



May 11, 2015

VIA ELECTRONIC MAIL

Mr. David Read, P.E.  
Florida Department of Environmental Protection  
Division of Air Resource Management  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

Re: RockTenn CP, LLC  
Fernandina Beach, Florida Mill – No. 7 Power Boiler  
Boiler MACT Compliance Date Extension  
Project No. 0890003-048-AV

Dear Mr. Read:

The following are RockTenn's responses to the Department's Request for Additional Information dated April 23, 2015 ("RAI"). The RAI relates to RockTenn's request for a one-year extension of the deadline for Power Boiler No. 7 ("PB-7") at the Fernandina Beach mill to comply with the requirements of the National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters, 40 C.F.R. 63, Subpart DDDDD ("Boiler MACT").

***Question #1: Please justify why a compliance extension for all pollutants and associated applicable requirements is necessary for the No. 7 Power Boiler at the Fernandina Beach Mill.***

As noted in our extension request, HCl is the pollutant for which additional controls are needed in order for PB-7 to comply with the applicable Boiler MACT emission limits, and our compliance strategy for PB-7 involves the installation of natural gas burners in this boiler. As part of the natural gas burner installation project, it will be necessary to upgrade the existing burner management system and modify the boiler's windbox and damper controls. These changes will have an impact on both the filterable PM and CO emissions from all fuels fired in the boiler. Although we are confident that the new and modified systems will ultimately produce emissions compliant with all of the Boiler MACT limits, we will need operating experience and fully tuned systems to consistently meet these emission limits. During this learning curve, we may generate emissions data reflecting intermittent exceedances of Boiler MACT's PM and CO limits. As such, we believe an extension of compliance is equally necessary for PM and CO.

Although combustion conditions, flue gas temperatures, and the ESP have some impact on emissions of mercury, mercury emissions are mostly fuel related. We do not believe that the

natural gas project will negatively impact mercury emissions during startup, commissioning, and tuning of the new/modified systems. However, we are very concerned about the ability to separate out, track, and report compliance with only those parts of the regulation related to the mercury emission limit. We believe that the applicable parts of the regulation are likely subject to varying interpretations and that it represents a significant risk of non-compliance and second-guessing as to whether we met all the necessary requirements. Additionally, all of the reporting for Boiler MACT must be done electronically through U.S. EPA's CEDRI and ERT. We are not certain that the electronic reporting systems will accept or deem compliant reports that contain only a portion of the Boiler MACT reporting requirements. We believe this also represents a significant compliance risk.

Based on the above, we believe it is appropriate to grant an extension for all parts of the Boiler MACT regulation applicable to the No. 7 Power Boiler, and not just the HCl emission limit.

***Question #2: Please provide information from prospective natural gas burner vendors indicating that, due to demand, there is a 34-to 52-week delay from the date when the burner order is placed until the burners can be delivered to the Fernandina Beach Mill.***

Attached is documentation from the two vendors that will bid on the Fernandina Beach mill's project to install natural gas burners in PB-7. One vendor has indicated that equipment can be delivered within 45 weeks of the date RockTenn places an order, and the second vendor has quoted an eight to nine month delivery time. As indicated in the timeline provided with RockTenn's original extension request, the mill is currently conducting FEP-2 level (+/- 25%) engineering on the gas burner project. We expect to finish this phase of engineering within the next couple of weeks and anticipate placing an order for the required equipment at the end of September 2015, once equipment specifications are established, bids are procured and our purchasing department issues an order to buy.

The interval between purchase and delivery will be spent productively engineering and installing the natural gas distribution, controls, piping, and instrumentation necessary to connect to the new burner equipment.

***Question #3: Please provide information to the Department justifying this 7-month delay between equipment delivery and installation. Please specify the reasons that the planned mill outage cannot be moved to an earlier period in the year or the burners installed prior to the scheduled outage.***

The Fernandina Beach mill is part of a larger, integrated containerboard manufacturing system operated by RockTenn. Each mill within the RockTenn system produces specific grades of paperboard. In order to ensure that we have the appropriate types of board available to meet customer demands both domestically and internationally, RockTenn's facilities work within a complex production scheduling and supply chain system. Annual outage schedules for our mills must be incorporated into this production planning process and typically are scheduled 12 months in advance. This advanced planning is required not only to ensure that our mill system remains balanced, but to make certain that we have the right personnel available to execute the

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outage work. During a typical annual outage, the Fernandina Beach mill can have over 1,000 contract employees on-site to perform various activities that cannot be conducted for safety and other reasons during normal operations. Further, the schedules for the work performed as part of our annual outage are in many cases dictated by risk management or other industry standards, and extending or reducing the time periods between such activities can raise safety and insurance concerns. Moving scheduled mill outages is extremely complex, and changing the annual outage schedule for Fernandina Beach would have a ripple effect throughout our manufacturing system.

