

Friday, Barbara

From: Kirts, Christopher
To: Friday, Barbara
Sent: Monday, October 22, 2007 11:31 AM
Subject: Read: Air Permit No.: 0890003-019-AC/PSD-FL-062B-Smurfit-Stone Container Enterprises, Inc. - Fernandina Beach Mill

Your message

To: 'glangstaf@smurfit.com'; 'bcrews@smurfit.com'; Kirts, Christopher; 'dbuff@golder.com'; 'Little.James@epamail.epa.gov'; 'Forney.Kathleen@epamail.epa.gov'
Cc: Mitchell, Bruce; Adams, Patty
Subject: Air Permit No.: 0890003-019-AC/PSD-FL-062B-Smurfit-Stone Container Enterprises, Inc. - Fernandina Beach Mill
Sent: 10/16/2007 9:49 AM

was read on 10/22/2007 11:31 AM.

Mitchell, Bruce

From: Friday, Barbara
Sent: Tuesday, October 16, 2007 9:49 AM
To: 'glangstaf@smurfit.com'; 'bcrews@smurfit.com'; Kirts, Christopher; 'dbuff@golder.com'; 'Little.James@epamail.epa.gov'; 'Forney.Kathleen@epamail.epa.gov'
Cc: Mitchell, Bruce; Adams, Patty
Subject: Air Permit No.: 0890003-019-AC/PSD-FL-062B-Smurfit-Stone Container Enterprises, Inc. - Fernandina Beach Mill
Attachments: 0890003-019-AC-PSD-FL-062BSmurfit-Stone Container-RevisionLetter.pdf-.pdf

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

10/16/2007

NOTICE OF FINAL AIR CONSTRUCTION PERMIT

In the Matter of an
Application for Permit by:

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

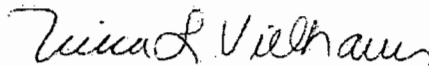
DEP File No. 0890003-019-AC/PSD-FL-062B
No. 7 Power Boiler, Fuel Usage, Oxygen Meter and Testing Revisions
Nassau County

Enclosed is the final air construction Permit No. 0890003-019-AC, which revises permit conditions related to the No. 7 Power Boiler requested for Smurfit-Stone Container Enterprises, Inc.'s existing mill located at North 8th Street, Nassau County. This permit is issued pursuant to Chapter 403, Florida Statutes (F.S.). The subject of the air construction permit is to remove the requirement to meet Performance Specification 3 for the existing flue gas oxygen meter. Pursuant to Rule 62-297.310(7), Florida Administrative Code (F.A.C.), the Department also established annual testing to demonstrate compliance with emissions standards for nitrogen oxides, particulate matter, sulfur dioxide and opacity.

No comments were received on this revised draft permit package during the Public Notice period.

Any party to this order (permit) has the right to seek judicial review of the permit pursuant to Section 120.68, F.S., by the filing of a Notice of Appeal pursuant to Rule 9.110, Florida Rules of Appellate Procedure, with the Clerk of the Department in the Legal Office; 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 of Appeal must be filed within 30 (thirty) days from the date this Notice is filed with the Clerk of the Department.

Executed in Tallahassee, Florida.



Trina L. Vielhauer
Chief
Bureau of Air Regulation

Smurfit-Stone Container Enterprises, Inc.
Final Air Construction Permit
0890003-019-AC/PSD-FL-062B

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this NOTICE OF FINAL AIR CONSTRUCTION PERMIT (including the Final permit) was sent electronically (with received receipt requested) before the close of business on 10/16/01 to the persons listed or as otherwise noted:

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 §120.52(7), Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.

Barbara J. Sunday 10/16/01
(Clerk) (Date)

Final Determination

Smurfit-Stone Container Enterprises, Inc.
Fernandina Beach Mill
Facility ID No. 0890003
Nassau County

Air Construction Permit
Permit Project No. 0890003-019-AC/PSD-FL-062B

I. Public Notice.

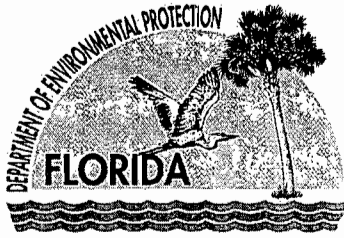
An Intent to Issue an Air Construction Permit to Smurfit-Stone Container Enterprises, Inc. for permit revisions related to the No. 7 Power Boiler at the existing Fernandina Beach Mill located at North 8th Street, Fernandina Beach, Nassau County, was clerked on September 11, 2007. The Public Notice of Intent to Issue an Air Construction Permit was published in the NEWS LEADER on September 19, 2007. The Draft Permit was available for public inspection at the Department's Bureau of Air Regulation in Tallahassee. Proof of publication of the Public Notice of Intent to Issue an Air Construction Permit was received on September 26, 2007.

II. Public Comments.

There were no comments received during the Public Notice period.

III. Conclusion.

In conclusion, the permitting authority hereby issues the final air construction permit No. 0890003-019-AC as noticed.



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

October 12, 2007

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.

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:

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 pre-construction 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 Mag-

olia 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/apcds/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 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

er 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. 11 09-19-2007 6130

FLORIDA'S OLDEST WEEKLY NEWSPAPER
NEWS LEADER

Published Weekly
 511 Ash Street/P.O. Box 766 (904) 261-3696
 Fernandina Beach, Nassau County, Florida 32034

STATE OF FLORIDA COUNTY OF NASSAU:

Before the undersigned authority personally appeared **Michael B. Hankins** who on oath says that he is the Advertising Director of The Fernandina Beach *News-Leader*, a weekly newspaper published at Fernandina Beach in Nassau County, Florida; that the attached copy of advertisement, being a Legal Notice in the matter of

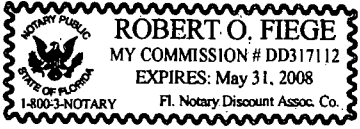
PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT
 Florida Department of Environmental Protection
 Smurfit-Stone Container Enterprises

was published in said newspaper in the issues of **09-19-2007** ref. No. **6130**
 Affiant further says that the said Fernandina Beach *News-Leader* is a newspaper published at Fernandina Beach, in said Nassau County, Florida, and that the said newspaper has heretofore been continuously published in said Nassau County, Florida, each week and has been entered as second class mail matter at the post office in Fernandina Beach in said Nassau County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Michael B. Hankins
 Sworn to and subscribed before me this 19th day of **September**, A.D. 2007.

Robert O. Fiege
 Robert O. Fiege, Notary Public

A Personally Known



RECEIVED
 SEP 26 2007

BUREAU OF AIR REGULATION

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
	✓ Mr. George Langstaff, Smurfit-Stone Container Enterprises, Inc.'	
	✓ Mr. Bill Crews, Smurfit-Stone Container Enterprises, Inc.'	
	✓ Kirts, Christopher	Read: 9/12/2007 12:56 PM
	✓ Mr. David Buff, P.E., Golder Associates, Inc.'	
	✓ Mr. James Little, EPA Region 4'	
	✓ Ms. Kathleen Forney, EPA Region 4'	
	✓ Mitchell, Bruce	
	✓ 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).

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

9/17/2007

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; 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

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

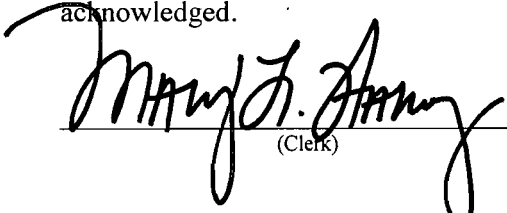
CERTIFICATE OF SERVICE

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.

**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

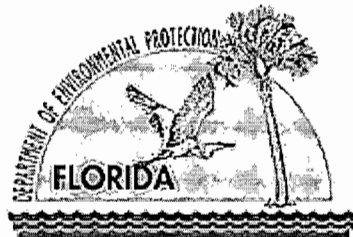
APPLICANT

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 
FROM: Bruce Mitchell, Air Permitting North 
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

Harvey, Mary

From: Kirts, Christopher
To: Harvey, Mary
Sent: Monday, August 13, 2007 10:42 AM
Subject: Read: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT

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; Koerner, Jeff; Adams, Patty; Gibson, Victoria
Subject: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT
Sent: 7/17/2007 3:37 PM

was read on 8/13/2007 10:42 AM.

Harvey, Mary

From: Felton-Smith, Rita
Sent: Monday, August 13, 2007 10:46 AM
To: Harvey, Mary
Subject: FW: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT
Attachments: 0890003.019.AC.D_pdf.zip

Mary,

I don't know if Chris responded, but we received it in the District.

Rita

Rita Felton-Smith
Air Permitting Engineer IV
Florida Department of Environmental Protection
Northeast District
(904) 807- 3237
Rita.Felton-Smith@dep.state.fl.us

-----Original Message-----

From: Kirts, Christopher
Sent: Monday, August 13, 2007 10:43 AM
To: Felton-Smith, Rita
Subject: FW: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT

-----Original Message-----

From: Harvey, Mary
Sent: Tuesday, July 17, 2007 3:37 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; Koerner, Jeff; Adams, Patty; Gibson, Victoria
Subject: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT

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:

8/14/2007

Adams, Patty

From: Harvey, Mary
Sent: Wednesday, July 18, 2007 8:52 AM
To: Adams, Patty
Subject: FW: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT

From: Crews, Bill [<mailto:BCREWS@SMURFIT.COM>]
Sent: Wednesday, July 18, 2007 8:33 AM
To: undisclosed-recipients
Subject: Read: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT

Your message

To: BCREWS@SMURFIT.COM
Subject:

was read on 7/18/2007 8:33 AM.

Adams, Patty

From: Harvey, Mary
Sent: Tuesday, July 17, 2007 3:55 PM
To: Adams, Patty
Subject: FW: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT

From: Buff, Dave [<mailto:DBuff@GOLDER.com>]
Sent: Tuesday, July 17, 2007 3:41 PM
To: undisclosed-recipients
Subject: Read: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT

Your message

To: DBuff@GOLDER.com
Subject:

was read on 7/17/2007 3:41 PM.

Adams, Patty

From: Harvey, Mary
Sent: Tuesday, July 17, 2007 3:39 PM
To: 'Ms. Kathleen Forney, EPA Region 4'; 'Mr. James Little, EPA Region 4'
Cc: Koerner, Jeff; Adams, Patty
Subject: FW: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT
Attachments: 0890003-019-AC - DRAFT - Letter Revision.PDF; 0890003-019-AC - DRAFT - Written Notice .PDF; 0890003-019-AC - DRAFT- TEPD.PDF; 0890003-019-AC DRAFT - Public Notice.PDF; Signed Document for Facility #0890003-019-AC-DRAFT.pdf

From: Harvey, Mary
Sent: Tuesday, July 17, 2007 3:37 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; Koerner, Jeff; Adams, Patty; Gibson, Victoria
Subject: Smurfit-Stone Container Enterprises, Inc. - 0890003-019-AC-DRAFT

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



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

July 17, 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

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. Enclosed are 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.

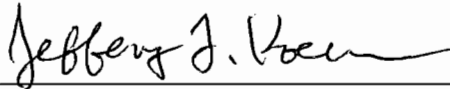
Sincerely,

For Trina Vielhauer, Chief
Bureau of Air Regulation

Enclosures

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

Executed in Tallahassee, Florida.

For 
Trina Vielhauer, Chief
Bureau of Air Regulation

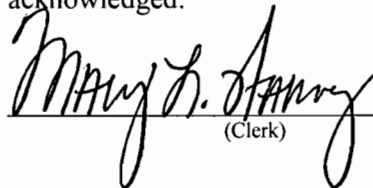
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Written Notice of Intent to Issue Air Permit package (including the Public Notice, the Technical Evaluation and Preliminary Determination, and the Draft Permit) was sent by electronic mail with received receipt requested before the close of business on 7/17/07 to the persons listed below.

- 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)

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)

7/17/07
(Date)

INTEROFFICE MEMORANDUM

TO: Trina Vielhauer, Bureau of Air Regulation
THROUGH: Jeff Koerner, Air Permitting North *JK*
FROM: Bruce Mitchell, Air Permitting North
DATE: July 16, 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

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.

