

Florida Department of Environmental Protection

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

Jeff Kottkamp I.t. Governor

Michael W. Sole Secretary

February 6, 2008

Electronically Sent - Return Receipt Requested

Mr. B. G. Sammons, General Manager Smurfit-Stone Container Enterprises, Inc. One Everitt Avenue Panama City, Florida 32402

Re: Draft Air Permit No. PSD-FL-388A Project No. 0050009-029-AC Panama City Mill Nos. 3 and 4 Combination Boilers Revision of SO₂ Standards

Dear Mr. Sammons:

On December 19, 2007, Smurfit-Stone Container Enterprises, Inc. submitted an application for an air construction permit to revise the sulfur dioxide (SO₂) emissions standards for the Nos. 3 and 4 Combination Boilers based on a corrected air quality modeling analysis pursuant to Condition 2 in Subsection 3C of original Permit PSD-FL-388. The proposed project is located at the existing Panama City Mill in Bay County at One Everitt Avenue, Panama City, Florida. Enclosed are the following documents:

- The Written Notice of Intent to Issue Air Permit provides important information regarding: the Bureau of Air Regulation's intent to issue an air permit for the proposed project; the requirements for publishing a Public Notice of the Bureau of Air Regulation'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.
- The Technical Evaluation and Preliminary Determination summarizes the Bureau of Air Regulation'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 will regulate the emissions units covered by the proposed project.

If you have any questions, please contact the Project Engineer, Bruce Mitchell, at 850/413-9198, or the Project Meteorologist, Cleve Holladay, at 850/921-8986.

Sincerely, Vican IV whaws

Trina Vielhauer, Chief Bureau of Air Regulation

Enclosures

TLV/jfk/bm

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

In the Matter of an Application for Air Permit by:

Smurfit-Stone Container Enterprises, Inc. One Everitt Avenue Panama City, Florida 32402

Authorized Representative:

B. G. Sammons, General Manager

Draft Permit No. PSD-FL-388A Project No. 0050009-029-AC Panama City Mill Nos. 3 and 4 Combination Boilers Revised SO₂ Standards

Facility Location: The applicant, Smurfit-Stone Container Enterprises, Inc., operates the existing Panama City Mill, which is located in Bay County at One Everitt Avenue, Panama City, Florida. The existing facility is a Kraft pulp and paper mill.

Project: On December 19, 2007. Smurfit-Stone Container Enterprises, Inc. submitted an application for an air construction permit to revise the sulfur dioxide (SO₂) emissions standards for the Nos. 3 and 4 Combination Boilers based on a corrected air quality modeling analysis pursuant to Condition 2 in Subsection 3C of original Permit PSD-FL-388. Details of the project are provided in the application and the enclosed Technical Evaluation and Preliminary Determination.

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.), and Chapters 62-4, 62-210 and 62-212, Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Florida Department of Environmental Protection's Bureau of Air Regulation is the Permitting Authority responsible for making a permit determination for this project. The Bureau of Air Regulation's physical address is 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301 and the mailing address is 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Bureau of Air Regulation's phone 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.

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 the proposed equipment will not adversely impact air quality and that the project will comply with all applicable 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 the address or phone number listed above. Pursuant to Rules 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 Draft Permit for a period of 30 days from the date of publication of the Public Notice. Written comments must be post-marked by the close of business (5:00 p.m.), on or before the end of this 30-day period by the Permitting Authority at the above address. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location in the Florida Administrative Weekly and in a newspaper of general circulation in the area affected by the

WRITTEN NOTICE OF INTENT TO ISSUE AIR PERMIT

permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the Draft Permit, the Permitting Authority will issue a revised 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 (Telephone: 850/245-2241; Fax: 850/245-2303). 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 fourteen 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; (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.

Executed in Tallahassee, Florida.

