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Office of General Counsel  
Environmental Division

IN THE CIRCUIT COURT, FOURTH  
JUDICIAL CIRCUIT, IN AND FOR  
DUVAL COUNTY, FLORIDA

CASE NO: 88-12385-CA

DIVISION: DIVISION CV-G

CITY OF JACKSONVILLE, a municipal  
corporation,

Plaintiff.

-vs-

SEMINOLE KRAFT CORPORATION, a  
Florida corporation,

Defendant.

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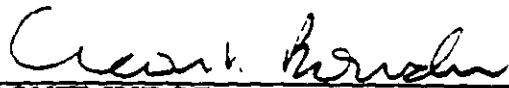
CONSENT JUDGMENT

The above-styled cause having been settled by stipulation of the parties, as reflected in the attached Stipulation for Entry of a Consent Judgment, this Court having duly reviewed and considered the Stipulation and Motion, and having found that the settlement is in the best interest of all parties, and in the public interest, it is, therefore,

ORDERED AND ADJUDGED that:

1. The settlement of the above-styled cause among the parties shall be, and is hereby, approved.
2. The Stipulation for Entry of a Consent Judgment, executed by the parties, shall become, and is hereby made, a part of this Order by reference.
3. This Court retains jurisdiction over this cause and over the parties pending compliance with the terms of the Stipulation, and during its duration for enforcement of the same.

DONE AND ORDERED at Jacksonville, Duval County, Florida, this 19<sup>th</sup>  
~~November~~ <sup>December</sup> day of ~~November~~, 1990.

  
CIRCUIT JUDGE

cc:

Terry Cole, Esq.  
R. L. Caleen, Esq.  
Oertel, Hoffman, Fernandez & Cole  
2700 Blair Stone Road, Suite C  
P. O. Box 6507  
Tallahassee, FL 32314  
Attorneys for Defendant

Richard L. Maguire, Esq.  
General Counsel's Office  
421 West Church Street, Suite 715  
Jacksonville, FL 32202  
Attorney for Plaintiff

COPY

IN THE CIRCUIT COURT OF THE  
FOURTH JUDICIAL CIRCUIT, IN  
AND FOR DUVAL COUNTY, FLORIDA

CITY OF JACKSONVILLE, a  
Municipal Corporation,

Plaintiff,

vs.

Case No.: 88-12385-CA-CV-G  
Civil Division

SEMINOLE KRAFT CORPORATION,  
A Delaware Corporation,

Defendant.

---

STIPULATION FOR ENTRY OF A CONSENT JUDGMENT

The Plaintiff, CITY OF JACKSONVILLE, a Municipal Corporation ("City") and the Defendant, SEMINOLE KRAFT CORPORATION ("Seminole Kraft"), a Delaware Corporation, stipulate to entry of a Consent Judgment based on the following:

1. The City operates an approved local pollution control program pursuant to Section 403.182, Florida Statutes, and is empowered to enforce the provisions of Chapter 376, Jacksonville Municipal Ordinance Code and Environmental Protection Board Rule 2.
2. Seminole Kraft is a Delaware Corporation, authorized to do business in Florida, which operates a pulp and paper mill located at 9469 Eastport Road in Jacksonville, Duval County, Florida. The mill is currently operating under valid Department of Environmental Regulation ("DER") air pollution operating permits.

3. The City alleges that Seminole Kraft causes or contributes to objectionable odor in violation of Chapter 376, Jacksonville Ordinance Code. Seminole Kraft has filed an answer denying the charges, affirmative defenses and a counterclaim.

4. Without trial, adjudication, or admission of any issue of fact or law between them, the parties hereto agree to settle their differences in accordance with the terms herein. This Stipulation shall serve as a full and complete resolution of all civil, and administrative complaints, citations, and claims brought by the City or which may have been brought by the City with reference to the alleged objectionable odor from Seminole Kraft's pulp and paper mill as of the date the Court enters a Consent Judgment pursuant to this Stipulation.