Attachments

TLV/jk/bm

P.E. CERTIFICATION STATEMENT

PERMITTEE

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

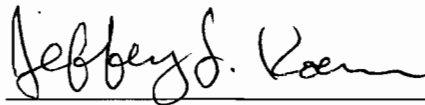
Project Nos. 0890003-019-AC / PSD-FL-062B
Fernandina Beach Mill
No. 7 Power Boiler, Permit Revisions
Nassau, Florida

PROJECT DESCRIPTION

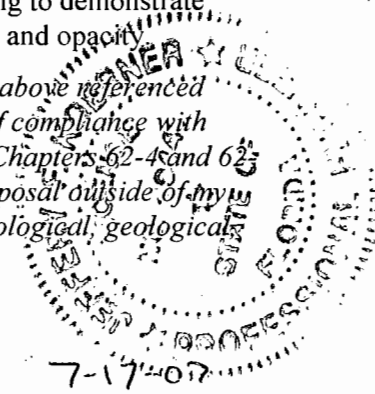
The No. 7 Power Boiler was originally permitted in 1981. At that time, EPA Region 4 issued the preconstruction review permit for the Prevention of Significant Deterioration (PSD) of Air Quality (No. PSD-FL-062) and the Department issued the state air construction permit (No. AC45-35532). The applicant 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 40 CFR 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), 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.

I HEREBY CERTIFY that the air pollution control engineering features described in the above referenced application and subject to the proposed permit conditions provide reasonable assurance of compliance with applicable provisions of Chapter 403, Florida Statutes, and Florida Administrative Code Chapters 62-4 and 62-204 through 62-297. However, I have not evaluated and I do not certify aspects of the proposal outside of my area of expertise (including, but not limited to, the electrical, mechanical, structural, hydrological, geological, and meteorological features).



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



(Date)

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
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.

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 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

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

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 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.

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.

**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

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)



July 17, 2007

{Filename: 0890003-019-AC - 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, 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 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.

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 draft permit. This determination is based on a technical review of the complete application, reasonable assurances provided by the applicant, and the conditions specified in the draft permit. No air quality modeling analysis is required because the project does not result in a significant increase in emissions. 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, 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, 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, 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 daily, the permittee shall calibrate the flue gas oxygen meter. Results of emission determinations shall be correlated to the flue gas oxygen content to define:

File Copy

Mitchell, Bruce

From: Davis, Rachel G. [RGDAVIS@SMURFIT.COM]
Sent: Friday, May 11, 2007 10:37 AM
To: Mitchell, Bruce
Cc: Crews, Bill
Subject: Updated Coal Tables for No. 7 Power Boiler
Attachments: Tables for Response to RAI dated 41107rev.xls

Bruce,

As requested, please see attached highlighted worksheet with Btu/lb values for each coal shipment over 0.75% sulfur.

Please contact me if you need additional information.

Rachel Davis

Environmental Engineer
Smurfit Stone Container Corporation
Fernandina Beach Mill
Phone (904) 277-7718

5-11-07 Katy Fortney (ECA Region 4)
 Burr
 Erin } e-mail 5-11-07 am
 Jeff

Table 2
No. 7 Power Boiler, Permit Project No. 0890003-019-AC
Response to FDEP Request for Additional Information dated April 11, 2007

Historical Use of Coal over 0.75% Sulfur Content

Train #	Ship Date	% Sulfur As Received	SO2 lb/million BTU @ 100%	Btu/lb As Received
M921	1/8/2003	0.77	1.2	12,883
M925	2/24/2003	0.76	1.2	12,702
M928	3/20/2003	0.77	1.19	12,948
M922	7/3/2003	0.76	1.19	12,723
M932	10/22/2003	0.76	1.18	12,875
M934	11/20/2003	0.76	1.19	12,742
M936	12/10/2003	0.78	1.19	13,124
M937	12/14/2003	0.76	1.15	13,180
M938	12/26/2003	0.77	1.19	12,937

Shipments >0.75 in 2003 9
 Total Shipments in 2003 31

M921	2/2/2004	0.76	1.19	12,766
M923	9/11/2004	0.77	1.19	12,902
M928	11/6/2004	0.76	1.2	12,565
M929	11/18/2004	0.78	1.2	12,966
M930	11/30/2004	0.77	1.16	12,735
M931	12/6/2004	0.76	1.19	12,789
M932	12/9/2004	0.78	1.19	13,137

Shipments >0.75 in 2004 7
 Total Shipments in 2004 32

M923	4/18/2005	0.76	1.14	13,335
M928	6/12/2005	0.78	1.19	13,098
M937	9/27/2005	0.76	1.2	12,685
M938	10/1/2005	0.79	1.2	13,122
M940	10/23/2005	0.78	1.19	13,076

Shipments >0.75 in 2005 5
 Total Shipments in 2005 32

M929	1/18/2006	0.77	1.19	12,949
M928	10/2/2006	0.76	1.18	12,828
M936	12/20/2006	0.76	1.15	13,174
M937	12/29/2006	0.76	1.2	12,685

Shipments >0.75 in 2006 4
 Total Shipments in 2006 29

Shipments >0.75 in 2007 0
 Total Shipments in 2007 10

Total Shipments > 0.75 25
Total Shipments 134



Fernandina Beach Containerboard Mill
North 8th Street
PO Box 2000
Fernandina Beach, FL 32035
(904) 261-5551
(904) 277-5888 fax

CERTIFIED MAIL

7004 0750 0003 3874 1739

May 2, 2007

Mr. Jeff Koerner, P. E.
Permitting Administrator
Florida Department of Environmental Protection (FDEP)
2600 Blair Stone Road
Tallahassee, FL 32399

**RE: Smurfit-Stone Container Enterprises – Fernandina Beach Mill
Response to Request for Additional Information
Permit Project No. 0890003-019-AC**

Dear Mr. Koerner:

On April 11, 2007, Smurfit-Stone Container Enterprises (Smurfit-Stone) received the Department's request for additional information regarding the above referenced permit modification for the mill's No. 7 Power Boiler. The Department's questions are repeated below followed by Smurfit-Stone's response:

1. For the last five shipments of coal received by the mill, provide the analyses of the coal's sulfur content, by weight, and the calculations demonstrating that the sulfur dioxide (SO₂) emissions will not exceed the limit of 1.2 lbs/MMBtu.

Response: The requested information is summarized in the enclosed Table 1. Laboratory analytical results are enclosed for each coal shipment.

2. Have you ever purchased and fired coal in the No. 7 Power Boiler with a sulfur content, by weight, greater than 0.75 percent? If so, please provide documentation and the analyses and dates received.

Response: Since 2003, 25 of 134 shipments of coal have been greater than 0.75 percent sulfur, however none have exceeded the 1.2 lbs SO₂/MMBtu as specified in the Mill's Title V permit during this time. The requested documentation is summarized in the enclosed Table 2.

3. Please detail the procedure used to calibrate the continuous oxygen monitoring system. How often is the oxygen monitor calibrated? Please provide all data and performance curves relating [to] five [combustion?] gas oxygen to carbon monoxide (CO) and nitrogen oxides (NO_x) emissions. Please provide the current performance curves or calculations used to demonstrate compliance with the CO and NO_x standards?

Response: The oxygen monitor is maintained and calibrated monthly in accordance with the enclosed work instruction. This monitor measures boiler excess oxygen as a surrogate for CO and NO_x, and is therefore not a stack emissions monitor. It is located in the economizer section of the boiler. The remaining information requested by the Department is not readily available

RECEIVED

MAY 04 2007

BUREAU OF AIR REGULATION

and is not germane to Smurfit-Stone's request to clarify the QA/QC requirements for the monitor.

4. Since the oxygen monitor is used to demonstrate compliance with the standards for NO_x and CO, when was the last date that the oxygen set points were verified or reestablished? How was this done? Provide all the dates that the oxygen set points were verified or reestablished, and provide the data and the results of these evaluations.

Response: The Oxygen set points were established by permit AO45-169854 based on emissions testing as required by permit PSD-FL-062. The recently renewed Title V permit specifies the criteria for updating these set points.

5. When was the oxygen monitor installed and calibrated? Have any hardware and/or software upgrades been made on the existing oxygen monitoring system since its installation? If so, please describe the upgrades and provide dates that the upgrades were made. Since installation, has the manufacturer of the oxygen monitor been contacted by you to see if any upgrades should be made? If so, please provide correspondence and documentation.

Response: The existing oxygen monitor was installed on 4/06/04 and last calibrated on 5/02/07. No upgrades have been made. This monitor measures boiler excess oxygen and is therefore not a continuous emissions monitor. It serves its intended purpose. There has been no reason to contact the manufacturer.

6. Please provide all of the dates that a relative accuracy test audit (RATA) has been performed on the oxygen monitor since installation, as well as the results of those tests.

Response: A RATA has not been performed on this oxygen monitor. The oxygen monitor is located in the economizer section of the boiler, not in the stack, therefore a RATA is not possible. The purpose of this monitor is to measure boiler oxygen content, as an indicator of combustion. The purpose of a RATA is to compare a stack monitor to stack conditions at specified test port locations, which cannot be met in the economizer section of a boiler. Thus, Smurfit-Stone is requesting that the requirement to comply with 40 CFR 60, Appendix B, PS3 be deleted from the permit as this is an obvious misapplication of this performance specification.

7. In the coal sampling and analysis plan, references are made to an equation to calculate the maximum allowable sulfur (S) content based on the SO₂ limit of 1.2 lbs/MMBTU and the heating value of the coal. That equation is:

$$\%S \text{ (Maximum allowed)} = (6.32 \times 10^{-5}) \times (\text{BTU/lb})$$

How did you arrive at this equation? Please provide a detailed derivation.

Response: The derivation is the reverse of the equation provided in Item 1 above. However a factor of 95% is included here to represent the percentage of coal sulfur that is emitted as SO₂ per AP-42. This factor is not included in the calculations of Item 1 above to provide the mill a safety factor in the coal procurement process.

$$\%S = \frac{1.2 \text{ lbs SO}_2}{\text{MMBtu}} \times \frac{\text{MMBtu}}{10^6 \text{ Btu}} \times \frac{32.1 \text{ lbs S}}{64.1 \text{ lbs SO}_2} \times \frac{\text{lbs coal}}{0.95 \text{ lbs S}} \times \frac{\text{Btu}}{\text{lb coal}} \times 100$$

8. Please provide a summary of all stack tests conducted for CO, NOx and SO₂ emissions, including the corresponding flue gas oxygen content and unit load.

Response: Emissions testing for these pollutants has not been performed in the past 5 years and is not readily available. This information is not germane to Smurfit-Stone's request to clarify the QA/QC requirements for this monitor.

9. Discussions with EPA indicate that it was EPA's intent to establish a maximum sulfur content limit for coal as Best Available Control Technology (BACT). Please comment.

Response: This appears to be contrary to all of the evidence contained in the permitting history. In Attachment A of the March 13, 2007 permit application Smurfit-Stone provided a very detailed explanation of the permitting history of this issue. If it was EPA's intent to establish a maximum sulfur content limit for coal then they would have specified this in the conditions of the PSD permit.

Please contact me at (904) 277-7746 or by email at bcrews@smurfit.com if you have any questions. If these responses do not address all of the Department's concerns, Smurfit-Stone respectfully requests that a meeting be scheduled as soon as possible so that we might attempt to resolve this issue without further written correspondence.

Sincerely,



William O. Crews
Environmental Manager

cc: S. Hamilton, SSCC

CERTIFIED MAIL
7004 0750 0003 3874 1746
Mr. Christopher Kirts, P.E.
District Air Program Administrator
Florida Department of Environmental Protection
7825 Baymeadows Way, Suite B200
Jacksonville, FL 32256-7590

Enclosures

Table 1
No. 7 Power Boiler, Permit Project No. 0890003-019-AC
Response to FDEP Request for Additional Information dated April 11, 2007

Last 7 Shipments of Coal Received

SGS Lab Report Date	Sample Date	Sulfur Content by Weight As Received	Btu/lb As Received	SO2 lbs/MMBtu
4/25/2007	4/21/2007	0.66%	12,933	1.02%
4/4/2007	4/1/2007	0.70%	13,033	1.07%
3/26/2007	3/21/2007	0.66%	13,163	1.00%
3/1/2007	2/24/2007	0.65%	13,127	0.99%
2/20/2007	2/15/2007	0.67%	13,091	1.02%
2/15/2007	2/8/2007	0.67%	13,087	1.02%
2/2/2007	1/27/2007	0.73%	12,848	1.13%
Average		0.68%	13,058	1.04%

Lab Analysis Reports Attached

Calculations to Demonstrate Compliance w/ 1.2 lbs/Mmbtu limit:

$$\frac{\text{lb SO}_2}{\text{Mmbtu}} = \frac{(\%S) \text{ lb S}}{100 \text{ lb coal}} \times \frac{64.1 \text{ lb SO}_2}{32.1 \text{ lb S}} \times \frac{\text{lb coal}}{(y) \text{ Btu/lb}} \times \frac{1,000,000 \text{ Btu}}{\text{MMBtu}}$$

(%S) = percent sulfur by weight as received

(y) = Btu/lb as received



April 25, 2007

SMURFIT STONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
ATTN: CORLISS BROWN

Sample identification by
ELK RUN COAL CO.

