



April 10, 2015

VIA OVERNIGHT MAIL

Mr. David Read
Permitting Section Administrator
Florida Department of Environmental Protection
Office of Air Permitting and Compliance
2600 Blair Stone Road, M.S. 5500
Tallahassee, Florida 32399-2400

**Re: RockTenn CP, LLC – Fernandina Beach, Florida Mill
Request for Extension of Compliance for Boiler MACT**

Dear Mr. Read:

Power Boiler 7 (“PB-7”) at the Fernandina Beach, Florida pulp and paperboard mill owned by RockTenn CP, LLC (“RockTenn”) is subject to regulation under the National Emissions Standard for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, Institutional Boilers and Process Heaters (40 CFR 63, Subpart DDDDD) (“Boiler MACT”). PB-7 (EU ID No. 015) is an existing pulverized coal unit that presently is required to comply with Boiler MACT standards by January 31, 2016. For the reasons discussed in more detail below, RockTenn will be unable to procure and install the equipment necessary to enable PB-7 to burn clean natural gas for consistent compliance with the Boiler MACT HCl limit by the January 31, 2016 deadline. Therefore, RockTenn is requesting DEP’s written approval of a one-year extension of the Boiler MACT compliance deadline for PB-7, or until January 31, 2017.

Background

Under 40 CFR 63.6(i)(4)(i)(A):

The owner or operator of an existing source who is unable to comply with a relevant standard established under this part pursuant to section 112(d) of the Act may request that the Administrator (or a State, when the State has an approved part 70 permit program and the source is required to obtain a part 70 permit under that program, or a State, when the State has been delegated the authority to implement and enforce the emission standard for that source) grant an extension allowing the source up to 1 additional year to comply with the standard, if such additional period is necessary for the installation of controls.

In general, requests for compliance extensions must be made in writing at least 120 days prior to the compliance date, which is January 31, 2016 for existing sources subject to Boiler MACT (40 CFR 63.6(i)(4)(i)(B) and 40 CFR 63.7495(b)). Because RockTenn’s request is being submitted prior to October 3, 2015, it is timely.

Affected Unit

This compliance extension request for the Fernandina Beach mill applies to PB-7 only. (The mill has a second, hybrid suspension grate boiler (PB-5) that will not be affected this request and is on schedule to comply with Boiler MACT by the January 31, 2016 deadline.) Our request for PB-7 covers all emission limits, work practice standards, initial performance testing, monitoring, recordkeeping, reporting and other requirements applicable to this unit under Boiler MACT.

Description of Controls to be Installed

PB-7 burns high-quality, pulverized, metallurgical coal that is sourced primarily from the Appalachian region of the United States. The Fernandina Beach mill historically has procured coal based on specifications that were developed to ensure that the coal's sulfur content does not exceed 1 percent by weight as required for compliance with the facility's Title V Air Operating Permit (No. 0890003-044-AV). More recently, RockTenn has requested that its coal suppliers also provide chlorine data with every coal shipment so that mill environmental personnel can evaluate compliance with the Boiler MACT HCl emission limit, which is 0.022 lb/MMBtu for solid fuel boilers. (RockTenn has verified that its vendors are using ASTM Method D2361, an approved method under 40 CFR § 63.7521, Table 6, to develop the chlorine data provided to the Fernandina Beach mill.) Our review of these data indicates that the chlorine content of the facility's coal supply is variable. As shown in the data table provided as Attachment 1, close to 25% of all coal shipments received by the mill during the period May 2013 to October 2014 contained chlorine levels that exceeded – or were extremely close to exceeding - the applicable Boiler MACT HCl emission limit.

