relate to the specific rules or statutes; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

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

Mediation: Mediation is not available for this proceeding.

(Public Notice to be Published in the Newspaper)

**TECHNICAL EVALUATION
&
PRELIMINARY DETERMINATION**

PROJECT

Draft Permit No. 0890003-019-AC / PSD-FL-062B
Revisions to Permit Nos. AC45-35532 and PSD-FL-062
No. 7 Power Boiler, Fernandina Beach Mill
Revised Draft Permit Package

APPLICANT

Smurfit-Stone Container Enterprises, Inc.
North 8th Street
Fernandina Beach, Florida 32034

Nassau County, Florida

Fernandina Beach Mill
ARMS Facility ID No. 0890003

PERMITTING AUTHORITY

Air Permitting North
Bureau of Air Regulation
Division of Air Resource Management
Department of Environmental Protection (Department)



September 7, 2007

{Filename: 0890003-019-AC -1 REVISED TEPD.DOC}

1. GENERAL PROJECT INFORMATION

Applicant and Facility

The applicant, Smurfit-Stone Container Enterprises, Inc., operates the Fernandina Beach Mill, which is an existing pulp and paper mill (SIC Nos. 2631 and 2653) located in Nassau County at North 8th Street, Fernandina Beach, Florida. The UTM coordinates are: Zone 17; 456.2 km East; and, 3394.1 km North. This facility is a fully integrated Kraft linerboard mill that consists of a wood yard, pulp mill, recycle plant, chemical recovery plant, power house, paperboard mill and corrugated containers plant. The primary regulatory categories are:

- The mill is a major source of hazardous air pollutants.
- The mill has no units subject to the acid rain provisions of the Clean Air Act.
- The mill is a Title V major source of air pollution in accordance with Chapter 213, Florida Administrative Code (F.A.C.).
- The mill is a major stationary source in accordance with Rule 62-212.400, F.A.C. for the Prevention of Significant Deterioration (PSD) of Air Quality.

Project Description

The No. 7 Power Boiler is an existing unit with a permitted capacity of 1021 MMBtu of heat input per hour. It was originally authorized to fire coal and wood as the primary fuel, as well as No. 6 fuel oil for startup, shutdown, and when coal is not available. It was constructed in accordance with the following air construction permits: No. AC45-35532 issued by the Department on March 12, 1981 and PSD-FL-062 issued by Region 4 of the Environmental Protection Agency (EPA) on April 13, 1981. At that time, EPA Region 4 was processing PSD permits under the federal program for Florida. The current Title V air operation permit includes two conditions that the applicant requests be deleted: a limit on the fuel sulfur content for coal and the requirement to meet Performance Specification 3 in Appendix B of Title 40, Code of Federal Regulations (CFR), Part 60 for the existing flue gas oxygen meter. Since these permit conditions originate from historical EPA and Department construction permits, the Bureau of Air Regulation is the permitting authority for considering the requests.

Processing Schedule

- 03/06/07: Received application for revised PSD and air construction permit conditions.
- 04/11/07: Requested additional information.
- 05/04/07: Received additional information; application complete.

2. APPLICABLE REGULATIONS

The project is subject to the following regulatory requirements: the applicable environmental laws in Section 403 of the Florida Statutes (F.S.); the applicable air quality regulations in the F.A.C. Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296 and 62-297; and the applicable air quality regulations in Parts 60, 61 and 63 of Title 40 of the Code of Federal Regulations (CFR). The project is not subject to PSD preconstruction review because the request is to revise existing permit conditions that will not result in any emissions increases. There are no newly applicable state or federal regulations resulting from the request.

3. DEPARTMENT REVIEW

Fuel Sulfur Limit on Coal

Request: The applicant requests that the fuel sulfur limit of the coal be deleted from the original air construction permits. The current sulfur dioxide (SO₂) standard is in units of "lb/MMBtu of heat input". Compliance with this standard has historically been demonstrated by fuel sampling and analysis.

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

Determination: The Department researched the original and subsequent permitting documents. The EPA PSD permit specifies the SO₂ standard in units of "lb/MMBtu of heat input" and does not include a limit of fuel sulfur for coal. In fact, the permit includes a requirement to design into the project adequate room for a flue gas desulfurization system if low sulfur coal is not available. The Department's draft permit included a limit of 0.75% sulfur by weight for coal. However, the final permit (see specific condition No. 8) specifies the use of an equation to determine compliance with the SO₂ standard based on the measured fuel sulfur content. This allows a determination of the acceptability of the coal prior to it being shipped from the mine to the mill. The equation includes a factor that assumes that a small fraction of available fuel sulfur is not converted to SO₂ or is absorbed by the alkaline fly ash. This issue is specifically addressed in the Final Determination dated March 9, 1981. Since there is no specific limit on fuel sulfur in either permit, no changes are necessary. The fuel sulfur limit may be removed from the Title V permit.