Truca LVilhaun

Trina Vielhauer, Chief Bureau of Air Regulation

CERTIFICATE OF SERVICE

Mr. B. G. Sammons, Smurfit-Stone Container Enterprises, Inc. (bsammons@smurfit.com)

Mr. Tom Clements, Smurfit-Stone Container Enterprises, Inc. (tmclemen@smurfit.com)

Mr. David Buff, Golder Associates (dbuff@golder.com)

Mr. Rick Bradburn, NWD Office (rick.bradburn@dep.state.fl.us)

Ms. Kathleen Forney, EPA Region 4 (forney.kathleen@epa.gov)

Mr. Jim Little, EPA Region 4 (little.james@epa.gov)

Mr. Dee Morse, National Park Service (Dee Morse@nps.gov)

Clerk Stamp

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

Clerk)

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Florida Department of Environmental Protection
Division of Air Resource Management, Bureau of Air Regulation
Draft Air Permit No. PSD-FL-388A, Project No. 0050009-029-AC
Smurfit-Stone Container Enterprises, Inc.
Panama City Mill
Bay County, Florida

Applicant: The applicant for this project is Smurfit-Stone Container Enterprises, Inc. The applicant's authorized representative and mailing address is: B. G. Sammons, General Manager, Smurfit-Stone Container Enterprises, Inc., Panama City Mill, One Everitt Avenue, Panama City, Florida 32402.

Facility Location: Smurfit-Stone Container Enterprises, Inc. operates the existing Panama City Mill, which is located in Bay County at One Everitt Avenue in Panama City, Florida 32402. The existing facility is a Kraft pulp and paper mill.

Project: On September 26, 2007, the Department issued Permit PSD-FL-388 (Project No. 0050009-028-AC) to authorize construction of a new burner system to fire petcoke in the No. 4 Lime Kiln and a new building enclosure for the recovery boilers. The project was subject to preconstruction review in accordance with Rule 62-212.400, Florida Administrative Code (F.A.C.) for the Prevention of Significant Deterioration (PSD). The draft permit for the original project was issued based on an air quality modeling analysis that did not include several increment consuming sources that should have been present. Prior to issuing the final permit, the applicant provided a supplemental air quality analysis based on the corrected source inventory, but that also corresponded with the PSD Class II increments which were identified in the public notice. To achieve the same level of PSD Class II increment consumption that was publicly noticed, the applicant accepted reduced sulfur dioxide (SO₂) emission standards for the Nos. 3 and 4 Combination Boilers in the final permit. However, the final permit also allowed the applicant to submit an application within 90 days of issuance to revise the reduced SO₂ emissions standards based on a corrected air quality analysis.

On December 19, 2007, the Department received an application pursuant to the permit condition requesting revised SO₂ emissions standards for the Nos. 3 and 4 Combination Boilers. For the revised project, all model input data remained the same as that used in the previous supplemental analysis except for the SO₂ emission rates for the Nos. 3 and 4 Combination Boilers. Modeling runs were conducted to determine the maximum allowable SO₂ emission rates that demonstrate compliance with the AAQS and PSD Class II increments. The following table shows the revised maximum predicted SO₂ increments consumed by all sources in the PSD Class II area (vicinity of the facility) including this project.

Pollutant	Averaging Time	Allowable Increment (μg/m³)	Increment Consumed (μg/m³)	Increment Consumed (%)
	3-hour	512	510	99%
SO_2	24-hour	91	89	98%
	Annual	20	2	10%

In addition, there were no significant impacts predicted for the following PSD Class I areas: Bradwell Bay or St. Marks National Wilderness Areas located 96 and 112 kilometers east of the facility, respectively. Therefore, no PSD Class I increment consumption analyses were required for SO₂ and nitrogen dioxide in these areas. Emissions from the facility will not significantly contribute to or cause a violation of any state or federal ambient air quality standards.