Since 2010, RockTenn has been engaged in a continuous program of engineering to evaluate pollution control technologies and other strategies that would allow PB-7 at the Fernandina Beach mill to achieve compliance with the Boiler MACT rule. As shown on the timeline provided in Attachment 2, RockTenn first began its review of potential Boiler MACT compliance strategies in 2010, and during this time we have conducted engineering studies on the following alternatives:

- Use of a coal specification for chlorine;
- Upgrading/modifying PB-7's existing electrostatic precipitator;
- Converting the boiler to 100% natural gas;
- Installing a wet scrubber; and
- Installing a dry sorbent injection system.

The most efficient and cost-effective way for the Fernandina Beach mill to achieve Boiler MACT compliance would be to use a chlorine specification for coal. We have spent a considerable amount of time and effort investigating this option; however, none of our suppliers are willing to provide a chlorine content guarantee on a basis other than an annual average for all shipments. A guarantee of this kind would not provide RockTenn with a sufficient level of

assurance that the Fernandina Beach mill could maintain consistent compliance with the Boiler MACT emissions standard for HCl.

Our evaluation of Boiler MACT compliance alternatives for PB-7 became more complicated in late 2013 when the Department informed RockTenn that maximum allowable SO₂ emission rates from sources at the Fernandina Beach mill and the nearby Rayonier facility were causing modeled violations of the 1-hour SO₂ NAAQS in Nassau County. At this point, RockTenn became focused on finding a Boiler MACT solution that would achieve the rule's HCl emission standard and also reduce the amount of SO₂ emitted by PB-7, which is the Fernandina Beach mill's most significant source of actual SO₂ emissions. RockTenn performed a comprehensive engineering evaluation of various technologies for tandem control of HCl and SO₂ emissions, including installation of a wet scrubber, a dry sorbent injection ("DSI") system, and supplemental natural gas burners.

After extensive assessment, RockTenn determined that a wet scrubber was not feasible for PB-7. This decision was made because the economics of the project dictated that the mill reuse the caustic from the scrubber in the manufacturing process. However, our pulping experts determined that recycling spent caustic from a scrubber could result in excessively high levels of sulfidity in the facility's pulping process, which in turn could cause corrosion of the facility's digesters and related machinery as well as other operating problems.

RockTenn also carefully evaluated the option of installing a DSI system on PB-7. DSI systems are not widely used in the pulp and paper industry, so the company decided to conduct an on-site trial to evaluate the effectiveness of this technology and identify the associated operating issues. In November 2013, the mill conducted an extensive, 21-day DSI trial on PB-7 using various calcium- and sodium-based sorbents. The trial, which cost approximately \$800,000, showed that the DSI system was capable of achieving the Boiler MACT HCl limit of 0.022 lb/MMBtu, but we determined that the system would increase the facility's operating costs by approximately \$1 to \$3 million per year based on the type of sorbent utilized and the injection rates determined during the trial. Additionally, we found that certain reagents like sodium bicarbonate and Trona can be difficult to handle in moist, coastal environments like Fernandina Beach, and plugging of the sorbent delivery system piping and nozzles presented potential operational difficulties. We also identified concerns about maintaining the DSI system equipment, particularly during periods when the system was not in use because the mill was receiving low-chlorine coal, as well as the potential for injecting reagents to cause erosion of equipment such as PB-7's existing ESP.

Through ambient air modeling, RockTenn ultimately determined that neither the use of a wet scrubber nor a DSI system on PB-7 would result in any appreciable change in the modeled 1-hour SO₂ NAAQS impacts in and around Nassau County's non-attainment area. Since that time, our engineering efforts have been focused on identifying the best alternative for ensuring that PB-7 can consistently comply with Boiler MACT, and we have developed a project to install supplemental gas burners in the boiler and use natural gas as necessary to manage the variable chlorine content of the mill's coal supply. The scope of work for the PB-7 project includes, among other things, installation of new gas and oil nozzle tips; addition of a burner management system, the addition of O₂ instrumentation; and installation of a new main gas valve train and

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local valve racks. RockTenn has finished Phase 1 engineering on the gas burner project, and we are currently working on the next level of engineering analysis, which we expect to complete later this month.