SAMPLE I.D.: TL M926
FERNANDINA

Kind of sample COAL
reported to us

Sample taken at ELK RUN COAL CO.

Sample taken by ELK RUN COAL CO.

Date sampled April 21, 2007

Date received April 22, 2007

Analysis Report No. 61-5411

SHORT PROXIMATE ANALYSIS

	<u>As Received</u>	<u>Dry Basis</u>		
% Moisture	5.83	XXXXXX		
% Ash	9.63	10.23		
Btu/lb	12933	13734	MAF	15299
% Sulfur	0.66	0.70		
SO ₂ lb/million Btu @ 100%	1.02			
% Chlorine	0.10	0.11		

Respectfully submitted,
SGS NORTH AMERICA INC

Charleston Laboratory

SGS North America Inc | Minerals Services Division
5793 MacCorkle Avenue SE, Charleston, WV 25304 t(304) 925-6631 f(304) 925-8877 www.us.sgs.com/minerals



April 25, 2007

SMURFII STONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
AIIN: CORLISS BROWN

Sample identification by
ELK RUN COAL CO.

SAMPLE I.D.: IL M926
FERNANDINA

Kind of sample reported to us COAL

Sample taken at ELK RUN COAL CO.

Sample taken by ELK RUN COAL CO.

Date sampled April 21, 2007

Date received April 22, 2007

Analysis Report No. 61-5411

Mercury Standard Result 0.05 ppm

Respectfully submitted,
SGS NORTH AMERICA INC

Charleston Laboratory

SGS North America Inc | Minerals Services Division
5793 MacCorkle Avenue SE, Charleston, WV 25304 t (304) 925-6631 f (304) 925-8877 www.us.sgs.com/minerals



April 4, 2007

SMURFIT SIONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035.
ATTN: CORLISS BROWN

Sample identification by
ELK RUN COAL CO.

SAMPLE I.D.: TL M925
FERNANDINA

Kind of sample COAL
reported to us

Sample taken at ELK RUN COAL CO.

Sample taken by ELK RUN COAL CO.

Date sampled April 1, 2007

Date received April 1, 2007

Analysis Report No. 61-3825

SHORT PROXIMATE ANALYSIS

	<u>As Received</u>	<u>Dry Basis</u>		
% Moisture	5.09	xxxxxx		
% Ash	9.78	10.30		
Btu/lb	13033	13732	MAF	15309
% Sulfur	0.70	0.74		
SO ₂ lb/million Btu @ 100%	1.07			
% Chlorine	0.09	0.09		

Respectfully submitted.
SGS NORTH AMERICA INC

R. D. ...
Charleston Laboratory

SGS North America Inc | Minerals Services Division
5793 MacCorkle Avenue SE, Charleston, WV 25304 | (304) 925-6631 | (304) 925-8877 | www.us.sgs.com/minerals



April 4, 2007

SMURFII STONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
AIIN: CORLISS BROWN

Sample identification by
ELK RUN COAL CO.

SAMPLE I.D.: TL M925
FERNANDINA

Kind of sample COAL
reported to us

Sample taken at ELK RUN COAL CO.

Sample taken by ELK RUN COAL CO.

Date sampled April 1, 2007

Date received April 1, 2007

Analysis Report No. 61-3825

Mercury Standard Result 0.04 ppm

Respectfully submitted
SGS NORTH AMERICA INC


Charleston Laboratory

SGS North America Inc | Minerals Services Division
5793 MacCorkie Avenue SE, Charleston, WV 25304 t (304) 925-6631 f (304) 925-8877 www.us.sgs.com/minerals



March 26, 2007

SMURFIT STONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
ATTN: CORLISS BROWN

Sample identification by
ELK RUN COAL CO.

SAMPLE I.D.: TL M924
FERNANDINA
75 RAILCARS

Kind of sample COAL
reported to us

Sample taken at ELK RUN COAL CO.

Sample taken by ELK RUN COAL CO.

Date sampled March 21, 2007

Date received March 21, 2007

Analysis Report No. 61-3018

SHORT PROXIMATE ANALYSIS

	<u>As Received</u>	<u>Dry Basis</u>		
% Moisture	4.61	XXXXXX		
% Ash	9.84	10.32		
Btu/lb	13163	13799	MAF	15387
% Sulfur	0.66	0.69		
SO ₂ lb/million Btu @ 100%	1.00			
% Chlorine	0.15	0.16		

Respectfully submitted,
SGS NORTH AMERICA INC

Charleston Laboratory

SGS North America Inc | Minerals Services Division
5793 MacCorkle Avenue SE, Charleston, WV 25304 t (304) 925-6631 f (304) 925-8877 www.us.sgs.com/minerals



March 26, 2007

SMURFIT STONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
ATTN: CORLISS BROWN

Sample identification by
ELK RUN COAL CO.

SAMPLE I.D.: TL M924
FERNANDINA
75 RAILCARS

Kind of sample COAL
reported to us

Sample taken at ELK RUN COAL CO.

Sample taken by ELK RUN COAL CO.

Date sampled March 21, 2007

Date received March 21, 2007

Analysis Report No. 61-3018

Mercury Standard Result 0.03 ppm

Respectfully submitted
SGS NORTH AMERICA INC

Charleston Laboratory

SGS North America Inc | Minerals Services Division
5793 MacCorkle Avenue SE, Charleston, WV 25304 t (304) 925-6631 f (304) 925-8877 www.us.sgs.com/minerals



March 1, 2007

SMURFIT STONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
ATTN: CORLISS BROWN

Sample identification by
ELK RUN COAL CO.

SAMPLE I.D.: TL M923
FERNANDINA
75 RAILCARS

Kind of sample COAL
reported to us

Sample taken at ELK RUN COAL CO.

Sample taken by ELK RUN COAL CO.

Date sampled February 24, 2007

Date received February 25, 2007

Analysis Report No. 61-1207

SHORT PROXIMATE ANALYSIS

	<u>As Received</u>	<u>Dry Basis</u>	
% Moisture	4.07	xxxxxx	
% Ash	9.74	10.15	
Btu/lb	13127	13684	MAF 15230
% Sulfur	0.65	0.68	
SO ₂ lb/million Btu @ 100%	0.99		
% Chlorine	0.09	0.09	

Respectfully submitted,
SGS NORTH AMERICA INC

Charleston Laboratory

SGS North America Inc | Minerals Services Division
P.O. Box 808, Charleston, WV 25323 t (304) 925-6631 f (304) 925-8877 www.us.sgs.com/minerals



March 1, 2007

SMURFIT STONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
ATTN: CORLISS BROWN

Sample identification by
ELK RUN COAL CO.

SAMPLE I.D.: TL M923
FERNANDINA
75 RAILCARS

Kind of sample COAL
reported to us

Sample taken at ELK RUN COAL CO.

Sample taken by ELK RUN COAL CO.

Date sampled February 24, 2007

Date received February 25, 2007

Analysis Report No. 61-1207

Mercury Standard Result 0.06 ppm

Respectfully submitted,
SGS NORTH AMERICA INC.


Charleston Laboratory

SGS North America Inc | Minerals Services Division
P.O. Box 808, Charleston, WV 25323 t (304) 925-6631 f (304) 925-8877 www.us.sgs.com/minerals



February 20, 2007

SMURFIT STONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
ATTN: CORLISS BROWN

Sample identification by
ELK RUN COAL CO.

SAMPLE I.D.: TL M922
FERNANDINA

Kind of sample reported to us COAL

Sample taken at ELK RUN COAL CO.

Sample taken by ELK RUN COAL CO.

Date sampled February 15, 2007

Date received February 15, 2007

Analysis Report No. 61-180329

SHORT PROXIMATE ANALYSIS

	<u>As Received</u>	<u>Dry Basis</u>		
% Moisture	4.76	XXXXXX		
% Ash	9.73	10.22		
Btu/lb	13091	13745	MAF	15310
% Sulfur	0.67	0.70		
SO ₂ lb/million Btu @ 100%	1.02			
% Chlorine	0.10	0.10		

Respectfully submitted,
SGS NORTH AMERICA INC.


Charleston Laboratory

SGS North America Inc | Minerals Services Division
P.O. Box 808, Charleston, WV 25323 t (304) 925-6631 f (304) 925-8877 www.us.sgs.com/minerals



February 20, 2007

SMURFIT STONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
ATTN: CORLISS BROWN

Sample identification by
ELK RUN COAL CO.

SAMPLE I.D.: IL M922
FERNANDINA

Kind of sample COAL
reported to us

Sample taken at ELK RUN COAL CO.

Sample taken by ELK RUN COAL CO.

Date sampled February 15, 2007

Date received February 15, 2007

Analysis Report No. 61-180329

Mercury Standard Result 0.05 ppm

Respectfully submitted,
SGS NORTH AMERICA INC



Charleston Laboratory

SGS North America Inc | Minerals Services Division
P.O. Box 808, Charleston, WV 25323 t (304) 925-6631 f (304) 925-8877 www.us.sgs.com/minerals



February 2, 2007

SMURFIT STONE CONTAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
ATTN: CORLISS BROWN

Sample identification by
GOALS

SAMPLE I.D.: TL M940
FERNANDINA

Kind of sample COAL
reported to us

Sample taken at GOALS

Sample taken by GOALS

Date sampled January 27, 2007

Date received January 30, 2007

Analysis Report No. 61-179202

SHORT PROXIMATE ANALYSIS

	<u>As Received</u>	<u>Dry Basis</u>		
% Moisture	6.17	xxxxxx		
% Ash	9.84	10.49		
Btu/lb	12848	13693	MAF	15298
% Sulfur	0.73	0.78		
SO ₂ lb/million Btu @ 100%	1.14			
% Chlorine	0.09	0.10		

Respectfully submitted,
SGS NORTH AMERICA INC

Charleston Laboratory

SGS North America Inc | Minerals Services Division
P.O. Box 808, Charleston, WV 25323 | (304) 925-6631 | (304) 925-8877 | www.us.sgs.com/minerals



February 2, 2007

SMURFIT STONE CONIAINER
MILL DIVISION
P.O. BOX 2000
FERNANDINA FL 32035
AIIN: CORLISS BROWN

Sample identification by
GOALS

SAMPLE I.D.: TL M940
FERNANDINA

Kind of sample reported to us COAL

Sample taken at GOALS

Sample taken by GOALS

Date sampled January 27, 2007

Date received January 30, 2007

Analysis Report No. 61-179202

Mercury Standard Result 0.09 ppm

Respectfully submitted,
SGS NORTH AMERICA INC

Charleston Laboratory

SGS North America Inc | Minerals Services Division
P.O. Box 808, Charleston, WV 25323 t (304) 925-6631 f (304) 925-8877 www.us.sgs.com/minerals

Table 2**No. 7 Power Boiler, Permit Project No. 0890003-019-AC****Response to FDEP Request for Additional Information dated April 11, 2007****Historical Use of Coal over 0.75% Sulfur Content**

Train #	Ship Date	% Sulfur As Received	SO2 lb/million BTU @ 100%
M921	1/8/2003	0.77	1.2
M925	2/24/2003	0.76	1.2
M928	3/20/2003	0.77	1.19
M922	7/3/2003	0.76	1.19
M932	10/22/2003	0.76	1.18
M934	11/20/2003	0.76	1.19
M936	12/10/2003	0.78	1.19
M937	12/14/2003	0.76	1.15
M938	12/26/2003	0.77	1.19

Shipments >0.75 in 2003 9
 Total Shipments in 2003 31

M921	2/2/2004	0.76	1.19
M923	9/11/2004	0.77	1.19
M928	11/6/2004	0.76	1.2
M929	11/18/2004	0.78	1.2
M930	11/30/2004	0.77	1.16
M931	12/6/2004	0.76	1.19
M932	12/9/2004	0.78	1.19

Shipments >0.75 in 2004 7
 Total Shipments in 2004 32

M923	4/18/2005	0.76	1.14
M928	6/12/2005	0.78	1.19
M937	9/27/2005	0.76	1.2
M938	10/1/2005	0.79	1.2
M940	10/23/2005	0.78	1.19

Shipments >0.75 in 2005 5
 Total Shipments in 2005 32

M929	1/18/2006	0.77	1.19
M928	10/2/2006	0.76	1.18
M936	12/20/2006	0.76	1.15
M937	12/29/2006	0.76	1.2

Shipments >0.75 in 2006 4
 Total Shipments in 2006 29

Shipments >0.75 in 2007 YTD 0
 Total Shipments in 2007 YTD 10

Total Shipments > 0.75 25
Total Shipments 134

Smurfit-Stone E & I Dept.