Fuel sulfur sampling and analysis in conjunction with the specified equation is used as periodic monitoring between tests to provide reasonable assurance of compliance on a continual basis. Compliance with the SO₂ emissions standard in terms of lb/MMBtu must be demonstrated by conducting tests in accordance with EPA Method 6. Therefore, the Department will revise the Department's permit to require annual stack testing pursuant to Rule 62-297.310(7), F.A.C. to demonstrate compliance with the SO₂ emissions standard. This will also provide reasonable assurance that the assumptions regarding the available fuel sulfur remain valid. In addition, Rule 62-297.310(7), F.A.C. requires annual testing to demonstrate compliance with the permitted emissions standards for particulate matter, SO₂, nitrogen oxides (NO_x), and opacity.

Flue Gas Oxygen Meter

Request: The PSD permit requires installation and operation of a continuous oxygen monitoring system that meets Performance Specification 3 in Appendix B of 40 CFR 60. The purpose of the oxygen monitoring system was to establish set points that represent good combustion practices for minimizing emissions of NO_x and carbon monoxide (CO). To satisfy this requirement, the applicant installed and operates a flue gas oxygen meter in the economizer section of the boiler that provides immediate feedback to the operator to make combustion air adjustments. This type of meter at this location satisfies the purpose of the permit condition, but cannot meet the requirements of Performance Specification 3. Therefore, the applicant requests that the condition be revised accordingly.

Determination: The Department researched the original and subsequent permitting documents. The No. 7 Power Boiler is subject to the applicable provisions of Subpart D in 40 CFR 60. This includes emissions limiting and monitoring standards for NO_x and SO₂. Pursuant to 40 CFR 60.45(a)(2), a continuous emissions monitoring system (CEMS) was not required for SO₂ because a monitoring protocol based on fuel sampling and analysis was approved on December 11, 1989. Pursuant to 40 CFR 60.45(a)(3), a CEMS for NO_x was not required because initial test results (December 7, 1984) showed actual emissions were less than 70% of the applicable Subpart D standard. Pursuant to 40 CFR 60.45(a)(4), an oxygen monitoring system meeting the requirements of Performance Specification 3 is not required because the SO₂ and NO_x CEMS are not required.

Neither permit requires an SO₂ or NO_x CEMS. The Department's permit only requires an oxygen monitoring system to meet the Subpart D provisions, which do not require the installation of an oxygen monitoring system when SO₂ and NO_x CEMS are not required. The EPA permit requires the permittee to minimize NO_x formation by optimizing combustion conditions through the use of a flue gas oxygen meter in accordance with an attachment to the permit. The permit attachment requires a continuous oxygen monitoring system that meets Performance Specification 3 in Appendix B of 40 CFR 60. It also requires CO (EPA Method 10) and NO_x (EPA Method 7) tests to establish oxygen set points for purposes of minimizing these emissions.

After providing written notification to the Department on August 18, 1983, the permittee installed a flue gas oxygen meter in the economizer section of the boiler for purposes of adjusting combustion air to ensure good combustion. At this location, it is not possible to meet the requirements of Performance Specification 3. Based on testing, the oxygen set points were established as 2.7% and 7.7%. This oxygen operational range was specified in the subsequent air operation permits including the latest Title V air operation permit. In a letter dated

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

October 30, 2002, the Department clarified that the averaging period for the oxygen set points was a 3-hour average.

The applicant provided information from the boiler manufacturer identifying that locating the oxygen meter in the economizer section of the boiler is typical and provides useful feedback to the operator for implementing good combustion practices. Although an oxygen monitor could be located in the stack that would meet Performance Specification 3, the results would be diluted by air drawn into the equipment and ductwork (e.g., air heater leakage) and not reflect the true flue gas oxygen content. Although useful for correcting stack gases to a specific oxygen level, the monitor loses effectiveness for providing quick feedback to the operator as a representative measurement of the flue gas oxygen level.