5. This Stipulation does not convey any vested rights or any exclusive privileges other than as specified in City of Jacksonville Ordinance §376.104(d)(4). Nor does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations other than as specified in City of Jacksonville Ordinance §376.104(d)(4). This Stipulation does not constitute a waiver or approval of any other City permits that may be required which are not addressed in this Stipulation.

6. This Stipulation does not relieve Seminole Kraft of the need to comply with applicable federal, state or local

laws, regulations, ordinances, attainment plans, or compliance plans relating to matters not covered by this Stipulation.

7. The parties agree that settlement of the above-styled cases in accordance with the terms herein is in the public interest. This settlement requires the scheduled elimination of Total Reduced Sulfur (TRS) emissions from all existing, regulated sources at the kraft pulp mill by September 12, 1992. The kraft pulp mill will be replaced by a 100% recycled fiber operation. This will eliminate TRS emissions from all regulated sources of TRS at the mill and result in an improvement in air quality two (2) months earlier than the TRS compliance date specified in rules of the City and the Department of Environmental Regulation.

8. This settlement shall not constitute, nor shall be construed, as an admission of liability or wrongdoing by Seminole Kraft, or as an admission of any violation of federal, state, or local laws, ordinances, rules, or other requirements.

9. The parties agree that the following tasks will be undertaken and performed by Seminole Kraft in accordance with the specified schedule:

ODOR/TOTAL REDUCED SULFUR (TRS) EMISSIONS

A. Currently Regulated Sources

1. Recovery Boilers - Existing Units

- a. (1) Total Reduced Sulfur (TRS) compliance testing on each Recovery Boiler (RB) shall be conducted by stack sampling in accordance with Environmental Protection Agency (EPA) Reference Method 16 or 16A. Testing shall be

performed on each RB within thirty (30) days of the effective date of this Stipulation. Compliance shall be demonstrated if the test results are equal to or less than 17.5 ppm by volume on a dry basis at standard conditions corrected to 8% oxygen. Failure to demonstrate compliance with the above specified limit shall result in the following:

1. Seminole Kraft shall pay a stipulated penalty of \$750.00 to the Environmental Protection Fund of the City of Jacksonville within 30 days of the test failure date.
2. Seminole Kraft shall perform additional testing as necessary within 45 days of the previous test to demonstrate compliance with the above specified limits. Seminole Kraft shall pay a stipulated penalty of \$750.00 to the Environmental Protection Fund for each subsequent failure of the above specified testing until such time as compliance is demonstrated.

(2) Continuous Emission Monitors (CEMs) shall be used to demonstrate continuous compliance with an emission limit of 20 ppm by volume on a dry basis at standard conditions corrected to 8% oxygen on a 12-hour basis (12 noon to 12 midnight and 12 midnight to noon) for each RB. If exceedence of the above limit is demonstrated by the CEMs on more than 5% of the operating periods of each RB during a calendar month, Seminole Kraft shall pay a stipulated penalty of \$750.00 for each 12-hour exceedence period in excess of 5%. This penalty shall be paid to the Environmental Protection Fund within 30 days of the end of the month during which the exceedence occurred. Seminole Kraft shall submit monthly reports by the 15th of the following month specifying the information listed below:

- (a) 12-hour average TRS readings for each RB for each operating period;

(b) cause and corrective action taken for each exceedence of the 20 ppm limit.

- b. Cease emissions of TRS by September 12, 1992, and cease use as recovery boiler as provided in paragraphs 11 and 12. Surrender permits for use as recovery boiler. Any further use of the equipment shall require compliance with applicable rules, including obtaining new permits.
- c. CEMs data shall be available for 75% of the operating hours per RB on a monthly basis. Failure to maintain data for the required minimum time shall require that the EPA reference method 16 or 16A stack test be performed to demonstrate compliance within 30 days of the end of the month during which the data availability was below 75%.