Working Instructions And Data Sheet	LOOP NO. <u>55FT022</u> LOOP TAG Name: <u>#7 POWER BOILER OXYGEN ANALYZER</u>
Revised: November 4, 2005 Page: 1 of 1	DATE: _____ E/I TECH Name: _____

YOKOGAWA O2 ANALYZER MODEL Z021C

1. Notify the operator that this instrument will be out of service for test/calibration. Ensure that the loop is in manual control.
2. Place the meas/maint switch to maintenance.
3. Check zero calibration gas bottle to make sure it has gas in it.
4. If ok, press std gas recall key (indicator light comes on)
 - (a) Press span (air) key, read setpoint (20.9)
 - (b) Press zero key, read zero set point. (this setting is printed on side of gas bottle and should read the same) if readings are correct proceed to step 6.
5. If zero gas bottle is empty, replace with new sample bottle, then.
 - (A) Press std gas entry key, which turns on indicator light.
 - (B) Press span (air) key which will increase one digit on the display.
 - (C) Press zero key, will read preset value, to change to new value press zero key to increase data on display to correct value. (*) display exceeds 2.50 it will automatically return to 0.5.
 - (D) Press std gas entry key to turn off the indicator light.
6. Press the cal operation key and insure that the cal light is on.
7. Pass instrument air to the probe and wait until the indication stabilizes. (set air flow to 600ml/min.)
8. Record indication on data sheet.
9. Pass the zero gas to the probe and wait until the indication stabilizes at proper value as indicated on side of bottle. Set flow to 600ml/m. Record indication on data sheet.
10. Return the meas/maint switch to measure.
11. Close valve on the zero gas bottle. Notify the operator to return to service.
12. If at anytime during this procedure an error message appears, or indications are not within tolerance, refer to manufacture manual, repair and repeat this procedure.

ZERO GAS STANDARD _____%	VERIFY ZERO GAS STANDARD ON SAMPLE BOTTLE.() OK				
	<u>AS FOUND</u>	<u>AS LEFT</u>	CHECK FOXBORO ON ANNUAL SHUT DOWN FOR ACCURACY	<u>AS FOUND</u>	<u>AS LEFT</u>
INPUT					
20.9% INSTRUMENT AIR	_____	_____		MA 4 %02 _____	_____
_____% ZERO SAMPLE AIR	_____	_____		MA 8 %02 _____	_____
				MA 12 %02 _____	_____
				MA 16 %02 _____	_____
				MA 20 %02 _____	_____

COMPLETE THIS SHEET AND MAKE A COPY AND PLACE IN FILES

Adams, Patty

From: Harvey, Mary
Sent: Thursday, April 12, 2007 8:59 AM
To: Adams, Patty
Subject: FW: Permit Modification Ltr. - Smurfit-Stone Container Enterprises, Inc.

Attachments: Modification LTR - SSCEI - Bill Crews - Permit Project #0890003-019-AC.pdf



Modification LTR -
SSCEI - Bil...

-----Original Message-----

From: Forney.Kathleen@epamail.epa.gov [mailto:Forney.Kathleen@epamail.epa.gov]
Sent: Wednesday, April 11, 2007 6:06 PM
To: Harvey, Mary
Subject: Re: Permit Modification Ltr. - Smurfit-Stone Container Enterprises, Inc.

Hi Mary,

We got your email

Thanks,
Katy

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>

04/11/2007 02:31
PM

To
<bcrews@smurfit.com>, Kathleen
Forney/R4/USEPA/US@EPA, "Kirts,
Christopher"
<Christopher.Kirts@dep.state.fl.u
s>, <DBuff@Golder.com>

cc
"Koerner, Jeff"
<Jeff.Koerner@dep.state.fl.us>,
"Adams, Patty"
<Patty.Adams@dep.state.fl.us>,
"Gibson, Victoria"
<Victoria.Gibson@dep.state.fl.us>
, "Mitchell, Bruce"
<Bruce.Mitchell@dep.state.fl.us>

Subject
Permit Modification Ltr. -
Smurfit-Stone Container
Enterprises, Inc.

Adams, Patty

From: Harvey, Mary
Sent: Wednesday, April 11, 2007 4:52 PM
To: Adams, Patty
Subject: FW: Permit Modification Ltr. - Smurfit-Stone Container Enterprises, Inc.

From: Crews, Bill [<mailto:BCREWS@SMURFIT.COM>]
Sent: Wednesday, April 11, 2007 3:07 PM
To: undisclosed-recipients
Subject: Read: Permit Modification Ltr. - Smurfit-Stone Container Enterprises, Inc.

Your message

To: BCREWS@SMURFIT.COM
Subject:

was read on 4/11/2007 3:07 PM.

Adams, Patty

From: Harvey, Mary
Sent: Wednesday, April 11, 2007 2:57 PM
To: Adams, Patty
Subject: FW: Permit Modification Ltr. - Smurfit-Stone Container Enterprises, Inc.

From: Buff, Dave [<mailto:DBuff@GOLDER.com>]
Sent: Wednesday, April 11, 2007 2:53 PM
To: undisclosed-recipients
Subject: Read: Permit Modification Ltr. - Smurfit-Stone Container Enterprises, Inc.

Your message

To: DBuff@GOLDER.com
Subject:

was read on 4/11/2007 2:53 PM.

Adams, Patty

From: Harvey, Mary
Sent: Wednesday, April 11, 2007 2:31 PM
To: 'bcrews@smurfit.com'; 'FORNEY.KATHLEEN@EPA.GOV'; Kirts, Christopher; 'DBuff@Golder.com'
Cc: Koerner, Jeff; Adams, Patty; Gibson, Victoria; Mitchell, Bruce
Subject: Permit Modification Ltr. - Smurfit-Stone Container Enterprises, Inc.
Attachments: Modification LTR - SSCEI - Bill Crews - Permit Project #0890003-019-AC.pdf

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

Adams, Patty

From: Harvey, Mary
Sent: Monday, April 16, 2007 2:14 PM
To: Adams, Patty
Subject: FW: Permit Modification Ltr. - Smurfit-Stone Container Enterprises, Inc.

From: Kirts, Christopher
Sent: Monday, April 16, 2007 2:11 PM
To: Harvey, Mary
Subject: RE: Permit Modification Ltr. - Smurfit-Stone Container Enterprises, Inc.

Received, thank you

-----Original Message-----

From: Harvey, Mary
Sent: Wednesday, April 11, 2007 2:31 PM
To: 'bcrews@smurfit.com'; 'FORNEY.KATHLEEN@EPA.GOV'; Kirts, Christopher; 'DBuff@Golder.com'
Cc: Koerner, Jeff; Adams, Patty; Gibson, Victoria; Mitchell, Bruce
Subject: Permit Modification Ltr. - 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



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

April 11, 2007

Electronically Sent – Received Receipt Requested

Mr. Bill Crews
Environmental Manager
Smurfit-Stone Container Enterprises, Inc.
Fernandina Beach Mill
North 8th Street
Fernandina Beach, Florida 32034

RE: Request to Modify the No. 7 Power Boiler's Permitted Conditions
Permit Project No. 0890003-019-AC
Existing Permit No. PSD-FL-062

Dear Mr. Crews:

On March 16, 2007, the Department received a request to modify the No. 7 Power Boiler's permitted conditions. The application is incomplete. We have determined that the following additional information is needed in order to continue processing this application package. Please provide all assumptions, calculations, and reference materials, that are used or reflected in any of your responses to the following issues:

1. For the last five shipments of coal received by the mill, provide the analyses of the coal's sulfur content, by weight, and the calculations demonstrating that the sulfur dioxide (SO₂) emissions will not exceed the limit of 1.2 lbs/MMBtu.
2. Have you ever purchased and fired coal in the No. 7 Power Boiler with a sulfur content, by weight, greater than 0.75 percent? If so, please provide documentation and the analyses and dates received.
3. Please detail the procedure used to calibrate the continuous oxygen monitoring system. How often is the oxygen monitor calibrated? Please provide all data and performance curves relating five gas oxygen content to carbon monoxide (CO) and nitrogen oxides (NO_x) emissions. Please provide the current performance curves or calculations used to demonstrate compliance with the CO and NO_x standards.
4. Since the oxygen monitor is used to demonstrate compliance with the standards for NO_x and CO, when was the last date that the oxygen set points were verified or reestablished? How was this done? Provide all of the dates that the oxygen set points were verified or reestablished, and provide the data and the results of these evaluations.
5. When was the oxygen monitor installed and calibrated? Have any hardware and/or software upgrades been made on the existing oxygen monitoring system since its installation? If so, please describe the upgrades and provide dates that the upgrades were made. Since installation, has the manufacturer of the oxygen monitor been contacted by you to see if any upgrades should be made? If so, please provide the correspondence and documentation.
6. Please provide all of the dates that a relative accuracy test audit (RATA) has been performed on the oxygen monitor since installation, as well as the results of those tests.

Mr. Bill Crews
Smurfit-Stone Container Enterprises, Inc.
Fernandina Beach Mill
Request to Modify the No. 7 Power Boiler's Permitted Conditions
Permit Project No. 0890003-019-AC
Existing Permit No. PSD-FL-062
Page 2 of 2

7. In the coal sampling and analysis plan, references are made to an equation to calculate the maximum allowable sulfur (S) content based on the SO₂ limit of 1.2 lb/MMBTU and the heating value of the coal. That equation is:

$$\%S \text{ (maximum allowed)} = (6.32 \times 10^{-5}) \times (\text{BTU/lb})$$

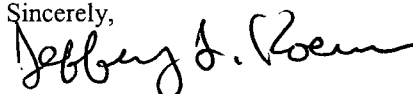
How did you arrive at this equation? Please provide a detailed derivation.

8. Please provide a summary of all stack tests conducted for CO, NO_x and SO₂ emissions, including the corresponding flue gas oxygen content and unit load.

9. Discussions with EPA indicate that it was EPA's intent to establish a maximum sulfur content limit for coal as Best Available Control Technology (BACT). Please comment.

The Department will resume processing your application after receipt of the requested information. Rule 62-4.050(3), F.A.C., requires that all applications for a Department permit must be certified by a professional engineer registered in the State of Florida. This requirement also applies to responses to Department requests for additional information of an engineering nature. For any material changes to the application, please include a new certification statement by the authorized representative or responsible official. You are reminded that Rule 62-4.055(1), F.A.C., requires applicants to respond to requests for information within 90 days or provide a written request for an additional period of time to submit the information. If you have any questions regarding this matter, please call Bruce Mitchell at (850)413-9198.

Sincerely,



Jeffery F. Koerner, P.E.
Permitting North Administrator
Bureau of Air Regulation

JFK/bm

cc: Bill Crews, Smurfit-Stone Container Enterprises, Inc. (bcrews@smurfit.com)
Kathleen Forney, USEPA Region 4 (Forney.Kathleen@epamail.epa.gov)
Chris Kirts, DEP – NED (Christopher.Kirts@dep.state.fl.us)
David A. Buff, P.E., Golder Associates, Inc. (dbuff@golder.com)

RECEIVED

MAR 16 2007

BUREAU OF AIR REGULATION

**AIR PERMIT APPLICATION
TO CLARIFY
NO. 7 POWER BOILER
COAL FUEL SULFUR CONTENT**

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

**Prepared By:
Golder Associates, Inc.
6241 NW 23rd Street, Suite 500
Gainesville, Florida 32653-1500**

**March 2007
053-7568**

DISTRIBUTION:

4 Copies	FDEP
2 Copies	SSCE
1 Copies	Golder

APPLICATION FOR AIR PERMIT—LONG FORM

APPLICATION INFORMATION

Purpose of Application

This application for air permit is submitted to obtain: (Check one)

Air Construction Permit

- Air construction permit.
- Air construction permit to establish, revise, or renew a plantwide applicability limit (PAL).
- Air construction permit to establish, revise, or renew a plantwide applicability limit (PAL), and separate air construction permit to authorize construction or modification of one or more emissions units covered by the PAL.