In addition to achieving compliance with Boiler MACT, the mill's project to install natural gas burners in PB-7 will have other environmental benefits. Specifically, having the capability to burn more gas in PB-7 will potentially reduce the facility's use of coal, lower SO₂ emissions by up to 282 tpy,¹ and result in collateral reductions of mercury and PM (filterable) emissions. This Boiler MACT compliance alternative also has significantly lower capital and operating costs than other technologies considered, and will use less energy than many of the other options evaluated.

Compliance Schedule

Our anticipated Boiler MACT compliance schedule for the Fernandina Beach Mill is provided below.

Project Milestone	Target Date
Complete Phase II engineering	April 2015
Begin project permitting	June 2015
Complete Phase III engineering	October 2015
Equipment procurement	May 2015
Begin detailed design	July 2015
Release construction contracts	March 2016
Receive major equipment on-site	March 2016
Complete detailed engineering	February 2016
On-site construction	April - August 2016
Equipment "tie-ins" during mill outage	November 2016
Troubleshoot and optimize equipment; "shakedown" period	November 2016
Perform initial compliance test	December 2016
Achieve compliance	January 2017

As indicated above, the Fernandina Beach mill's schedule for the natural gas burner project is being driven in large part by equipment delivery times. The vendors we have selected to quote on the natural gas burners for PB-7 have informed us that shipment of the major equipment will take thirty-four (34) to fifty-two (52) weeks from the date we place our equipment order. It also is critical that RockTenn time the installation of the new gas burners and related equipment with the Fernandina Beach mill's annual outage, which is tentatively scheduled for early November 2016. Based on the equipment delivery dates provided by our vendor and the mill's outage schedule, RockTenn cannot reasonably install and begin operating the natural gas burners for PB-7 by the Boiler MACT compliance date of January 31, 2016.

¹ Potential SO₂ reductions were calculated assuming that the mill would burn coal 25% less of the annual operating time for PB-7 and that the equivalent heat input would be generated with natural gas.

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Summary

RockTenn respectfully requests the Department's written approval of a one-year extension of the Boiler MACT compliance deadline for PB-7 at the Fernandina Beach mill, or until January 31, 2017, so that we can install natural gas burners in this boiler. Enclosed with this request are the first seven pages of an application to modify the mill's Title V Air Operating Permit to reflect the new Boiler MACT compliance deadline (DEP Form No. 62-210.900(1)).

Please contact Michele Rundlett, our Environmental Manager at (904) 277-7718, if you have any questions about our request.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Sweetser". The signature is fluid and cursive, with a large initial "T" and a long, sweeping underline.