2. Smelt Dissolving Tanks

a. Existing Smelt Dissolving Tanks

TRS - Interim and Final Limits - Meet existing source limit until shut down.

- b. Remove from Service and render inoperable by September 12, 1992 and surrender permit to the Department of Environmental Regulation by September 12, 1992.

3. All Lime Kilns

a. (1) Seminole Kraft shall comply with Chapter 17-2 Florida Administrative Code as applicable to lime kilns.

(2) In addition to Florida Administrative Code requirements, continuous emission monitors (CEMs) shall be used to demonstrate compliance with an emission limit of 20 ppm by volume on a dry basis at standard conditions corrected to 10% oxygen on a 12-hour basis (12 noon to 12 midnight and 12 midnight to noon) for each lime kiln. Exceedence of the above limit as demonstrated by the CEMs on

more than 2% of the operating periods for each lime kiln during a calendar month shall result in a stipulated penalty of \$750 per 12 hour exceedance, in excess of 2%. This penalty shall be paid to the Environmental Protection Fund within 30 days of the end of the month during which the exceedance occurred. Seminole Kraft shall submit monthly reports by the 15th of the following month specifying the information listed below:

(a) 12-hour average TRS readings for each lime kiln for each operating period;

(b) cause and corrective action taken for each exceedance of the 20 ppm limit.

b. Cease emissions of TRS by September 12, 1992. Any further use of the equipment shall require compliance with applicable rules.

c. CEM data shall be available for 75% of the operating hours per lime kiln on a monthly basis. Failure to maintain data for the required minimum time shall require that an EPA reference method 16 or 16A stack test be performed to demonstrate compliance within 30 days of the end of the month during which the data availability was below 75%.

d. Definitions.

1. Operating Period: Any 12-hour period (12 midnight to 12 noon and 12 noon to 12 midnight) during any part of which a source was in operation.

2. Operating Hours: Any hour during any part of which a source was in operation.

4. Digestors and Evaporators

a. The TRS emissions from these sources have already been collected and are incinerated in the lime kilns which is equivalent to meeting NSPS.



- b. Cease emissions of TRS by September 12, 1992. Any further use of the equipment shall require compliance with applicable rules.

B. Seminole Kraft shall comply with Rule 17-2.710 Florida Administrative Code as to requirements concerning operation, calibration and maintenance of the CEMs.

10. Although not admitting that any violations of the City of Jacksonville Ordinance have occurred, Seminole Kraft will agree to a stipulated settlement of \$30,000 subject to the following conditions:

- a. The sum of \$20,000 will be paid to the City of Jacksonville Environmental Protection Fund within thirty days of entry of an order by the court approving this Stipulation. An additional sum of \$10,000 will be placed in a mutually agreeable escrow account within thirty days of entry of an order by the court approving this stipulation and Seminole Kraft will provide the City of Jacksonville with evidence that the money has been placed in that escrow account within ten days.
- b. In the event that Seminole Kraft achieves final compliance with paragraph 11 prior to 12:01 a.m., on July 11, 1992, the entire amount of \$10,000 from the escrow account

will be returned to Seminole Kraft. If final compliance with paragraph 11 is not achieved by 12:01 a.m., July 12, 1992, the sum of \$5,000 from the escrow account will be paid to the City of Jacksonville Environmental Protection Fund within ten days.

c. If Seminole Kraft achieves final compliance with paragraph 11 prior to 12:01 a.m. on August 12, 1992, the remaining \$5,000 from the escrow account will be returned to Seminole Kraft. If final compliance with paragraph 11 is not achieved by 12:01 a.m. August 12, 1992, the remaining sum of \$5,000 from the escrow account will be paid to the City of Jacksonville Environmental Protection Fund within ten days.

d. If Seminole Kraft does not achieve final compliance with paragraph 11 by 12:01 a.m. September 12, 1992, an additional sum of \$5,000.00 will be paid to the City of Jacksonville Environmental Protection Fund within 10 days. If Seminole Kraft does not achieve final compliance with paragraph 11

prior to 12:01 a.m. on October 12, 1992, an additional sum of \$5,000.00 will be paid to the City of Jacksonville, Environmental Protection Fund within 10 days.