The Fernandina Beach mill's annual outage usually lasts for 14 days. Installation of the natural gas burners is anticipated to take 13 days, and the project has been planned as part of the facility's 2016 outage work plan due to the length of time it will take. Although RockTenn may take a boiler down for simple or emergency repairs outside of an annual outage, it is typically for extremely short periods because the mill is dependent on the steam generated by PB-7 to run its manufacturing process at required production rates. If we were required to take PB-7 down for 14 days during a period other than our annual outage, RockTenn would be required to curtail its production by approximately close to 17,000 tons during the time the boiler was down. Shutting down PB-7 for a two-week period will result in the mill having to shut down #4 Paper Machine, purchase power, and burn diesel fuel in PB-5 in order to maintain adequate load for the remaining operations. We estimate that such a production curtailment would result in an economic loss to the mill of approximately \$8 million. Additional financial impacts also could occur across the RockTenn production system (e.g., inefficiencies in moving production to other facilities, potential increases in transportation costs, potential impacts on customer delivery times, etc.).

RockTenn is also currently conducting FEP-2 level (+/- 25%) engineering on the SO<sub>2</sub> Emissions Reduction Project (FDEP Permit No. 089003-046-AC). That permit requires upgrades to at least one recovery boiler by December 1, 2016, which means that RockTenn must undertake modification on one of its recovery furnaces during the mill's annual outage scheduled for November 2016. The upgrades currently being engineered include: secondary air modifications, air control upgrades, air heaters, liquor heaters, liquor pump modifications and boiler management system upgrades. Due to the extent and complexity of the modifications to be made on each Recovery Boiler, the vendor who will be providing the equipment necessary for these upgrades has been asked to conduct CFD modeling of these sources. The results of that modeling will be used to make any necessary changes to the scope of work to be completed. While we are waiting on the results of this modeling, the mill will continue to work on other aspects of the project, including an assessment of the precipitators to ensure their ability to control PM emissions post-project. Due to all of the engineering and modeling involved with our large and complex SO<sub>2</sub> reduction project, the mill cannot meet an installation target any earlier than the currently scheduled November 2016 annual outage.

**Question #4: *RockTenn states in its extension letter request that the coal suppliers are willing to provide a chlorine content guarantee for all coal shipments on an annual average basis that will meet the Boiler MACT HCl emissions standard. In consideration of a one-year extension for HCl requirements, the Department may specify an interim HCl limit for the No. 7 Power***

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***boiler of 0.022 lb/MMBtu based on data collected consistent with the Boiler MACT over the one-year extension period. Please comment.***

RockTenn will likely use the fuel analysis compliance method to demonstrate compliance with the Boiler MACT HCl emission limit for PB-7. As indicated in our extension request, RockTenn's coal supplier is willing to guarantee that the coal it ships to the Fernandina Beach mill will meet the Boiler MACT HCl limit of 0.022 lb/MMBtu on an annual average basis. However, as the rule is currently written, ongoing compliance using fuel analysis is demonstrated by maintaining the fuel type or fuel mixture such that the boiler emission rate calculated according to §63.7530(c) is less than the applicable emission limit (per Table 4 to the Boiler MACT regulation). The emission rates calculated according to §63.7530(c) are the 90<sup>th</sup> percentile confidence level pollutant concentrations in lb/MMBtu (P90). Although the coal supplier for the Fernandina Beach mill is willing to guarantee that the coal will meet the Boiler MACT HCl emission limit on an annual average basis, they cannot and will not guarantee it for each shipment. They have provided us with a per shipment range of 0.007 – 0.062 lb/MMBtu for HCl. With this per shipment range, and based on the coal received over the past 2 years, the P90 pollutant concentration will not consistently meet the Boiler MACT HCl limit over a 12-month period.

Please let me know if you have any additional questions regarding our extension request.

Sincerely,



Michele Rundlett  
Environmental Manager

Attachments

Cc: Tom Sweetser  
Corey Brandt  
Nina Butler



Natural Gas Co-Firing Conversion

**6. SCHEDULE**

The following schedule is based on receipt of an acceptable purchase order from RockTenn Inc. to proceed with engineering, material procurement and fabrication, it is based on the availability of B&W engineering and manufacturing resources, as well as sub-supplier and raw material availability, at the time of submittal and is subject to conditions of prior sale. Upon receipt of an acceptable purchase order B&W will review the proposed schedule and a Contract Schedule will be issued to Buyer.

The schedule below is for material as listed in the scope of supply section of this proposal and is based on the receipt of an acceptable purchase as identified below. Awards received after the ARO date identified below will be adjusted relative to the ARO.

Schedule of Deliverables	Dates
Receipt of Acceptable Purchase Order (ARO)	TBD
Submittal of Project Schedule	4 wks ARO
Submittal of GA & P&ID Drawings Rev 0	12 wks ARO
Submittal of Functional Logic Diagrams Rev 0	27 wks ARO
Submittal of Erection Arrangement Drawings	33 wks ARO
Submittal of Operating & Maintenance Manuals	38 wks ARO
Major Material Delivered Complete	45 wks ARO



**|Global Power Sales US**

175 Addison Road  
Windsor, CT 06095, USA

Thursday, April 23, 2015

Subject: ROCKTENN  
Fernandina Mill  
600 N. 8th Street  
Fernandina Beach, FL 32034  
Original Combustion Engineering, Inc. Contract No. 22681

RE : Rock-Tenn Fernandina Power Boiler #7 Natural Gas burner project  
Warren Overton  
Project Manager, Rock-Tenn Company

Dear Warren,

This letter is to confirm Alstom's estimated delivery time for natural gas burners is 8-9 months from PO to delivery for Rock-Tenn's Unit 7 Power boiler. Please let me know if you have any questions.

Best regards,

Mary H. Miolen  
Senior Account Manager  
Alstom  
423-834-5703