Air Operation Permit

- Initial Title V air operation permit.
- Title V air operation permit revision.
- Title V air operation permit renewal.
- Initial federally enforceable state air operation permit (FESOP) where professional engineer (PE) certification is required.
- Initial federally enforceable state air operation permit (FESOP) where professional engineer (PE) certification is not required.

Air Construction Permit and Revised/Renewal Title V Air Operation Permit (Concurrent Processing)

- Air construction permit and Title V permit revision, incorporating the proposed project.
- Air construction permit and Title V permit renewal, incorporating the proposed project.

Note: By checking one of the above two boxes, you, the applicant, are requesting concurrent processing pursuant to Rule 62-213.405, F.A.C. In such case, you must also check the following box:

- I hereby request that the department waive the processing time requirements of the air construction permit to accommodate the processing time frames of the Title V air operation permit.

Application Comment

This application is to clarify that the maximum sulfur content for the coal burned in No. 7 Power Boiler is not restricted to 0.75 percent, but instead is restricted by the formula:

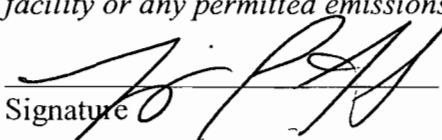
$$\%S \text{ (max allowed)} = (6.32 \times 10^{-5}) \times (\text{Btu per lb coal})$$

and by the maximum SO₂ emission limit of 1.2 lb/MMBtu.

APPLICATION INFORMATION

Owner/Authorized Representative Statement

Complete if applying for an air construction permit or an initial FESOP.

1. Owner/Authorized Representative Name :
George Q. Langstaff, Vice-President, Regional Mill Operations
2. Owner/Authorized Representative Mailing Address...
Organization/Firm: Smurfit-Stone Container Enterprises, Inc.
Street Address: North 8th Street
City: Fernandina Beach State: FL Zip Code: 32034
3. Owner/Authorized Representative Telephone Numbers...
Telephone: (904)261-5551 ext. Fax: (904)277-5888
4. Owner/Authorized Representative Email Address:
5. Owner/Authorized Representative Statement:
<i>I, the undersigned, am the owner or authorized representative of the facility addressed in this air permit application. I hereby certify, based on information and belief formed after reasonable inquiry, that the statements made in this application are true, accurate and complete and that, to the best of my knowledge, any estimates of emissions reported in this application are based upon reasonable techniques for calculating emissions. The air pollutant emissions units and air pollution control equipment described in this application will be operated and maintained so as to comply with all applicable standards for control of air pollutant emissions found in the statutes of the State of Florida and rules of the Department of Environmental Protection and revisions thereof and all other requirements identified in this application to which the facility is subject. I understand that a permit, if granted by the department, cannot be transferred without authorization from the department, and I will promptly notify the department upon sale or legal transfer of the facility or any permitted emissions unit.</i>
 Signature
<u>3/13/07</u> Date

APPLICATION INFORMATION

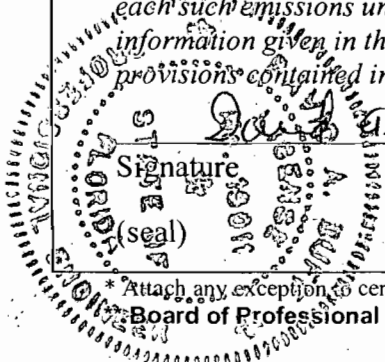
Application Responsible Official Certification

Complete if applying for an initial/revised/renewal Title V permit or concurrent processing of an air construction permit and a revised/renewal Title V permit. If there are multiple responsible officials, the "application responsible official" need not be the "primary responsible official."

1. Application Responsible Official Name:
2. Application Responsible Official Qualification (Check one or more of the following options, as applicable): <input type="checkbox"/> For a corporation, the president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a permit under Chapter 62-213, F.A.C. <input type="checkbox"/> For a partnership or sole proprietorship, a general partner or the proprietor, respectively. <input type="checkbox"/> For a municipality, county, state, federal, or other public agency, either a principal executive officer or ranking elected official. <input type="checkbox"/> The designated representative at an Acid Rain source.
3. Application Responsible Official Mailing Address... Organization/Firm: Street Address: City: State: Zip Code:
4. Application Responsible Official Telephone Numbers... Telephone: () - ext. Fax: () -
5. Application Responsible Official Email Address:
6. Application Responsible Official Certification: <i>I, the undersigned, am a responsible official of the Title V source addressed in this air permit application. I hereby certify, based on information and belief formed after reasonable inquiry, that the statements made in this application are true, accurate and complete and that, to the best of my knowledge, any estimates of emissions reported in this application are based upon reasonable techniques for calculating emissions. The air pollutant emissions units and air pollution control equipment described in this application will be operated and maintained so as to comply with all applicable standards for control of air pollutant emissions found in the statutes of the State of Florida and rules of the Department of Environmental Protection and revisions thereof and all other applicable requirements identified in this application to which the Title V source is subject. I understand that a permit, if granted by the department, cannot be transferred without authorization from the department, and I will promptly notify the department upon sale or legal transfer of the facility or any permitted emissions unit. Finally, I certify that the facility and each emissions unit are in compliance with all applicable requirements to which they are subject, except as identified in compliance plan(s) submitted with this application.</i> Signature _____ Date _____

APPLICATION INFORMATION

Professional Engineer Certification

1. Professional Engineer Name: David A. Buff Registration Number: 19011
2. Professional Engineer Mailing Address... Organization/Firm: Golder Associates Inc.** Street Address: 6241 NW 23rd Street, Suite 500 City: Gainesville State: FL Zip Code: 32653
3. Professional Engineer Telephone Numbers... Telephone: (352) 336-5600 ext. 545 Fax: (352) 336-6603
4. Professional Engineer Email Address: dbuff@golder.com
5. Professional Engineer Statement: <i>I, the undersigned, hereby certify, except as particularly noted herein*, that:</i> <i>(1) To the best of my knowledge, there is reasonable assurance that the air pollutant emissions unit(s) and the air pollution control equipment described in this application for air permit, when properly operated and maintained, will comply with all applicable standards for control of air pollutant emissions found in the Florida Statutes and rules of the Department of Environmental Protection; and</i> <i>(2) To the best of my knowledge, any emission estimates reported or relied on in this application are true, accurate, and complete and are either based upon reasonable techniques available for calculating emissions or, for emission estimates of hazardous air pollutants not regulated for an emissions unit addressed in this application, based solely upon the materials, information and calculations submitted with this application.</i> <i>(3) If the purpose of this application is to obtain a Title V air operation permit (check here <input type="checkbox"/>, if so), I further certify that each emissions unit described in this application for air permit, when properly operated and maintained, will comply with the applicable requirements identified in this application to which the unit is subject, except those emissions units for which a compliance plan and schedule is submitted with this application.</i> <i>(4) If the purpose of this application is to obtain an air construction permit (check here <input checked="" type="checkbox"/>, if so) or concurrently process and obtain an air construction permit and a Title V air operation permit revision or renewal for one or more proposed new or modified emissions units (check here <input type="checkbox"/>, if so), I further certify that the engineering features of each such emissions unit described in this application have been designed or examined by me or individuals under my direct supervision and found to be in conformity with sound engineering principles applicable to the control of emissions of the air pollutants characterized in this application.</i> <i>(5) If the purpose of this application is to obtain an initial air operation permit or operation permit revision or renewal for one or more newly constructed or modified emissions units (check here <input type="checkbox"/>, if so), I further certify that, with the exception of any changes detailed as part of this application, each such emissions unit has been constructed or modified in substantial accordance with the information given in the corresponding application for air construction permit and with all provisions contained in such permit.</i>
<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  <p>Signature: <u>David A. Buff</u></p> </div> <div style="text-align: center;"> <p>Date: <u>3/7/07</u></p> </div> </div>

* Attach any exception to certification statement.

Board of Professional Engineers Certificate of Authorization #00001670

EMISSIONS UNIT INFORMATION

Section [1]
No. 7 Power Boiler

III. EMISSIONS UNIT INFORMATION

Title V Air Operation Permit Application - For Title V air operation permitting only, emissions units are classified as regulated, unregulated, or insignificant. If this is an application for Title V air operation permit, a separate Emissions Unit Information Section (including subsections A through I as required) must be completed for each regulated and unregulated emissions unit addressed in this application for air permit. Some of the subsections comprising the Emissions Unit Information Section of the form are optional for unregulated emissions units. Each such subsection is appropriately marked. Insignificant emissions units are required to be listed at Section II, Subsection C.

Air Construction Permit or FESOP Application - For air construction permitting or federally enforceable state air operation permitting, emissions units are classified as either subject to air permitting or exempt from air permitting. The concept of an "unregulated emissions unit" does not apply. If this is an application for air construction permit or FESOP, a separate Emissions Unit Information Section (including subsections A through I as required) must be completed for each emissions unit subject to air permitting addressed in this application for air permit. Emissions units exempt from air permitting are required to be listed at Section II, Subsection C.

Air Construction Permit and Revised/Renewal Title V Air Operation Permit Application - Where this application is used to apply for both an air construction permit and a revised/renewal Title V air operation permit, each emissions unit is classified as either subject to air permitting or exempt from air permitting for air construction permitting purposes and as regulated, unregulated, or insignificant for Title V air operation permitting purposes. **The air construction permitting classification must be used to complete the Emissions Unit Information Section of this application for air permit.** A separate Emissions Unit Information Section (including subsections A through I as required) must be completed for each emissions unit subject to air permitting addressed in this application for air permit. Emissions units exempt from air construction permitting and insignificant emissions units are required to be listed at Section II, Subsection C.

If submitting the application form in hard copy, the number of this Emissions Unit Information Section and the total number of Emissions Unit Information Sections submitted as part of this application must be indicated in the space provided at the top of each page.

EMISSIONS UNIT INFORMATION

Section [1]
No. 7 Power Boiler

A. GENERAL EMISSIONS UNIT INFORMATION

Title V Air Operation Permit Emissions Unit Classification

1. Regulated or Unregulated Emissions Unit? (Check one, if applying for an initial, revised or renewal Title V air operation permit. Skip this item if applying for an air construction permit or FESOP only.)
- The emissions unit addressed in this Emissions Unit Information Section is a regulated emissions unit.
 - The emissions unit addressed in this Emissions Unit Information Section is an unregulated emissions unit.

Emissions Unit Description and Status

1. Type of Emissions Unit Addressed in this Section: (Check one)
- This Emissions Unit Information Section addresses, as a single emissions unit, a single process or production unit, or activity, which produces one or more air pollutants and which has at least one definable emission point (stack or vent).
 - This Emissions Unit Information Section addresses, as a single emissions unit, a group of process or production units and activities which has at least one definable emission point (stack or vent) but may also produce fugitive emissions.
 - This Emissions Unit Information Section addresses, as a single emissions unit, one or more process or production units and activities which produce fugitive emissions only.

2. Description of Emissions Unit Addressed in this Section: **No. 7 Power Boiler with Coal and Ash Handling System**

3. Emissions Unit Identification Number: **015**

4. Emissions Unit Status Code: A	5. Commence Construction Date:	6. Initial Startup Date:	7. Emissions Unit Major Group SIC Code: 26	8. Acid Rain Unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
--	--------------------------------	--------------------------	--	--

9. Package Unit:
Manufacturer: _____ Model Number: _____

10. Generator Nameplate Rating: _____ MW

11. Emissions Unit Comment: **Consists of the No. 7 Power Boiler, Coal Handling System, and Ash Handling System. No. 7 Power Boiler is primarily fired with coal.**

EMISSIONS UNIT INFORMATION

Section [1]
 No. 7 Power Boiler

D. SEGMENT (PROCESS/FUEL) INFORMATION

Segment Description and Rate: Segment 1 of 5

1. Segment Description (Process/Fuel Type): External Combustion Boilers, Industrial, Bituminous Coal, Pulverized Coal: Dry Bottom (Tangential)		
2. Source Classification Code (SCC): 1-02-002-12	3. SCC Units: Tons Burned	
4. Maximum Hourly Rate: 40.84	5. Maximum Annual Rate: 357,758	6. Estimated Annual Activity Factor:
7. Maximum % Sulfur:	8. Maximum % Ash: 7	9. Million Btu per SCC Unit: 25
10. Segment Comment: Maximum % S limited by the formula: $\% S = (6.32 \times 10^{-5}) \times (\text{Btu/lb coal})$. Maximum rates based on 12,500 Btu/lb and 1,021 MMBtu/hr.		