Thomas Sweetser
General Manager

Enclosure

Cc: Michele Rundlett
Corey Brandt
Nina Butler

Attachment 1

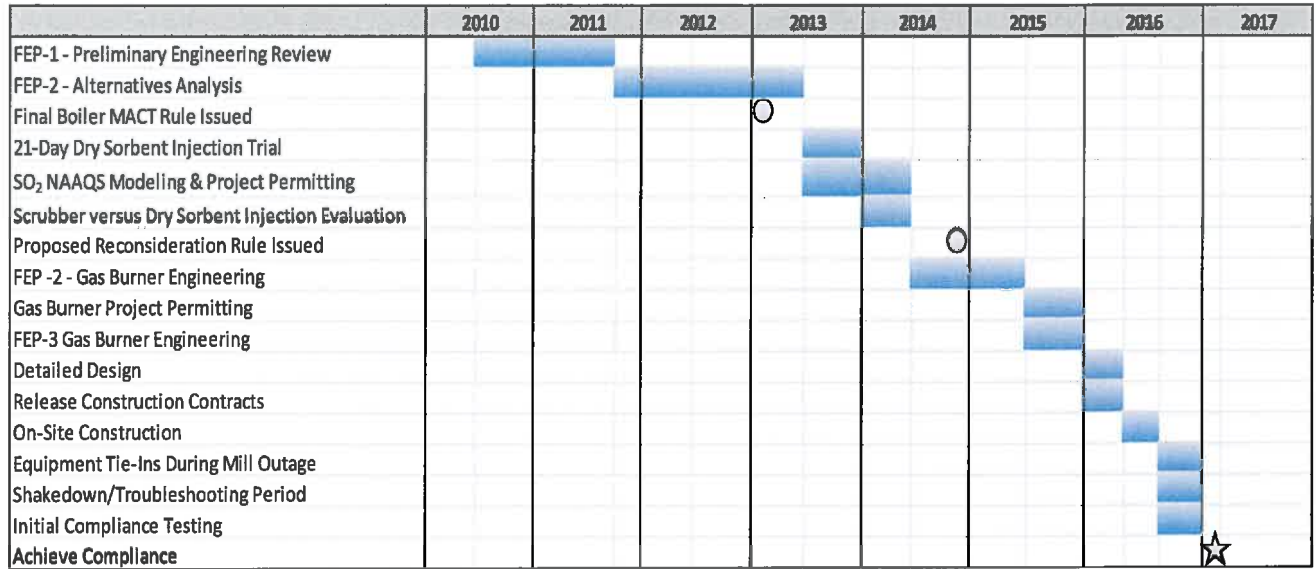
Coal Chlorine Data (2013-2014)

Coal Arrived	HCl (lb/MMBtu)	% of BMACT limit
05/25/13	0.0073	33.0%
06/10/13	0.0072	32.9%
06/26/13	0.0361	164.0%
07/13/13	0.0072	32.6%
07/28/13	0.0072	32.7%
08/11/15	0.0072	32.9%
08/20/13	0.0072	32.9%
09/01/13	0.0217	98.4%
09/20/13	0.0072	32.8%
10/14/13	0.0073	33.0%
10/31/13	0.0073	33.0%
11/27/13	0.0070	31.9%
12/08/13	0.0071	32.1%
01/10/13	0.0072	32.7%
01/10/14	0.0072	32.7%
02/04/14	0.0072	32.8%
02/24/14	0.0145	65.8%
03/11/14	0.0219	99.7%
03/28/14	0.0219	99.7%

Coal Arrived	HCl (lb/MMBtu)	% of BMACT limit
05/01/14	0.0073	33.3%
05/09/14	0.0512	232.5%
05/20/14	0.0220	100.2%
06/11/14	0.0222	100.8%
06/24/14	0.0074	33.5%
07/06/14	0.0073	33.1%
07/20/14	0.0073	33.2%
08/06/14	0.0073	33.2%
08/17/14	0.0293	133.1%
09/12/14	0.0073	33.2%
09/28/14	0.0071	32.3%
10/14/14	0.0071	32.3%
11/09/14	0.0141	64.0%
11/24/14	0.0071	32.1%
12/16/14	0.0071	32.2%
12/27/14	0.0071	32.2%
01/10/15	0.0218	99.3%
01/25/15	0.0073	33.1%
02/08/15	0.0072	32.9%

Attachment 2

Boiler MACT Engineering Timeline





Department of Environmental Protection

Division of Air Resource Management APPLICATION FOR AIR PERMIT - LONG FORM

I. APPLICATION INFORMATION

Air Construction Permit – Use this form to apply for an air construction permit:

- For any required purpose at a facility operating under a federally enforceable state air operation permit (FESOP) or Title V air operation permit;
- For a proposed project subject to prevention of significant deterioration (PSD) review, nonattainment new source review, or maximum achievable control technology (MACT);
- To assume a restriction on the potential emissions of one or more pollutants to escape a requirement such as PSD review, nonattainment new source review, MACT, or Title V; or
- To establish, revise, or renew a plantwide applicability limit (PAL).

Air Operation Permit – Use this form to apply for:

- An initial federally enforceable state air operation permit (FESOP); or
- An initial, revised, or renewal Title V air operation permit.