Based on the history for this unit and the stated purpose of using the flue gas oxygen meter for good combustion practices, the Department agrees to remove the requirement to meet Performance Specification 3. However, the Department will also revise the air construction permit to require the permittee to conduct annual testing in accordance with EPA Method 7 to demonstrate compliance with the NO_x emissions standards. Concurrent with each annual NO_x test, testing in accordance with EPA Method 10 will be required to determine CO emissions. The permittee will be required to verify that the current oxygen set points (2.7% and 7.7%) continue to represent good combustion practices.

In an initial draft permit package issued on July 17, 2007, the Department required daily calibrations of the oxygen monitor. After discussions with the equipment vendor, Yokigawa, and additional information provided by the applicant, the Department revised this frequency to at least monthly. The existing oxygen monitor has shown to be stable and limited adjustments have been necessary. The oxygen level is used as an input parameter to the automated control system to adjust the combustion air. The oxygen level is recorded in three separate data bases: the plant information system, the automated control system, and the environmental reporting system.

Fuel Oil Sulfur Issue

During the processing of this request, the Department also reviewed the issue of the sulfur content of No. 6 fuel oil fired for startup, shutdown, and when coal is not available. For oil-fired units, Subpart D establishes emissions standards for SO₂, NO_x and particulate matter. When firing No. 6 fuel oil with a sulfur content of 2.5% by weight, it would not be possible to comply with the SO₂ standard of 0.80 lb/MMBtu. However, based on previous determinations by EPA (e.g., Applicability Determinations Nos. D097 and NB29), the Subpart D standards do not apply during periods of startup, shutdown and malfunction. Nevertheless, emissions during these periods must be limited to the extent practicable pursuant to 40 CFR 60.11(d).

The original Department permit allows fuel oil usage for startup, shutdown, and "when coal is not available". The applicant indicates that the boiler was originally designed to have 8 oil guns to achieve full capacity; however, only 4 oil guns were installed. Based on this configuration, the boiler can only achieve approximately 30% of full boiler load. This further shows that oil is not intended for or capable of sustaining normal operation. Since the permit is open, the Department will revise the conditions to authorize oil firing for startup, shutdown and malfunction to clarify that the Subpart D standards do not apply. In addition, it is noted that fuel oil firing for steady-state operation was not considered during the original PSD preconstruction review and is not authorized by this permit.

4. PRELIMINARY DETERMINATION

The Department makes a preliminary determination that the proposed project will comply with all applicable state and federal air pollution regulations as conditioned by the revised draft permit. This determination is based on a technical review of the complete application, reasonable assurances provided by the applicant, and the conditions specified in the revised draft permit. No air quality modeling analysis is required because the project does not result in a significant increase in emissions. Bruce Mitchell and Jeff Koerner reviewed the application and drafted the permit.

DRAFT

Sent by Electronic Mail - Received Receipt Requested

Mr. George Q. Langstaff, V.P., Regional Mill Operations
Smurfit-Stone Container Enterprises, Inc.
North 8th Street
Fernandina Beach, Florida 32034

Re: Air Permit No. 0890003-019-AC / PSD-FL-062B
Revises Permit Nos. AC45-35532 and PSD-FL-062
No. 7 Power Boiler, Fernandina Beach Mill

Dear Mr. Langstaff:

This letter revision modifies existing permit conditions to: clarify that the use of fuel oil is only for startup, shutdown and malfunction in accordance with Title 40, Code of Federal Regulations (CFR), Section 60.11(d); remove the requirement for the oxygen meter to meet Performance Specification 3 in Appendix B of 40 CFR 60; and impose annual tests for particulate matter (PM), sulfur dioxide (SO₂), nitrogen oxides (NO_x), carbon monoxide (CO) and opacity. Additions are double-underlined and deletions are single strike-through. This letter shall be attached to the original permits.

This permit is issued pursuant to Chapter 403, Florida Statutes (F.S.). Any party to this order has the right to seek judicial review of it under Section 120.68, F.S., by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel, Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000, and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within 30 days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.