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.), and Chapters 62-4, 62-210, and 62-212, F.A.C. 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,

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

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 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 Draft Permit for a period of 30 days from the date of publication of the Public Notice. Written comments must be post-marked by the close of business (5:00 p.m.), on or before the end of this 30-day period by the Permitting Authority at the above address. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location in the Florida Administrative Weekly and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the Draft Permit, the Permitting Authority will issue a revised Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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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'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

PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

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

APPLICANT

Smurfit-Stone Container Enterprises, Inc.
One Everitt Avenue
Panama City, Florida 32402

Panama City Mill ARMS Facility ID No. 0050009

PROJECT

Draft Permit No. PSD-FL-388A
Project No. 0050009-029-AC
Modification of the Nos. 3 and 4 Combination Boilers

COUNTY

Bay County, Florida

PERMITTING AUTHORITY

Florida Department of Environmental Protection Division of Air Resource Management Bureau of Air Regulation 2600 Blair Stone Road, MS #5505 Tallahassee, Florida 32399-2400

February 6, 2008

1. GENERAL PROJECT INFORMATION

Facility Description and Location

The facility is a Kraft pulp and paper mill with Standard Industrial Classification codes of SIC Nos. 2611 and 2621. The facility is located in Bay County at One Everitt Avenue in Panama City, Florida. The UTM coordinates are Zone 16, 632.8 km East, and 3335.1 km North. The existing mill is comprised of major activities areas such as: wood handling facility; pulping, bleaching, and chemical recovery; power house operations; paper machines; finishing, shipping, and warehouse operations; and other associated processes and equipment.

Primary Regulatory Categories

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

Project Description

On September 26, 2007, the Department issued Permit PSD-FL-388 (Project No. 0050009-028-AC) to authorize construction of a new burner system to fire petcoke in the No. 4 Lime Kiln and a new building enclosure for the recovery boilers. To offset predicted downwash impacts from the new enclosure, the applicant requested reduced sulfur dioxide (SO₂) emissions standards for the Nos. 3 and 4 Combination Boilers. After the draft permit was issued, an error in the surrounding source inventory was discovered in the air quality modeling analysis. The final permit was issued because the modeled impacts were conservative; however, the following was added to Condition 2 in Subsection 3C of the final permit, "Within 90 days of issuance of this permit, the permittee may submit an application to revise the above SO₂ emissions standards based on a revised modeling analysis." On December 19, 2007, the Department received an application pursuant to the above permit condition requesting revised SO₂ emissions standards in original Permit PSD-FL-388 for the Nos. 3 and 4 Combination Boilers based on a corrected air quality analysis. Only the Nos. 3 and 4 Combination Boilers (EU-015 and EU-016) are affected by this project. Also, in air construction permit project No. 0050009-027-AC, issued December 20, 2007, the permittee accepted an emissions limit for SO₂ for the No. 4 Combination Boiler to be exempted from the regulations of Best Available Retrofit Technology (BART) at Rule 62-296.340, F.A.C. That SO₂ emissions standard is "shall not exceed 690 pounds per hour (lb/hour) when only the No. 4 Combination Boiler is operating based on a 24-hour rolling continuous emissions monitoring system (CEMS) average." This standard will not be changed.

2. APPLICABLE REGULATIONS

Except for the revised SO₂ emissions standards, this project does not impose any new state or federal requirements. The facility is a major stationary source of air pollution subject to preconstruction review in accordance with Rule 62-212.400, F.A.C., for the PSD. The original project (PSD-FL-388) was subject to PSD review for the No. 4 Lime Kiln. This permit revises the SO₂ emissions standards for the Nos. 3 and 4 Combination Boilers based on a corrected air quality analysis and is not otherwise subject to PSD review.

3. AIR QUALITY ANALYSIS

The original project (PSD-FL-388) for the No. 4 Lime Kiln resulted in PSD significant emissions increases for SO₂ and nitrogen oxides. As allowed by Condition 2 in Subsection 3C of the original permit (PSD-FL-388), this project revises the permitted SO₂ emission rates for the Nos. 3 and 4 Combination Boilers based on a corrected air quality analysis to demonstrate compliance with ambient air quality standards (AAQS) and PSD Class II

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

increments. Details of the original modeling analysis and procedures are provided in the Technical Evaluation and Preliminary Determination (TEPD) and supporting application for Permit PSD-FL-388 (Project No. 0050009-28-AC), which authorized the No. 4 Lime Kiln petcoke project.