Segment Description and Rate: Segment 2 of 5

1. Segment Description (Process/Fuel Type): External Combustion Boilers, Industrial, Residual Oil: Grade 6 Oil		
2. Source Classification Code (SCC): 1-02-004-01	3. SCC Units: Thousand Gallons Burned	
4. Maximum Hourly Rate: 6.807	5. Maximum Annual Rate: 5,963	6. Estimated Annual Activity Factor:
7. Maximum % Sulfur: 2.5	8. Maximum % Ash:	9. Million Btu per SCC Unit: 150
10. Segment Comment: No. 6 fuel oil may contain on-spec used oil and shall only be used as supplemental fuel, standby when coal is not available, startups, and shutdowns. Basis: 1,021 MMBtu/hr; limited to 10 percent annual capacity factor.		

EMISSIONS UNIT INFORMATION

Section [1]
 No. 7 Power Boiler

D. SEGMENT (PROCESS/FUEL) INFORMATION

Segment Description and Rate: Segment 3 of 5

1. Segment Description (Process/Fuel Type): External Combustion Boilers, Industrial, Wood/Bark Waste		
2. Source Classification Code (SCC): 1-02-009-02		3. SCC Units: Tons Burned
4. Maximum Hourly Rate: 10	5. Maximum Annual Rate:	6. Estimated Annual Activity Factor:
7. Maximum % Sulfur:	8. Maximum % Ash:	9. Million Btu per SCC Unit:
10. Segment Comment: Segment represents input of carbonaceous fuel (sludge and bark ash). Based on Permit No. 0890003-009-AV.		

Segment Description and Rate: Segment 4 of 5

1. Segment Description (Process/Fuel Type): Bulk Materials Storage Bins: Coal		
2. Source Classification Code (SCC): 3-05-102-03		3. SCC Units: Tons Processed
4. Maximum Hourly Rate: 400	5. Maximum Annual Rate: 357,758	6. Estimated Annual Activity Factor:
7. Maximum % Sulfur:	8. Maximum % Ash:	9. Million Btu per SCC Unit:
10. Segment Comment: Maximum hourly rate represents system design unloading capacity. Annual rate represents throughput to No. 7 Power Boiler.		

EMISSIONS UNIT INFORMATION

Section [1]
 No. 7 Power Boiler

D. SEGMENT (PROCESS/FUEL) INFORMATION

Segment Description and Rate: Segment 5 of 5

1. Segment Description (Process/Fuel Type): External Combustion Boilers, Industrial, Distillate Oil; Grades 1 and 2 oil		
2. Source Classification Code (SCC): 1-02-005-01		3. SCC Units: Thousand Gallons Burned
4. Maximum Hourly Rate: 7.293	5. Maximum Annual Rate: 6,389	6. Estimated Annual Activity Factor:
7. Maximum % Sulfur: 0.5	8. Maximum % Ash:	9. Million Btu per SCC Unit: 140
10. Segment Comment: Maximum hourly rate based on 1,021 MMBtu/hr. Maximum annual rate based on limit of 10-percent annual capacity factor. No. 2 fuel oil used only as supplemental fuel, standby when coal is not available or for startups and shutdowns.		

Segment Description and Rate: Segment ____ of ____

1. Segment Description (Process/Fuel Type):		
2. Source Classification Code (SCC):		3. SCC Units:
4. Maximum Hourly Rate:	5. Maximum Annual Rate:	6. Estimated Annual Activity Factor:
7. Maximum % Sulfur:	8. Maximum % Ash:	9. Million Btu per SCC Unit:
10. Segment Comment:		

EMISSIONS UNIT INFORMATION

Section [1]
No. 7 Power Boiler

E. EMISSIONS UNIT POLLUTANTS

List of Pollutants Emitted by Emissions Unit

1. Pollutant Emitted	2. Primary Control Device Code	3. Secondary Control Device Code	4. Pollutant Regulatory Code
PM	010		EL
PM ₁₀	010		NS
SO ₂			EL
NO _x			EL
CO			EL
VOC			NS
HAPS			NS
Hydrochloric Acid (H106)			EL
Hydrogen Fluoride (H107)			NS
Mercury (H114)	010		EL

EMISSIONS UNIT INFORMATION

Section [1]
No. 7 Power Boiler

POLLUTANT DETAIL INFORMATION

Page [1] of [3]
Particulate Matter - PM

**F1. EMISSIONS UNIT POLLUTANT DETAIL INFORMATION –
POTENTIAL/ESTIMATED FUGITIVE EMISSIONS**

(Optional for unregulated emissions units.)

Potential/Estimated Fugitive Emissions

Complete for each pollutant identified in Subsection E if applying for an air construction permit or concurrent processing of an air construction permit and a revised or renewal Title V permit. Complete for each emissions-limited pollutant identified in Subsection E if applying for an air operation permit.

1. Pollutant Emitted: SO₂		2. Total Percent Efficiency of Control:	
3. Potential Emissions: 1,225.2 lb/hour 5,366.38 tons/year		4. Synthetically Limited? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
5. Range of Estimated Fugitive Emissions (as applicable): to tons/year			
6. Emission Factor: 1.2 lb/MMBtu Reference: 40 CFR 60.43(a)(2)		7. Emissions Method Code: 0	
8.a. Baseline Actual Emissions (if required): tons/year		8.b. Baseline 24-month Period: From: To:	
9.a. Projected Actual Emissions (if required): tons/year		9.b. Projected Monitoring Period: <input type="checkbox"/> 5 years <input type="checkbox"/> 10 years	
10. Calculation of Emissions: 1.2 lb/MMBtu x 1,021 MMBtu/hr=1,225.2 lb/hr 1,225.2 lb/hr x 8,760 hr/yr x 1 ton/2,000 lb = 5,366.38 TPY			
11. Potential Fugitive and Actual Emissions Comment: See also attached approved Coal Sampling and Testing Procedures.			

EMISSIONS UNIT INFORMATION

POLLUTANT DETAIL INFORMATION

Section [1]
No. 7 Power Boiler

Page [1] of [3]
Particulate Matter - PM

**F2. EMISSIONS UNIT POLLUTANT DETAIL INFORMATION -
ALLOWABLE EMISSIONS**

Complete if the pollutant identified in Subsection F1 is or would be subject to a numerical emissions limitation.

Allowable Emissions Allowable Emissions 1 of 2

1. Basis for Allowable Emissions Code: RULE	2. Future Effective Date of Allowable Emissions:
3. Allowable Emissions and Units: 1.2 lb/MMBtu	4. Equivalent Allowable Emissions: 1,225.2 lb/hour 5,366.38 tons/year
5. Method of Compliance: Coal fuel sampling and analysis.	
6. Allowable Emissions Comment (Description of Operating Method): 40 CFR 60.43(a)(2). Applies to solid fuel burning. See attached sampling and analysis plan, approved by EPA and FDEP.	

Allowable Emissions Allowable Emissions 2 of 2

1. Basis for Allowable Emissions Code: RULE	2. Future Effective Date of Allowable Emissions:
3. Allowable Emissions and Units: 0.8 lb/MMBtu	4. Equivalent Allowable Emissions: 816.8 lb/hour 3,577.58 tons/year
5. Method of Compliance: Fuel Analysis.	
6. Allowable Emissions Comment (Description of Operating Method): 40 CFR 60.43(a)(1). Applies to liquid fuel burning.	

Allowable Emissions Allowable Emissions ____ of ____

1. Basis for Allowable Emissions Code:	2. Future Effective Date of Allowable Emissions:
3. Allowable Emissions and Units:	4. Equivalent Allowable Emissions: lb/hour tons/year
5. Method of Compliance:	
6. Allowable Emissions Comment (Description of Operating Method):	

EMISSIONS UNIT INFORMATION

Section [1]
 No. 7 Power Boiler

H. CONTINUOUS MONITOR INFORMATION

Complete if this emissions unit is or would be subject to continuous monitoring.

Continuous Monitoring System: Continuous Monitor 1 of 2

1. Parameter Code: VE	2. Pollutant(s):
3. CMS Requirement:	<input checked="" type="checkbox"/> Rule <input type="checkbox"/> Other
4. Monitor Information... Manufacturer: Land Combustion Model Number: 4500 MKIIt Serial Number: 11230452	
5. Installation Date: 01 November 2005	6. Performance Specification Test Date: 02 November 2005
7. Continuous Monitor Comment: 40 CFR 60.45(a)	

Continuous Monitoring System: Continuous Monitor 2 of 2

1. Parameter Code: O2	2. Pollutant(s):
3. CMS Requirement:	<input type="checkbox"/> Rule <input checked="" type="checkbox"/> Other
4. Monitor Information... Manufacturer: Yokogawa Model Number: Z021 Serial Number: 630509	
5. Installation Date: 1997	6. Performance Specification Test Date:
7. Continuous Monitor Comment: Required per Permit No. 0890003-001-AV, EPA/DER agreement, and CFR 52.21(j). Monitor is located in the economizer section of the boiler.	

ATTACHMENT A

ATTACHMENT A

Smurfit-Stone Container Enterprises, Inc. (SSCE) recently received final Title V operating permit No. 0890003-009-AV, issued January 3, 2007, for the Fernandina Beach Mill. The final permit contains a specific condition for the No. 7 Power Boiler that restricts the sulfur content of the coal burned in the boiler to no more than 0.75 percent. The permit also contains a specific condition which requires continuous oxygen (O₂) monitoring of the flue gas from No. 7 Power Boiler. SSCE is seeking changes/clarifications to both of these conditions, as further described below.

Coal Sulfur Content Limitation

The permit condition reads as follows:

"F.26. *Sulfur Dioxide.* *Sulfur dioxide emissions shall be monitored by fuel sampling and analysis as specified in the "Container Corporation of America Coal Sampling and Testing Procedures for Compliance Monitoring of SO₂ for #7 Power Boiler" in lieu of the installation and operation of a continuous monitoring system.^{1,2} Coal fuel is limited to a maximum sulfur content determined by the following formula:*

$$\%S \text{ (max allowed)} = (6.32 \times 10^{-5}) \times (\text{BTU per lb coal})$$

¹ *The mill shall use the ASTM Methods stated in RAI response dated December 4, 2003 or other methods approved by the Department.*

² *At no time shall the sulfur content exceed 0.75 percent (EPA established BACT dated April 13, 1981)."*

The reference cites a U.S. Environmental Protection Agency (EPA) best available control technology (BACT) determination dated April 13, 1981.

SSCE is requesting that this condition be revised to remove the requirement that the sulfur content of the coal not exceed 0.75 percent at any time. SSCE requests that the coal sulfur content only be limited by the equation provided in the specific condition listed above. This equation is based on limiting the equivalent sulfur dioxide (SO₂) emissions from combusting the coal to 1.2 lb/MMBtu heat input. The maximum allowable %S varies with the heating value of the coal. For example, for coal with a heating value of 12,500 Btu/lb, the maximum allowable sulfur content according to the equation is 0.75 percent. However, coal with a heating value of 13,500 Btu/lb would be allowed a maximum sulfur content of 0.79 percent.

SSCE has been operating under this equation since the Florida DEP air construction permit and EPA PSD permit were issued in 1981. This is because the specific conditions in these two permits did not contain any specific restriction on the coal sulfur content. Only the above equation and a maximum sulfur limit of 1.2 lb/MMBtu were contained in the specific conditions.

Provided in Table 1 is a chronological history of the origin of condition F.26 in the current Title V permit which contains the coal sulfur limitation for the No 7 Power Boiler. A discussion of the history follows below.

5/1/80 PSD permit application to EPA

10/1/80 AC permit application to FDEP

This application states the following in regard to the proposed BACT for SO₂:

“Assuming a heating value of 12,500 Btu/lb (HHV), the sulfur content in the coal is limited to 0.75% in order to meet the NSPS limit of 1.2 lb SO₂/MMBtu generated.” (pg. 4-11 of PSD application)

This clearly proposes a limit of 1.2 lb/MMBtu, and 0.75% sulfur coal with an “assumed heating value of 12,500 Btu/lb” is given as an example only. Table 4-4 of the application listed various coals that would comply with the proposed BACT, including one coal described as having a sulfur content of 0.8%.

2/81 Preliminary determination issued by EPA (PSD-FL-062)**2/24/81 Facility comments on coal sulfur issue regarding proposed permit no. AC45-35532**

This comment letter on the draft PSD permit submitted by Container Corporation of America (CCA) requested that the sulfur content of the coal not be specifically limited, and that the heating value of the fuel be taken into account. CCA proposed a formula which included sulfur content and heating value.