11. Seminole Kraft agrees to the following compliance schedule:

Enter into Letter of Intent to purchase major equipment-no later than 30 days from date of entry of this order.

Place first order for major equipment - no later than December 31, 1990.

Commence construction on first recycle fibre line - no later than March 1, 1991.

Start-up of first recycle fibre processing line - no later than June 1, 1992.

Start-up of rebuilt paper machine - no later than September 1, 1992.

Shut-down of the old pulp mill - no later than September 12, 1992.

Seminole Kraft shall furnish notification of completion of each compliance step above within 15 days of completion of each event.

The parties recognize that Seminole Kraft has agreed to an earlier date of September 12, 1992 for compliance with TRS emission limiting standards of the City of Jacksonville.

Seminole Kraft shall not be considered in violation of the ordinance or this order if it demonstrates that compliance by the earlier September 12, 1992 date was not achieved due to a force

majure event caused by events beyond its reasonable control, such as unavoidable delays of its contractors in engineering the new equipment, delays in manufacture, delivery of the equipment or unforeseen construction problems, which could not have been prevented using due diligence.

Seminole Kraft agrees that it will use due diligence to meet the September 12, 1992 date and mitigate any delays. Within 30 days of the General Manager of Seminole Kraft learning of events that may lead to probable delays in meeting the September 12, 1992 date, Seminole Kraft shall notify BESD of that possibility, the reasons for the possible delay and efforts it is taking to prevent or minimize the delay. Failure to provide such notice may prevent assertion that such event was caused by force majure event.

12. Compliance with the terms of this Stipulation, as confirmed and incorporated in a Consent Judgment entered by the Court, shall constitute compliance with all ordinances, rules and standards of the City which relate to objectionable odors, including but not limited to, Jacksonville Environmental Protection Board Rule 2; Section 823.01, Florida Statutes; City of Jacksonville Ordinance Chapters 360, 362, and 376, et seq.; and Chapter 403, Florida Statutes and Chapter 17-2, F.A.C., to the extent the City is authorized to enforce such requirements. Any odor emission from the Seminole Kraft facility made in complianee with this stipulation, which shall be deemed a consent

order with respect to odor, and otherwise meets the requirements for "safe harbor" in City of Jacksonville Ordinance, Section 376.104(d), shall not be considered an objectionable odor. The City expressly reserves the right to initiate appropriate legal action to prohibit the violation of applicable statutes or rules promulgated thereunder for matters not covered by this Stipulation.

13. The parties agree that the Court shall retain jurisdiction for the purpose of enforcing compliance with this Stipulation. The parties further agree that should any dispute arise under this agreement, they will seek an expedited hearing on the disputed issue. Seminole Kraft shall not be considered in violation of the terms of this Stipulation if its non-compliance was caused by a force majeure occurrence, including, but not limited to, an Act of God, fire, flood, labor strike, walk-out, upset, malfunction, start up or shutdown under BESD or DER rules, or circumstances otherwise beyond the reasonable control of Seminole Kraft.

14. This stipulation is not dependent on whether AES Cedar Bay (AESCB) will be certified to operate an electrical power plant adjacent to the Seminole Kraft facility. The parties are required to perform their obligations as set forth in this Stipulation, even if AESCB is ultimately denied Certification pursuant to the Florida Electrical Power Plant Siting Act, Florida Statutes 403.501 et. seq. The Seminole Kraft power

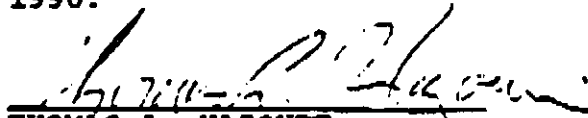
boilers will continue to operate in compliance with the applicable particulate emission limiting standards in the event they are not replaced by the proposed AES circulating fluidized bed boilers.