The draft permit for the original project was issued based on a modeling analysis that did not include two increment consuming sources at Arizona Chemicals' facility that should have been present. Prior to issuing the final permit, the applicant provided a supplemental air quality analysis based on the corrected source inventory, but that also corresponded with the PSD Class II increments which were identified in the public notice. To achieve the same level of PSD Class II increment consumption that was publicly noticed, the applicant accepted reduced SO₂ emission standards for the Nos. 3 and 4 Combination Boilers in the final permit. However, the final permit also allowed the applicant to submit an application within 90 days of issuance to revise the reduced SO₂ emissions standards based on a corrected air quality analysis.

For this project, all model input data remained the same as that used in the supplemental analysis except for the SO₂ emission rates for the Nos. 3 and 4 Combination Boilers. Modeling runs were conducted to determine the maximum allowable SO₂ emission rates that demonstrate compliance with the AAQS and PSD Class II increments. The following tables summarize the revised impacts.

AAQS Impacts

Pollutant	Averaging Time	Modeled Impacts (μg/m ³)	Background Concentrations (µg/m³)	Total Ambient Impacts (μg/m³)	AAQS (μg/m³)	Total impact greater than AAQS?
SO ₂	Annual	32	5	37	60	No
	24-hour	234	24	258	260	No
	3-hour	720	150	870	1300	No

PSD Class II Increment Analysis

Pollutant	Averaging Time	Maximum Predicted Impact (µg/m³)	Allowable Increment (μg/m³)	Impact Greater Than Allowable Increment?
SO ₂	Annual	2	20	No
	24-hour	89	91	No
	3-hour	510	512	No

As shown in the above tables, the predicted impacts meet the respective AAQS and PSD Class II increments for SO₂, based on the following revised SO₂ emissions standards:

- 1. SO₂ emissions shall not exceed 1219 1366 lb/hour when only the No. 3 combination boiler is operating based on a 3-hour rolling CEMS average.
- 2. The combined SO₂ emissions from No. 3 and No. 4 combination boilers shall not exceed 1219 1658 lb/hr when both Nos. 3 and 4 are operating and the SO₂ emissions from No. 4 shall not exceed 1183 lb/hr based on 3-hour rolling CEMS averages.
- 3. SO_2 emissions shall not exceed 845 907 lb/hour when only the No. 3 combination boiler is operating based on a 24-hour rolling CEMS average.

TECHNICAL EVALUATION AND PRELIMINARY DETERMINATION

- 4. SO₂ emissions shall not exceed 965 690 lb/hour when only the No. 4 combination boiler is operating based on a 24-hour rolling CEMS average. [Rule 62-296.340(BART), F.A.C. and 0050009-027-AC]
- 5. When both Nos. 3 and 4 combination boilers are operating SO₂ emissions from No. 3 shall not exceed 300 329 lb/hr and the SO₂ emissions from No. 4 shall not exceed 643 lb/hr based on 24-hour rolling CEMS averages.

In addition, there were no significant impacts predicted for the PSD Class I areas: Bradwell Bay or St. Marks National Wilderness Areas located 96 and 112 kilometers east of the facility, respectively. Therefore, no PSD Class I increment consumption analyses were required for SO₂ and nitrogen dioxide in these areas. Emissions from the facility will not significantly contribute to or cause a violation of any state or federal ambient air quality standards.

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. Bruce Mitchell is the project engineer responsible for reviewing the application and drafting the permit changes. Cleve Holladay is the meteorologist responsible for reviewing and approving the ambient air quality analysis. Additional details of this analysis may be obtained by contacting the project engineer at the Department's Bureau of Air Regulation at Mail Station #5505, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400.