To ensure accuracy, please see form instructions.

Identification of Facility

1. Facility Owner/Company Name: RockTenn CP, LLC	
2. Site Name: Fernandina Beach Mill	
3. Facility Identification Number: 0890003	
4. Facility Location... Street Address or Other Locator: City: Fernandina Beach County: Nassau Zip Code: 32034	
5. Relocatable Facility? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6. Existing Title V Permitted Facility? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Application Contact

1. Application Contact Name: Michele Rundlett	
2. Application Contact Mailing Address... Organization/Firm: RockTenn CP, LLC Street Address: North 8th Street City: Fernandina Beach State: FL Zip Code: 32034	
3. Application Contact Telephone Numbers... Telephone: (904) 277 -7718 ext. Fax: (904) 277-5888	
4. Application Contact E-mail Address: mrundlet@rocktenn.com	

Application Processing Information (DEP Use)

1. Date of Receipt of Application:	3. PSD Number (if applicable):
2. Project Number(s):	4. Siting Number (if applicable):

APPLICATION INFORMATION

Purpose of Application

This application for air permit is being 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

The purpose of this application is to revise the current Title V Air Operating Permit (Permit No. 0890003-044-AV) to incorporate a request for extension of BMACT requirements for Emissions Unit No. 15 (No. 7 Power Boiler).

APPLICATION INFORMATION

Owner/Authorized Representative Statement

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

1. Owner/Authorized Representative Name :
2. Owner/Authorized Representative Mailing Address... Organization/Firm: Street Address: City: State: Zip Code:
3. Owner/Authorized Representative Telephone Numbers... Telephone: () ext. Fax: ()
4. Owner/Authorized Representative E-mail Address:
5. Owner/Authorized Representative Statement: <i>I, the undersigned, am the owner or authorized representative of the corporation, partnership, or other legal entity submitting this air permit application. To the best of my knowledge, the statements made in this application are true, accurate and complete, and any estimates of emissions reported in this application are based upon reasonable techniques for calculating emissions. I understand that a permit, if granted by the department, cannot be transferred without authorization from the department.</i> _____ Signature _____ Date

APPLICATION INFORMATION

Application Responsible Official Certification

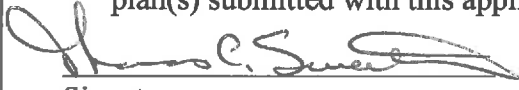
Complete if applying for an initial, revised, or renewal Title V air operation permit or concurrent processing of an air construction permit and revised or renewal Title V air operation permit. If there are multiple responsible officials, the “application responsible official” need not be the “primary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

1. Application Responsible Official Name: Thomas Sweetser, General Manager
2. Application Responsible Official Qualification (Check one or more of the following options, as applicable): <input checked="" 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 or CAIR source.
3. Application Responsible Official Mailing Address... Organization/Firm: RockTenn CP, LLC Street Address: North 8th Street City: Fernandina Beach State: FL Zip Code: 32034
4. Application Responsible Official Telephone Numbers... Telephone: (904) 277-5812 ext. Fax: (904) 277 -5888
5. Application Responsible Official E-mail Address: tsweetser@rocktenn.com

APPLICATION INFORMATION

6. Application Responsible Official Certification:

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.



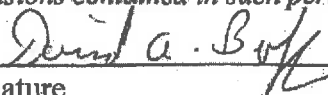
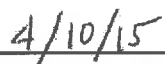
Signature

4/16/2015

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: 6026 NW 1st Place City: Gainesville State: FL Zip Code: 32607
3. Professional Engineer Telephone Numbers... Telephone: (352) 336-5600 ext. 21145 Fax: (352) 336-6603
4. Professional Engineer E-mail 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 checked="" 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 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>  _____ Signature  _____ Date (seal)

* Attach any exception to certification statement.

**Board of Professional Engineers Certificate of Authorization #00001670.