15. This Stipulation and any qualification under the "safe harbor" provision of the City of Jacksonville Ordinance, Section 376.104(d), shall expire on September 12, 1992, unless Seminole Kraft demonstrates qualification for a force majeure event under Paragraph 11 or 13. Upon completion of all required acts under this Stipulation, the parties shall file with the Court a notice that such compliance has been achieved and a request for entry of an Order dismissing both the Complaint by the City and the Counterclaim by Seminole Kraft.

The City of Jacksonville provides notice that in the event the TRS emissions from existing, permitted TRS sources are not eliminated and permits surrendered by November 12, 1992, the City shall take such action as it deems necessary, including seeking injunctive relief.

AGREED TO THIS 14<sup>TH</sup> DAY OF November

1990.

  
\_\_\_\_\_  
THOMAS L. HAZOURI  
Mayor  
City of Jacksonville  
City Hall  
Jacksonville, Florida 32202

  
\_\_\_\_\_  
L.A. STANLEY  
General Manager  
Seminole Kraft Corporation  
Jacksonville Mill  
9469 Eastport Road  
Jacksonville, Florida 32218

*Richard L. Maguire*

RICHARD L. MAGUIRE  
Assistant General Counsel  
1300 City Hall  
Jacksonville, Florida 32202

ATTORNEYS FOR PLAINTIFF

*Terry Cole*

TERRY COLE  
Cartel, Hoffman, Fernandez &  
Cole, P.A.  
Post Office Box 6507  
Tallahassee, Florida 32314

ATTORNEYS FOR DEFENDANT

OERTEL, HOFFMAN, FERNANDEZ & COLE, P A

ATTORNEYS AT LAW

SUZANNE BROWNLESS  
M. CHRISTOPHER BRYANT  
R. L. CALEEN, JR.  
C. ANTHONY CLEVELAND  
TERRY COLE  
ROBERT C. DOWNIE, II  
MARTHA J. EDENFIELD  
SEGUNDO J. FERNANDEZ  
KENNETH F. HOFFMAN  
KENNETH G. OERTEL  
HAROLD F. X. PURNELL  
PATRICIA A. RENOVITCH  
SCOTT SHIRLEY  
THOMAS G. TOMASELLO  
W. DAVID WATKINS

SUITE C  
2700 BLAIR STONE ROAD  
TALLAHASSEE, FLORIDA 32301

MAILING ADDRESS:  
POST OFFICE BOX 6507  
TALLAHASSEE, FLORIDA 32314-6507

TELEPHONE (904) 877-0999  
FACSIMILE (904) 877-0981

JOHN H. MILLICAN  
ENVIRONMENTAL CONSULTANT  
(NOT A MEMBER OF THE FLORIDA BAR)  
J. P. SUBRAMANI, PH. D. P. E.  
ENVIRONMENTAL CONSULTANT  
(NOT A MEMBER OF THE FLORIDA BAR)

December 2, 1991

Gregory G. Radlinski, Assistant Counsel  
Environmental Law Division  
City of Jacksonville  
Suite 715 - Town Center  
4251 West Church Street  
Jacksonville, Florida 32202-4156

RE: Seminole Kraft Corporation, Bark Boilers

Dear Mr. Radlinski:

This will respond to your letter of November 14, 1991 regarding continued operation of certain Seminole Kraft bark and power boilers after commercial operation of the AES Cedar Bay Facility was reached.

I do not believe there is any issue involving the odor settlement between the City and Seminole Kraft. The settlement related to agreeing to shut down certain TRS specified sources, including the recovery boilers. Seminole Kraft is on schedule to meet the specified dates in that consent judgment. That settlement did not include or have any relevance to operation of the power or bark boilers. The settlement specifically reserved the creditable emission reductions from retiring the old recovery boilers.