DRAFT PERMIT

PERMITTEE

Smurfit-Stone Container Enterprises, Inc. One Everitt Avenue Panama City, Florida 32402

Authorized Representative:

Mr. B. G. Sammons, General Manager

Permit No. PSD-FL-388A Project No. 0050009-029-AC Expires: December 1, 2008 Facility ID No. 0050009 SIC Nos. 2611 and 2621 Nos. 3 and 4 Combination Boilers

FACILITY AND LOCATION

This permit establishes revised sulfur dioxide (SO₂) emissions standards for the Nos. 3 and 4 Combination Boilers based on a corrected air quality modeling analysis pursuant to Condition 2 in Subsection 3C of original Permit PSD-FL-388. The existing Panama City mill is classified as a major stationary source, a Title V facility and major source of hazardous air pollutants (HAP). The facility is a Kraft process pulp and paper mill consisting of the following major activities: wood handling facility; pulping, bleaching, and chemical recovery; power house operations; paper machines; finishing, shipping, and warehouse operations; and other associated processes and equipment. The UTM coordinates are Zone 16, 632.8 km East, and 3335.1 km North.

STATEMENT OF BASIS

This air pollution construction permit is issued under the provisions of Chapter 403, Florida Statutes (F.S.), and Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297, Florida Administrative Code (F.A.C.). The permittee is authorized to make the proposed changes in accordance with the conditions of this permit and as described in the application, approved drawings, plans, and other documents on file with the Department of Environmental Protection (Department).

CONTENTS

Section 1. General Information
Section 2. Revised Permit Conditions

(DRAFT)

Joseph Kahn, Director
Division of Air Resource Management

(Date)

SECTION 1. GENERAL INFORMATION

Nos. 3 and 4 Combination Boilers

FACILITY AND PROJECT DESCRIPTION

The permittee operates an existing Kraft process pulp and paper mill in Panama City. The existing mill is comprised of major activities areas such as: wood handling facility; pulping, bleaching, and chemical recovery; power house operations; paper machines; finishing, shipping, and warehouse operations; and other associated processes and equipment. This project establishes revised 3-hour and 24-hour SO₂ emissions standards for the Nos. 3 and 4 Combination Boilers based on a corrected air quality modeling analysis. This project affects the following existing emissions units.

EU No.	Emissions Unit Description	
015	No. 3 Combination Boiler	
016	No. 4 Combination Boiler	

REGULATORY CLASSIFICATION

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

RELEVANT DOCUMENTS

December 19, 2007 Application and revised SO₂ modeling analysis received.

SECTION 2. REVISED PERMIT CONDITIONS

Nos. 3 and 4 Combination Boilers

This permitting action revises the following conditions in Subsection 3C of original Permit PSD-FL-388 (Project No. 0050009-028-AC). All other conditions remain unchanged.

This section of the permit addresses the following emissions units.

EU No.	Description	
-015	No. 3 Combination Boiler	
-016	No. 4 Combination Boiler	

EQUIPMENT

1. Enclosure for Recovery Boiler Building: The permittee is authorized to construct an enclosure for the recovery boiler building to reduce corrosion and maintenance. The enclosure will be implemented in two phases. The first phase will add one wall along the east side of the building. The second phase will add a second wall along the south side of the building and may eventually include enclosing the entire building. [Rule 62-212.400(BACT), F.A.C. and Application No. 0050009-028-AC]

EMISSIONS STANDARDS

- 2. New SO₂ Standards: The following new SO₂ emissions standards apply to the Nos. 3 and 4 combination boilers in addition to any existing SO₂ emissions standards.
 - a. SO₂ emissions shall not exceed 1219 1366 lb/hour when only the No. 3 combination boiler is operating based on a 3-hour rolling CEMS average.
 - b. The combined SO₂ emissions from No. 3 and No. 4 combination boilers shall not exceed 1219 1658 lb/hr when both Nos. 3 and 4 are operating and the SO₂ emissions from No. 4 shall not exceed 1183 lb/hr based on 3-hour rolling CEMS averages.
 - c. SO₂ emissions shall not exceed 845 907 lb/hour when only the No. 3 combination boiler is operating based on a 24-hour rolling CEMS average.
 - d. SO₂ emissions shall not exceed 965 690 lb/hour when only the No. 4 combination boiler is operating based on a 24-hour rolling CEMS average. [Rule 62-296.340(BART), F.A.C. and 0050009-027-AC]
 - e. When both Nos. 3 and 4 combination boilers are operating SO₂ emissions from No. 3 shall not exceed 300 329 lb/hr and the SO₂ emissions from No. 4 shall not exceed 643 lb/hr based on 24-hour rolling CEMS averages.