3/12/81 Construction permit issued (AC 45-35532)

In the FDEP Final Determination, FDEP responded to CCA's comment, and stated that the Department will allow credit for sulfur compounds retained in the fly ash and for the heating value of the coal in determining the maximum allowable sulfur in the coal. The final permit contains an SO₂ emission limit of 1.2 lb/MMBtu and the following equation:

$$\%S (\text{max allowed}) = (6.32 \times 10^{-5}) \times (\text{BTU per lb coal})$$

4/13/81 EPA Final Determination and Final PSD Permit (PSD-FL-062)

The Final Determination document states:

“With this condition, EPA concurs that the proposed use of less than 0.75 percent sulfur Eastern or Midwestern bituminous coal to achieve the NSPS emission limit does constitute BACT.”

The Final Determination refers to Table 3, which provides the allowable emission limits. The SO₂ limit in the table is 1.2 lb/MMBtu. Thus, EPA was clearly stating that the NSPS limit was BACT, not 0.75 percent sulfur coal.

Specific Condition 4 of the permit states that emissions from No. 7 Power Boiler shall not exceed those shown in Table 7. The SO₂ limit in the table is 1.2 lb/MMBtu. There is no reference to coal sulfur content.

The Final Determination document included a "Response to Public Comment" section, which addresses a letter from CCA. Comment 2 and EPA's response are as follows:

"Comment 2: An understanding that "low sulfur coals" are those which by reason of combined sulfur and heat content, result in emissions not exceeding 1.2 lb/MMBtu and hence the maximum percent sulfur will vary up or down depending upon the heat content of the coal (page 4)."

"Response 2: The commenter is correct in his statement. The coal to be used is 0.75% sulfur and contains 1.2 pounds of SO₂ per million Btu heat input on a basis of a rolling average on a 30-day basis."

Although this statement references the 0.75% coal sulfur content CCA provided in its example, this statement that the commenter is correct, in conjunction with the actual emission limit of 1.2 lb/MMBtu, make it clear that EPA did not intend to specifically regulate coal sulfur content.

10/5/84 Coal monitoring plan submitted

Included the equation from the FDEP construction permit relating coal sulfur content to heating value.

11/21/89 Coal monitoring plan approved by EPA

EPA approved the 10/5/84 plan by CCA which incorporated the sulfur content equation.

12/11/89 Coal monitoring plan approved by DEP

DEP approved the 10/5/84 plan by CCA, based on EPA's approval of 11/21/89.

6/15/98 Original Title V permit issued (0890003-001-AV)

Did not include sulfur limit; Condition F.5 stated the SO₂ emission limit as 1.2 lb/MMBtu heat input. Condition F.9 further states that "Coal fuel is limited to a maximum sulfur content determined by the following formula:

$$\%S \text{ (max allowed)} = (6.32 \times 10^{-5}) \times (\text{BTU per lb coal})"$$

12/16/02 Title V permit renewal application submitted by facility

3/5/03 RAI #1 issued by FDEP – requested information regarding SO₂ BACT

6/5/03 Facility response to RAI #1 – see response to question #9

8/16/05 First Title V renewal permit intent to issue – included 0.75% sulfur limit

11/30/05 Smurfit comments on draft Title V – questioned validity of coal sulfur limit

2/27/06 FDEP response to facility comments – response #60 indicated that EPA had been contacted for clarification

- 3/21/06 Email from R. Felton-Smith to B. Crews**
- 9/21/06 Intent to issue Title V permit renewal (0890003-009-AV) – included 0.75% sulfur limit**
- 10/27/06 Smurfit comments on draft Title V**
- 11/9/06 Proposed determination to issue Title V permit – included 0.75% sulfur limit**

The proposed permit incorrectly states in the footnote to Condition F.26 that “At no time shall the sulfur content exceed 0.75 percent”, and refers to EPA established BACT dated April 13, 1981. However, as discussed above, the April 13, 1981 Final PSD permit does not contain any such limitation.

The only limit on SO₂ from coal burning in the PSD permit is 1.2 lb/MMBtu. If EPA had intended that No. 7 Power Boiler be subject to a limit of 0.75% sulfur in the coal, it would have and easily could have included such a limit in the PSD permit. There is no such limit; instead the 0.75% appears in EPA's narrative discussion of its BACT determination.

In the BACT discussion from the April 13, 1981 Final Determination, EPA states:

"The applicant's BACT review concluded that low sulfur bituminous coal would achieve the NSPS standard with the lowest economic impact and least technological uncertainty. EPA reviewed this analysis and questioned the availability of low sulfur coal over the lifetime of the proposed project. The applicant proposed to include in the equipment design allowances to enable addition of FGD at any future date if and when a poor availability of low sulfur coal interfered with meeting the allowable emission standard of 1.2 lbs SO₂/MMBtu. With this condition, EPA concurs that the proposed use of less than .75 percent sulfur Eastern and Mid Western bituminous coal to achieve the NSPS emission limit does constitute BACT."

Since the permit does not include a condition that the coal sulfur content not exceed 0.75%, there is no basis for contending that this is a limit. Also, the approved coal fuel sampling plan contains the equation relating fuel sulfur and heating value.

SSCE (formerly CCA) has always understood that they were proposing and that EPA had accepted that CCA could burn any percentage sulfur as long as the SO₂ emissions did not exceed 1.2 lb/MMBtu. The specific language in the application supports that CCA was not proposing to limit the coal to a not-to-exceed 0.75 percent.

However, regardless of any other language, including EPA's narrative discussion quoted above, the only limit in the permit is the 1.2 lbs SO₂/MMBtu. Moreover, the intent that this be the only limit is reinforced by footnote “a” to Table 7 in the PSD permit, which gives the formula for calculating the SO₂ emission limit when both coal and wood are burned. If EPA had intended to impose a ceiling on the sulfur content as calculated by the formula, it would have added language like that recently proposed by the FDEP.

In conclusion, the only binding conditions and emission limits are those expressly set forth as such in the permit and that an EPA discussion of the means to achieve an emission limit -- unless expressly incorporated as a permit condition -- is not part of the permit and certainly does not justify, 25 years after the initial permit was issued, inserting a limit not previously expressed in any other permit for the boiler.

Flue Gas O₂ Monitoring

The Title V Permit condition from the PSD permit reads as follows:

*F.27. Oxygen. Oxygen shall be continuously monitored. The continuous Oxygen monitoring system shall comply with the applicable requirements of 40 CFR Part 60, Appendix B, Performance Specification 3.
[Construction Permit No. AC45-35532; EPA Modification to PSD-FL-062 dated 4/13/81]*

This condition stems from Table 3 of the PSD permit dated 4/13/81. Under the allowable emission limits for NO_x, the "Basis" of the limit is stated as "BACT", with a footnote. The footnote states "BACT control is to be established in accordance with Attachment II". Attachment II of the PSD permit is entitled "Use of Flue Gas Oxygen Meter as BACT for Combustion Controls" (see attached copy). This document, in turn, states in part the following:

"The permittee shall install a continuous oxygen monitor in the flue of the permitted combustion device which meets the requirements of 40 CFR, Appendix B, Performance Specification 3."

The performance specifications of Appendix B are typically for extraction type continuous emission monitoring systems (CEMS) located in the stack. In fact, Performance Specification 3 (PS3) references to PS 2 for the proper stack location of an O₂ monitor. PS2, Section 8.0, states the following:

"Install the CEMS at an accessible location where the pollutant concentration or emission rate measurements are directly representative or can be corrected so as to be representative of the total emissions from the affected facility or at the measurement location cross section. Then select representative measurement points or paths for monitoring in locations that the CEMS will pass the RA test (see Section 8.4). If the cause or failure to meet the RA test is determined to be the measurement location and a satisfactory correction technique cannot be established, the Administrator may require the CEMS to be relocated."

"8.1.2. CEMS Measurement Location. It is suggested that the measurement location be (1) at least two equivalent diameters downstream from the nearest control device, the point of pollutant generation, or other point at which a change in the pollutant concentration or emission rate may occur and (2) at least a half equivalent diameter upstream from the effluent exhaust or control device."

One issue is that when referring to "combustion controls," i.e., monitoring good boiler combustion to minimize NO_x and CO, this is by definition referring to "boiler O₂," not "stack O₂." Stack O₂ would be after the ID fan and include all of the leaks, etc. through the precipitator, and would not be indicative of boiler combustion conditions. The standard practice for monitoring boiler combustion is to monitor the excess air in the flue gas after the combustion zone, usually in the economizer section of the boiler, and prior to the control device. This is in fact what SSCE does. SSCE uses a probe into the economizer section, not a stack extraction monitor. It is maintained and calibrated on a set schedule. This is consistent with SSCE's other mills, that have similar O₂ monitoring requirements. Note that SSCE monitors this same boiler O₂ on all of their power and recovery boilers as an indication of boiler operating conditions. Additionally, PS3 requires a RATA to compare O₂ to stack sampling conditions.

SSCE's O₂ monitor on the No. 7 Power Boiler is not inconsistent with the first part of PS3, i.e., that the monitor be located at a location that is "directly representative" of the total emissions. The O₂ monitor is located at the most representative location. However, an RA test cannot be conducted at the location due to the stack sampling criteria.

SSCE therefore requests to remove the PS 3 requirement from this permit in conjunction with the revision request associated with the coal SO₂ monitoring issue. Suggested rewording of the condition is provided below:

F.27. Oxygen. Boiler oxygen shall be continuously monitored. The continuous Oxygen monitoring system shall be calibrated at least annually following the manufacturer's recommendations.

TABLE 1

**Smurfit-Stone Container Enterprises, Inc.
Fernandina Beach Mill
PB7 SO₂ Issue Timeline**

5/1/80	PSD permit application to EPA
10/1/80	AC permit application to FDEP
2/81	Preliminary determination (PSD-FL-062)
2/24/81	Facility comments on coal sulfur issue
3/12/81	Construction permit issued (AC 45-35532) – see response to facility comments; did not include sulfur limit
4/13/81	EPA Final Determination (PSD-FL-062) – see response to facility comments
10/5/84	Coal monitoring plan submitted
12/11/89	Coal monitoring plan approved by EPA
6/15/98	Original Title V permit issued (0890003-001-AV) – did not include sulfur limit
12/16/02	Title V permit renewal application submitted by facility
3/5/03	RAI #1 issued by FDEP – requested information regarding SO ₂ BACT
6/5/03	Facility response to RAI #1 – see response to question #9
8/16/05	First Title V intent to issue – included 0.75% sulfur limit
11/30/05	Smurfit comments on draft Title V – questioned validity of coal sulfur limit
2/27/06	FDEP response to facility comments – response #60 indicated that EPA had been contacted for clarification
3/21/06	Email from R. Felton-Smith to B. Crews
9/21/06	Intent to issue Title V permit renewal (0890003-009-AV) – included 0.75% sulfur limit
10/27/06	Smurfit comments on draft Title V
11/9/06	Proposed determination to issue Title V permit – included 0.75% sulfur limit

APPROVED COAL SAMPLING AND TEST PROCEDURES

NO. 7 POWER BOILER

USE OF FLUE GAS OXYGEN METER AS BACT FOR
COMBUSTION CONTROLS

Within the time limits specified in General Condition 3 of this permit, the permittee shall determine the emissions of nitrogen oxides and carbon monoxide from the permitted combustion device in accordance with test methods and procedures set out in 40 CFR Part 60, Appendix A, Methods 7 and 10, respectively. These emission determinations shall be made at:

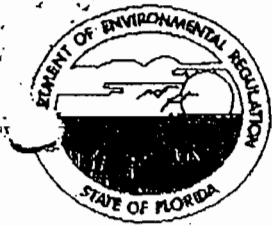
- 1) Maximum design capacity; and
- 2) Normal operational load.

The permittee shall install a continuous oxygen monitor in the flue of the permitted combustion device which meets the requirements of 40 CFR Part 60, Appendix B, Performance Specification 3. Results of emission determinations shall be correlated to the flue gas oxygen content to define:

- 1) The point at which Nitrogen Oxides (NO_x) emissions (lb/MMBtu) equals the allowable NO_x emission rate contained in the permit.
- 2) The point at which carbon monoxide (CO) emissions exceed the allowable CO emission rate contained in the permit.

The flue gas oxygen content shall be maintained between these points and alarms shall be set to sound when flue gas oxygen levels exceed either side of this range. Any operation outside of this range will constitute noncompliance with this specific condition, shall be recorded in accordance with General Condition 4 of this permit, and will be reported quarterly along with excess emissions in accordance with 40 CFR 60.7 (c).