The bark and power boilers were offered as creditable emission reductions as part of the AES power plant siting process. The creditable emissions remain intact and available to AES and Cedar Bay. At the time the application was filed Seminole Kraft planned to replace the three old recovery boilers with one large new recovery boiler. They planned to retire the power boilers and burn the bark in the AES circulating fluidized bed boilers. Based upon market conditions, the desire of the City and the State to promote additional recycling in the state and the desire to make a much larger reduction in odors by eliminating the Kraft pulping process from the mill, the proposal was later changed to eliminate the new recovery boiler (which had been permitted) and instead to convert the mill to a recycled fiber facility. It was at that point that agreement was reached with the City and later filed in circuit court resolving the pending odor questions. Meetings were held with the City and the State to discuss



Mr. Gregory G. Radlinski  
December 2, 1991  
Page 2

the proposed conditions of certification relating to shutting down the bark and power boilers. It was agreed this condition did not preclude Seminole Kraft from applying for additional permits for new sources in the future, utilizing the recovery boiler offsets, should Seminole be able to demonstrate compliance with applicable environmental requirements. The City made clear that should Seminole Kraft file such applications that it would expect NSPS requirements to be met. Although it is not clear NSPS requirements are applicable, the application that Seminole Kraft files will honor the City's request that NSPS limitations be met.

I have attached copies of relevant correspondence from the Department of Environmental Regulation, EPA and Seminole Kraft for your information. It should be noted for informational purposes that Seminole Kraft also has provided notice to DER that upon completion of the recycle fiber project, there will be a change in the mix of carbonaceous fuel burned in the bark boilers in the interim between the startup of the new recycled fiber process next year and commercial operation of AES.

As you will see from the correspondence Seminole Kraft has been candid and open on this issue since the possibility of converting the application for a new recovery boiler to recycled fiber project for the entire mill was first discussed and later approved by the City and the State. Once you have had the opportunity to review these materials and this letter, we will be glad to meet with you to discuss this in more detail. Please feel free to call me should you have any questions.

Sincerely,

  
Terry Cole

TC/kp

cc: Steve Smallwood  
Richard Donellan  
Larry Stanley  
Curt Barton  
Bruce Mitchell



# Seminole Kraft Corporation

Jacksonville Mill

9469 Eastport Road  
P.O. Box 26998  
Jacksonville, Florida 32218-0998

904 751-6400

June 25, 1991

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

**Re: Notice in the change of Mix of Carbonaceous  
Fuels for Seminole Kraft Bark Boilers**

Dear Mr. Smallwood:

This letter is to notify the Department of an anticipated change in the mix of carbonaceous fuels for the Seminole Kraft Corporation No.1 and No.2 bark boilers for the period of time between conversion to recycled fiber operation (Summer/Fall 1992) and AES compliance testing (Spring, 1994). These boilers are authorized to burn carbonaceous fuel and oil. Carbonaceous fuel will remain the primary fuel with oil used during startup, shutdown upsets or malfunctions.

As you know, Seminole Kraft has been authorized to replace its existing kraft mill with a recycled fiber operation. Seminole Kraft is required to have that project completed and the recovery boilers shut down by November 12, 1992 under the state permit. In addition, in a settlement with the City of Jacksonville, Seminole Kraft has agreed to expedite that process.

Seminole Kraft hopes to start the new recycled fiber operation in the summer of 1992. At that time the bark boilers will continue to burn bark but, in addition, will need to burn a small amount, less than 25%, of recycled fiber rejects. These recycled fiber rejects consist of 75% wood fiber, 15% inorganic material (sand, grit, glass and metal), and 10% plastic. Hence, on a BTU basis, wood fiber will still account for over 90% of the carbonaceous fuel. There will be no increase in the allowable emissions or heat input. Please see Attachment A for more details.