Within 90 days of issuance of this permit, the permittee may submit an application to revise the above SO₂ emissions standards based on a revised modeling analysis.—{Permitting Note: The new enclosure adversely affects dispersion of the existing stack plumes. The new SO₂ emissions standards are based on the revised air quality analysis provided in support of the PSD application.} [Rules 62-212.400(BACT) and 62-296.340(BART), F.A.C.; and Application Nos. 0050009-027-AC, 0050009-028-AC and 0050009-029-AC]

Memorandum

Florida Department of Environmental Protection

TO:

Trina Vielhauer, Bureau of Air Regulation

THROUGH:

Jeff Koerner, New Source Review Section

FROM:

Bruce Mitchell, New Source Review Section

DATE:

February 4, 2008

SUBJECT:

Draft Permit No. PSD-FL-388A

Project No. 0050009-029-AC

Smurfit-Stone Container Enterprises, Inc.

Panama City Mill, Nos. 3 and 4 Combination Boilers

Revised SO₂ Standards

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.

On December 19, 2007, Smurfit-Stone Container Enterprises, Inc. submitted an application for an air construction permit to revise the sulfur dioxide (SO₂) emissions standards for the Nos. 3 and 4 Combination Boilers based on a corrected air quality modeling analysis pursuant to Condition 2 in Subsection 3C of original Permit PSD-FL-388. The Technical Evaluation and Preliminary Determination provides a detailed description of the project and the rationale for issuance. I recommend your approval of the attached Draft Permit.

Attachments

P.E. CERTIFICATION STATEMENT

PERMITTEE

Smurfit-Stone Container Enterprises, Inc. One Everitt Avenue Panama City, Florida 32402

Permit No. PSD-FL-388A Project No. 0050009-029-AC Panama City Mill Nos. 3 and 4 Combination Boilers Revision of SO₂ Limits

PROJECT DESCRIPTION

On September 26, 2007, the Department issued Permit PSD-FL-388 (Project No. 0050009-028-AC) to authorize construction of a new burner system to fire petcoke in the No. 4 Lime Kiln and a new building enclosure for the recovery boilers. The new enclosure affected plume dispersion (downwash). The draft permit for the original project was issued based on an air quality modeling analysis that did not include several increment consuming sources that should have been present. Prior to issuing the final permit, the applicant provided a supplemental air quality analysis based on the corrected source inventory, but that also corresponded with the PSD Class II increments which were identified in the public notice. To achieve the same level of PSD Class II increment consumption that was publicly noticed, the applicant accepted reduced SO₂ emission standards for the Nos. 3 and 4 Combination Boilers in the final permit. However, the final permit also allowed the applicant to submit an application within 90 days of issuance to revise the reduced SO₂ emissions standards based on a corrected air quality analysis.

On December 19, 2007, the Department received an application pursuant to the permit condition requesting revised SO₂ emissions standards for the Nos. 3 and 4 Combination Boilers. For the revised project, all model input data remained the same as that used in the previous supplemental analysis except for the SO₂ emission rates for the Nos. 3 and 4 Combination Boilers. Modeling runs were conducted to determine the maximum allowable SO₂ emission rates that demonstrate compliance with the AAQS and PSD Class II increments. The SO₂ emission for the Nos. 3 and 4 Combination Boilers were revised accordingly.