(DRAFT)

Joseph Kahn, Director
Division of Air Resource Management

cc: Mr. George Langstaff, Smurfit-Stone Container Enterprises, Inc. (glangstaf@smurfit.com)
Mr. Bill Crews, Smurfit-Stone Container Enterprises, Inc. (bcrews@smurfit.com)
Mr. Chris Kirts, Northeast District (Christopher.Kirts@dep.state.fl.us)
Mr. David Buff, P.E., Golder Associates, Inc. (dbuff@golder.com)
Mr. James Little, EPA Region 4 (Little.James@epa.gov)
Ms. Kathleen Forney, EPA Region 4 (Forney.Kathleen@epa.gov)

LETTER REVISION

REVISIONS TO AIR CONSTRUCTION PERMIT NO. AC45-35532

Specific Condition 4 of this permit is hereby revised as follows:

Before the construction permit expires, the proposed boiler will be sampled for pollutant emissions. Test procedures will be EPA reference methods 1, 2, 3, 4, 5, 6, 7, and 9 as described in 40 CFR 60, Appendix A or other approved methods. Minimum sampling time and volume will be as specified in new source performance standard for this type of source. Stack sampling facilities will include the eyebolts and angle described in the attached figures. During each federal fiscal year (September 1 – October 31), the permittee shall conduct testing in accordance with the above methods to demonstrate compliance with the emissions standards for particulate matter (PM), sulfur dioxide (SO₂), nitrogen oxides (NO_x), and opacity. During the NO_x tests, the permittee shall also conduct reference method 10 tests to determine carbon monoxide (CO) emissions and verify the minimum and maximum set points for the flue gas oxygen meter. Performance tests shall be conducted in accordance with the requirements of Rule 62-297.310, F.A.C., which includes notifications, operating rates during testing, record keeping and reporting requirements. The pollutant emission results shall be reported in terms of the emissions standards.

[Permit Nos. AC45-35532 and 0890003-019-AC; Rule 62-297.310(7), F.A.C.]

Specific Condition 7 of this permit is hereby revised as follows:

Fuel oil may be used for start-ups, shut-downs, and ~~stand-by when coal is not available~~ malfunction, but the emissions during these periods must be minimized to the extent practicable pursuant to 40 CFR 60.11(d). The oil will have a maximum sulfur content of 2.5% by weight. The emissions standards of NSPS Subpart D do not apply during startup, shutdown and malfunction.

[Permit Nos. AC45-35532 and 0890003-019-AC; 40 CFR 60.11(d)]

REVISION TO PERMIT NO. PSD-FL-062

The second paragraph of Attachment II (Use of Flue Gas Oxygen Meter as BACT for Combustion Controls) of this permit is hereby revised as follows:

~~The permittee shall install a continuous oxygen monitor in the flue of the permitted combustion device which meets the requirements of 40 CFR 60, Appendix B, Performance Specification 3.~~ To promote good combustion practices, the permittee shall install, calibrate, operate and maintain an oxygen meter in the flue of the No. 7 Power Boiler to continuously monitor and record the oxygen content of the boiler flue gas. At least monthly, the permittee shall calibrate the flue gas oxygen meter. Results of emission determinations shall be correlated to the flue gas oxygen content to define:

INTEROFFICE MEMORANDUM

TO: Trina Vielhauer, Bureau of Air Regulation
THROUGH: Jeff Koerner, Air Permitting North *JK*
FROM: Bruce Mitchell, Air Permitting North *BM*
DATE: September 6, 2007
SUBJECT: Smurfit-Stone Container Enterprises, Inc.
Fernandina Beach Mill
Permit Project No. 0890003-019-AC and No. PSD-FL-062B
Revisions to Permits Nos. AC45-35532 and PSD-FL-062
Revised Draft Permit Package

This project is subject to minor source preconstruction review. Attached for your review are the following items:

- Written Notice of Intent to Issue Air Permit;
- Public Notice of Intent to Issue Air Permit;
- Technical Evaluation and Preliminary Determination;
- Draft Permit; and
- P.E. Certification.

The draft permit revises original Permit Nos. AC45-35532 and PSD-FL-062 for the No. 7 Power Boiler at the Fernandina Beach Mill. The Technical Evaluation and Preliminary Determination provides a detailed description of the project and the rationale for issuance. The P.E. certification briefly summarizes the proposed project. We recommend your approval of the attached Draft Permit.

The original draft permit was issued electronically on July 17, 2007. The proposed action contained a requirement to calibrate an existing oxygen monitor "at least daily". The permittee had an issue with the daily calibration requirement and filed a request for additional time to file for an administrative hearing, which was granted by our Office of General Counsel on July 27. Since that time and based on discussions and correspondence with company representatives, the issue has been resolved and the calibration requirement of the monitor has been changed to "at least monthly". Therefore, the cover letter conveys the Department's intended permitting action and rescinds the previously issued permitting package.

Attachments

TLV/jk/bm