Should any combustion equipment modifications be made such as different type burners, combustion air relocation, fuel conversion, tube removal or addition, etc., emissions correlations as described above shall be conducted within 90 days of attaining full operation after such modification. Results of all emission determinations shall be sent to the permitting authority within 90 days after completion of the tests.



Florida Department of Environmental Regulation

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

Bob Martinez, Governor

Dale Twachtman, Secretary

John Shearer, Assistant Secretary

December 11, 1989

Mr. Roger Hagan
Container Corporation of America
North 8th Street
Fernandina Beach, Florida 32034

cc: R. Hagan
D. Little
R. Cobb - Clayton legal
R. Williams - Jax CMD

(original to S. Luedtke)

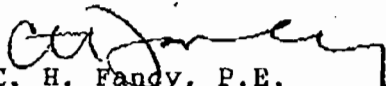
Dear Mr. Hagan:

Enclosed is the Environmental Protection Agency's recommended approval of your power boiler #7 fuel sampling and analysis procedures in lieu of continuous emissions monitoring for SO₂. The EPA's response is in reply to an inquiry by the Department's Air Compliance Section.

The Department hereby approves your requested sampling and analysis procedures that have been in effect since #7 power boiler became operational. We do not plan to take any further action, however, you should not in the future, assume that you have a waiver from rule requirements until final approval is granted. The submittal of a request does not constitute approval.

Please contact John Brown at (904) 488-1344 or me if you have any questions.

Sincerely,


C. H. Fandy, P.E.
Chief
Bureau of Air Regulation

CHF/ht

cc: Andy Kutyna, NE District
Terry Cole



DEC 14 REC'D

Best Available Copy



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

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

NOV 21 1989

4APT-AC

Mr. Steve Smallwood, P.E., Director
Division of Air Resources Management
Florida Department of Environmental
Regulation
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Dear Mr. Smallwood:

As requested in your letter of September 18, 1989, we have reviewed the fuel sampling and analysis plan to determine SO₂ emissions from boiler No. 7 operated by Container Corporation of America in Nassau County, Florida. Boiler No. 7 is subject to 40 CFR Part 60, Subpart D and is required to monitor SO₂ emissions as specified by §60.45(a). Since boiler No. 7 does not have an SO₂ control device, Container Corporation can monitor SO₂ by fuel sampling and analysis as allowed by §60.45(b). However, since the fuel sampling and analysis procedures are reserved, then source owners must propose their own.

We recommend that Container Corporation's proposed fuel sampling and analysis procedures be approved. Their proposed procedures should provide representative SO₂ emissions from boiler No.7 and should prevent the firing of non-complying sulfur coal.

If you have any questions regarding this letter, please contact Mr. Paul Reinermaun at 404/347-2904.

Sincerely yours,

Roger O. Pfaff, Chief
Air Compliance Branch
Air, Pesticides and Toxics
Management Division

cc: G. Kutyra, NE Dist.
M. Benjamin, NE Dist.

cc: R. Hagan
D. Little
R. Cobb - Clayton Legal
ENV FTIC
R. Caffo

RECEIVED
NOV 27 1989
D&K-BAC
NORTHEAST DIST.
DER-JACKSONVILLE
DEC 6 1989

RECEIVED
DEC 17 1989
ARR'D.....



Plant M. Division

North Eighth Street
Fernandina Beach, Florida 32034

Phone: 904 261-5551

October 5, 1984

bcc C. L. Sawyer

R. L. Cobb - Main Office

P. E. Trout - Carol Stream

Mr. Bill Vogel
Air and Waste Management Division
EPA
345 Courtland Street
Atlanta, Georgia

Dear Mr. Vogel:

Enclosed is a copy of CCA's procedures for compliance monitoring of SO₂ by sampling and testing of coal. The Northeast subdistrict suggested we send your office a copy of these procedures for your office to approve as an alternative method for determining compliance with the SO₂ limit. We have reviewed our procedures with the Florida DER subdistrict and they approve of our SO₂ sampling and testing methods. They are awaiting your decision on this matter so an operating permit can be issued. Your prompt reply will be appreciated.

If you have any additional questions, please do not hesitate to be in contact with me.

Sincerely,

CONTAINER CORPORATION OF AMERICA

for: David R. James
Cynthia L. Sawyer
Environmental Group Leader

Enclosure

jrb

CC: C. H. FANCY, BAQM

John C. Brown, Jr, Northeast District



Container
Corporation
of America

Paper Mill Division

North Eighth Street
Fernandina Beach, Florida 32034

Phone: 904 261-5551

CONTAINER CORPORATION OF AMERICA
COAL SAMPLING AND TESTING PROCEDURES
FOR COMPLIANCE MONITORING OF SO₂
FOR #7 POWER BOILER

INTRODUCTION

INTRODUCTION TO COAL TESTING

Coal Testing at Container Corporation of America's Fernandina Beach Mill demonstrates compliance with the 1.2 lbs SO₂/mmBTU on a 30-day rolling average. Container has contracts with two coal companies that supply approximately 5,000 tons of coal per week to the CCA's Fernandina Beach facility. In CCA's construction permit for this NSP source, the amount of sulfur allowed in the coal is calculated as follows:

$$\text{ALLOWABLE \% SULFUR} = 6.32 \times 10^{-5} \times (\text{BTU per lb coal})$$

The coal which is purchased is low sulfur coal with high BTU values. The coal purchasing contract states that the coal cannot exceed 1.2 lb SO₂/mmBTU. The buyer will reject the coal if it does not meet the requirements in the contract for SO₂. CCA felt as though it would be best to have the coal analyzed prior to receiving the shipment at the mill. Therefore, the coal is analyzed by each coal mine and it is also analyzed by a commercial laboratory. If there is a discrepancy in the analyses, both the mine and the lab run their test again. The sample is also sent to an independent lab to verify which analysis is correct.

Since the boiler came on line, CCA has been following this procedure for SO₂ compliance monitoring. During the past year and a half, no sample has gone over the 1.2 lbs SO₂/mmBTU limit. This procedures handbook is to identify our coal sampling and testing procedures which document compliance with the 1.2 lbs SO₂/mmBTU allowable.

SAMPLING POINT SELECTION

SAMPLING POINT LOCATION

We elected to have the coal sampled and analyzed at each respective mine site prior to shipments. These analyses are received at our mill before the coal shipments arrive, affording us the opportunity to reject shipments not meeting contract and/or compliance conditions.

If sampling were performed at the mill and the analysis showed non-compliance with SO_2 , it would be very difficult to distinguish and/or remove the non-compliance coal from the storage system.

In conjunction with the analyses conducted at the mine sites, duplicate coal samples are sent to an independent laboratory (Commercial Testing, Charleston, WV) for verification of the mines' results. To date, comparison of analyses has been excellent.

SAMPLING METHODS

SAMPLING METHODS

Not only is the sampling location important but also the method by which the coal is sampled. The sample collection is accomplished at the coal mines by different sampling methods. The Golden Oaks Mine uses a J. A. Redding automatic coal sampling system (schematic attached). This is a two stage continuous sampler. Coal shipments to CCA from Golden Oaks consist of approximately 20 to 25 railcars per lot. This sampler has a primary cutter which randomly cuts the full stream of the coal being loaded. During the entire loading about 7,500 lbs. go to the secondary system where it is crushed to a 8 mesh and split into a 50 lb. sample. This sample is then put through a riffler which splits the sample down to the 5 lb. increment that is sent to Commercial Testing for duplicate analysis.

The Peabody Mines (Stickney and Robin Hood, WV) use a semi-mecanical system. The loading operator stops the conveyor belt and takes a straight cut of approximately 50 lbs. across the belt. This is done four times per railcar. The lot size is approximately 16 to 20 railcars. There are approximately 64 to 80 incremental samples per lot. The sample is then crushed to 8 mesh and further divided by a riffler. The sample is split until a 5 to 10 lb. sample is obtained. This sample is also sent to Commercial Testing and to Peabody's in-house laboratory. Both of these coal mines sampling procedures meet ASTM method 2234 for sample size and number of increments.

PURCHASE CONTRACT
COAL SPECIFICATIONS

TABLE 2

PURCHASE CONTRACT
COAL SPECIFICATIONS

Washed coal crushed to size of 2" x 0"

BTU/lb	12,500 minimum
Moisture, as received	8% maximum
Ash, as received	11% maximum
Volatile	30% minimum
Sulfur	1.2 lbs SO ₂ /mmBTU maximum

Coal not meeting specifications for SO₂ will be rejected.

TEST METHODS

TEST METHODS

ASTM METHOD

	Sample Collection	Sample Preparation	Sulfur	Moisture	GCV
Method 19	D2234	D2013	D3177	D3173	D3176*
Golden Oaks	D2234	D2013	Leco Sulfur Analyzer	D3102	D3286
Peabody	D2234	D2013	D3177	D3102	D3286
Commercial Testing	---	D2013	D3177	D3102 D3173	D3286

* This is the ASTM method for an Ultimate Analysis which does not include GCV. ASTM D 3286 is the method to determine GCV.

The Peabody mine participates in a round robin program where they receive an unknown sample once a month for analysis. Peabody also checks their analysis using standard samples on a more frequent basis.

Commercial Testing and Engineering in Charleston, WV serves as the independent laboratory. A copy of their standard laboratory procedure is enclosed. Following is a comparison of results based on sulfur analyses by the mines and Commercial Testing. These are monthly averages and show very little difference between analysts. All the records on compliance monitoring of SO₂ are maintained by the mill Environmental Group.

CCA NO. 7 POWER BOILER

Emissions lb SO₂ mm BTU as determined by Sulfur Analysis of the coal.
Mining Company vs Commercial Testing.

Mining Company

<u>1984</u>	<u>Golden Oaks</u>	<u>Commercial Testing</u>
January	0.96	1.02
February	0.94	1.02
March	0.97	1.05
April	0.96	1.01
May	1.02	1.05
June	0.99	1.05

<u>1984</u>	<u>Peabody</u>	<u>Commercial Testing</u>
January	0.97	1.05
February	0.96	1.08
March	1.10	1.14
April	1.05	1.06
May	1.07	1.07
June	1.05	1.06

COMMERCIAL TESTING & ENGINEERING CO.

GENERAL OFFICES: 228 NORTH LA SALLE STREET, CHICAGO, ILLINOIS 60601

AREA CODE 312 726-6434

WEST VIRGINIA DIVISION MANAGER
TOM BRAZEAU



PLEASE ADDRESS ALL CORRESPONDENCE TO
P.O. BOX 808, CHARLESTON, WV 253
OFFICE TEL. (304) 925-66

February 23, 1984

Cindy Sawyer
Container Corp. of America
Mill Div., North 8th Street
Fernandina Beach, Florida 32034

Dear Cindy,

Commercial Testing & Engineering Co. in Charleston receives 1000-2000 grams of 8 Mesh coal samples directly from two suppliers that is to be shipped to Container Corp. of America.

The coal sample is identified by railcar no's. and airdried in accordance with ASTM D3302 sec. 3.2.2, 3.2.3 and 3.3 at 10°C above ambient temperature until the moisture loss is less than 0.1% per hour. The sample is then riffled to 1000 grams and pulverized to -60Mesh. This sample is subdivided to between 75 and 100 grams and thoroughly mixed in a sample shaker.

This sample is then sent to the laboratory where the following test are performed. Residual Moisture ASTM D3173-79
Ash ASTM D3174-82, Volatile Matter ASTM D-3175 sec. 6.1, Gross Calorific Value ASTM D3286-77 and Sulfur determination ASTM D3177-1982 sec. 3.3.

C.T.&E. adheres to ASTM procedures and has internal (daily) as well as external (weekly) quality control samples run under identical procedures for quality assurance.

If you have any other questions please feel free to contact me at your convenience.

Very truly yours,

COMMERCIAL TESTING & ENGINEERING CO.

Edwin B. Snellings, Manager
Charleston Office

EBS/tk.



CONCLUSION

CONCLUSION

CCA feels the sampling method and analysis are sufficient to meet the fuel analysis specified by CFR 40 60.45(b)(2). In the Federal register dated Oct. 21, 1983, Standards of Performance for New Stationary Sources, proposed revisions stated if the fuel is sampled, it must meet ASTM D-2234. As we stated earlier, these samplers do meet ASTM Method D-2234 and are also analyzed by ASTM methods. We believe this demonstrates compliance with CFR 40 60.45(b)(2).

COAL SAMPLING SYSTEM