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)

From:

Harvey, Mary

Sent:

Monday, February 11, 2008 2:06 PM

To:

'Mr. B. G. Sammons, Smurfit-Stone Container Enterprises, Inc.'; 'Mr. Tom Clements, Smurfit-Stone Container Enterprises, Inc.'; 'Mr. David Buff, Golder Associates'; Bradburn, Rick; 'Ms. Kathleen Forney,

EPA Region 4': 'Mr. Jim Little, EPA Region 4': 'Mr. Dee Morse, National Park Service'

Cc:

Mitchell, Bruce; Walker, Elizabeth (AIR); Gibson, Victoria

Subject:

DRAFT PERMIT-No. 0050009-029-AC _ PSD-FL388-A _ SMURFIT-STONE CONTAINER

ENTERPRISES, INC.

Attachments: 0050009.029.AC.D_pdf.zip

Tracking:

Delivery

Read

Mr. B. G. Sammons, Smurfit-Stone Container Enterprises, Inc. Tom. Clements, Smurfit-Stone Container Enterprises, Inc.

Mr.-David-Buff; Golder Associates'

Bradburn, Rick

Ms. Kathleen Forney, EPA Region 4

Mr.-Jim Little, EPA Region 4"

Mr. Dee Morse, National Park Service Mitchell-Bruce

Walker, Elizabeth (AIR)

Son, Victoria والتكتيب

Delivered: 2/11/2008 2:06 PM

Delivered: 2/11/2008 2:06 PM

Delivered: 2/11/2008 2:06 PM Read: 2/11/2008 2:18 PM

Delivered: 2/11/2008 2:06 PM Read: 2/11/2008 2:10 PM

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Thank you,

DEP, Bureau of Air Regulation

range will be a meaning of the stability and the sound to very service.

From:

Buff, Dave [DBuff@GOLDER.com]

To:

undisclosed-recipients

Sent:

Monday, February 11, 2008 2:51 PM

Subject:

Read: DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A - SMURFIT-STONE

CONTAINER ENTERPRISES, INC.

Your message

To:

DBuff@GOLDER.com

Subject:

was read on 2/11/2008 2:51 PM.

ter in any ter in a

From: Glements, Tom [TMCLEMEN@SMURFIT.COM]

Sent: Monday, February 11, 2008 3:17 PM

To: Harvey, Mary
Cc: Sammons, Bob

Subject: RE: DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A - SMURFIT-STONE CONTAINER

ENTERPRISES, INC.

Message Recieved, Thank you- Tom Clements

From: Harvey, Mary [mailto:Mary.Harvey@dep.state.fl.us]

Sent: Monday, February 11, 2008 1:06 PM

To: Sammons, Bob; Clements, Tom; Mr. David Buff, Golder Associates; Bradburn, Rick; Ms. Kathleen Forney, EPA

Region 4; Mr. Jim Little, EPA Region 4; Mr. Dee Morse, National Park Service

Cc: Mitchell, Bruce; Walker, Elizabeth (AIR); Gibson, Victoria

Subject: DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A - SMURFIT-STONE CONTAINER ENTERPRISES,

INC.

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No 0050Gr 4.1 - PSO-FL388-A - SMURFIT-GRON CONTROL

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Thank you,

DEP, Bureau of Air Regulation

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From: Sammons, Bob [BSAMMONS@SMURFIT-COM]

Sent: Monday, February 11, 2008 2:26 PM

To: Harvey, Mary

Subject: RE: DRAFT PERMIT/No::0050009:029-AC--PSD-FL388-A--SMURFIT-STONE CONTAINER

ENTERPRISES, INC.

From: Harvey, Mary [mailto:Mary.Harvey@dep.state.fl.us]

Sent: Monday, February 11, 2008 1:06 PM

To: Sammons, Bob; Clements, Tom; Mr. David Buff, Golder Associates; Bradburn, Rick; Ms. Kathleen Forney, EPA

Region 4; Mr. Jim Little, EPA Region 4; Mr. Dee Morse, National Park Service

Cc: Mitchell, Bruce; Walker, Elizabeth (AIR); Gibson, Victoria

Subject: DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A - SMURFIT-STONE CONTAINER ENTERPRISES,

INC.

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A many transfer to the second second

From:

Gibson, Victoria

To:

Harvey, Mary

Sent:

Monday, February 11, 2008 2:18 PM

Subject:

Read: DRAFT PERMIT:No:0050009-029-AC--PSD-FL388-A--SMURFIT-STONE

CONTAINER ENTERPRISES, INC.

Your message

To:

'Mr. B. G. Sammons, Smurfit-Stone Container Enterprises, Inc.'; 'Mr. Tom Clements, Smurfit-Stone Container Enterprises, Inc.'; 'Mr.

David Buff, Golder Associates'; Bradburn, Rick; 'Ms. Kathleen Forney, EPA Region 4'; 'Mr. Jim Little, EPA Region 4'; 'Mr. Dee Morse,

The guilt addition Full contact that is the Torio Clark alter Smarth Street Continued Fidure

.

National Park Service'

Cc:

Mitchell, Bruce; Walker, Elizabeth (AIR); Gibson, Victoria

Subject:

DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A - SMURFIT-STONE CONTAINER ENTERPRISES, INC.

Sent:

2/11/2008 2:06 PM

was read on 2/11/2008 2:18 PM.

From: Sent:

Forney.Kathleen@epamail.epa.gov Monday, February 11, 2008 4:55 PM

To:

Harvey, Mary

Subject:

Re: FW: DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A - SMURFIT-STONE

CONTAINER ENTERPRISES, INC.

thanks

Katy R. Forney Air Permits Section EPA - Region 4 61 Forsyth St., SW Atlanta, GA 30303

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

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

> 02/11/2008 04:22 PM

т. т. т.

Kathleen Forney/R4/USEPA/US@EPA

Subject

FW: DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A -SMURFIT-STONE CONTAINER

ENTERPRISES, INC.

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From: Harvey, Mary

Sent: Monday, February 11, 2008 4:17 PM:

To: 'Ms. Kathleen Forney, EPA Region 4'

Subject: FW: DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A - SMURFIT-STONE CONTAINER

ENTERPRISES, INC.

From: Harvey, Mary

Sent: Monday, February 11, 2008 2:06 PM

From:

Sent:

Dee_Morse@nps.gov Tuesday, February 12, 2008 11:14 AM

To:

Harvey, Mary

Subject:

DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A - SMURFIT-STONE CONTAINER

ENTERPRISES, INC.

Return Receipt

Your

DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A -

document:

SMURFIT-STONE CONTAINER ENTERPRISES, INC.

Dee Morse/DENVER/NPS

received

by:

at:

02/12/2008 09:13:47 AM

From: Mitchell, Bruce

Sent: Tuesday, February 12, 2008 9:27 AM

To: Harvey, Mary

Subject: RE: DRAFT PERMIT: No.: 0050009-029-ACTRSD: FL388-Ass SMURFIT-STONE CONTAINER

ENTERPRISES, INC.

2/12/08

Good morning, Mary. Many thanks for processing the permit package for Smurfit-Stone's Panama City Mill. Have a great day.

Bruce

From: Harvey, Mary

Sent: Monday, February 11, 2008 2:06 PM

To: 'Mr. B. G. Sammons, Smurfit-Stone Container Enterprises, Inc.'; 'Mr. Tom Clements, Smurfit-Stone Container Enterprises, Inc.'; 'Mr. David Buff, Golder Associates'; Bradburn, Rick; 'Ms. Kathleen Forney, EPA Region 4'; 'Mr.

Jim Little, EPA Region 4'; 'Mr. Dee Morse, National Park Service'

Cc: Mitchell, Bruce; Walker, Elizabeth (AIR); Gibson, Victoria

Subject: DRAFT PERMIT No. 0050009-029-AC - PSD-FL388-A - SMURFIT-STONE CONTAINER ENTERPRISES, INC.

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