The boilers will require no physical changes to accommodate the fuel and would have been capable of burning that mix of fuel prior to January 6, 1975, or prior to 1971. There is no change in the method of operation since the boilers were capable of accommodating an alternative fuel under the facility's

Mr. Steve Smallwood  
Carbonaceous Fuels  
June 25, 1991  
Page Two


construction specifications. See 40 CFR 60.14(e)(4). Similarly, under F.A.C. Rule 17-2.500(2)(c)4, there is an exemption from the definition of "modification" for the use of an alternative fuel which the facility was capable of accommodating before January 6, 1975, unless such change is prohibited under any federally enforceable permit condition established after January 6, 1979. This also would be outside the definition of "major modification" as an alternative fuel since the source was capable of accommodating the fuel prior to January 6, 1975. See 40 CFR 52.21(2)(d) and F.A.C. Rule 17-2.500(2)(c)4. Accordingly, we believe no permit is required to accommodate such a minor change in the mix of carbonaceous fuels. We would request that this letter be attached to the operating permit file.

We would like to continue to operate the two bark boilers in this fashion subject to renewal of its operating permit up until they are required to be shut down under terms of the AES Cedar Bay Certification Order. In the meantime, and most likely within the next three months, Seminole Kraft will apply for a construction permit to address operating requirements after the date on which the existing bark boilers are required to be shut down and their current operating permits surrendered. This will allow sufficient time to address all necessary information requirements of the Department in order to ensure their continued operation in accordance with applicable requirements of the Department and the City, as well as EPA. I have attached copies of significant correspondence regarding this matter, the operating permits for these sources and the relevant portion of the AES Cedar Bay conditions and certification.

In summary, we believe no special permitting is required to enable Seminole Kraft to continue to burn carbonaceous fuels in the bark boilers. We do intend to submit a full construction permit application for operation after AES Cedar Bay startup and testing and will submit such an application to you within the next two months.

If you have any questions regarding this, please let me know.

Sincerely,

  
L.A. Stanley  
General Manager

ah  
attachments

CC: Curt Barton  
Terry Cole

Ernest Frey  
James Manning

Clair Fancy  
Mike Riddle

ATTACHMENT A

Seminole Kraft Corporation  
Bark Boilers

I. Current Permit

A. Fuel

1. Carbonaceous Fuel (Bark)
2. No. 6 Fuel Oil (2.27% Sulfur)

B. Boiler Capacity

Max. Rate - 193 mmBtu/hr heat input

C. Normal Operation - 100% Carbonaceous Fuel

D. Abnormal Operation - No. 6 Oil & Carbonaceous Fuel  
(Startup, Shutdown, Malfunction, etc.)

E. Allowable Emissions

PM (Carbonaceous Fuel) 0.2 lb/mmBtu or 38.6 lb/hr  
PM (Oil Fired) 0.1 lb/mmBtu or 19.3 lb/hr  
PM (Combinations of Carbonaceous and Oil - Limited to 193 mmBtu/hr. Allowable PM emissions for any combination shall be calculated on the sum of the individual calculations for carbonaceous and oil fuels.

II. Projected Fuel After Startup of Recycle Operation

A. Fuel

1. Carbonaceous Fuel (Bark & Wastepaper Rejects\*)
2. No. 6 Fuel Oil (1.0% Sulfur)

B. Boiler Capacity

Max. Rate - 193 mmBtu/hr per boiler

C. Normal Operation - 100% Carbonaceous Fuel

D. Abnormal Operation - No. 6 Oil & Carbonaceous Fuel

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\* Wastepaper rejects consist of approximately 75% wood fiber, 15% inorganic material (sand, grit, glass and metal fragments) and 10% plastic.

E. Carbonaceous Fuel Data

1. Heat Value  
Bark (Dry) - 6500 Btu/#  
Wastepaper Rejects (Dry) - 8000 Btu/#
2. Fuel Quantity  
Bark (Dry) - 11.15 Tons/hr  
Wastepaper Rejects (Dry) - 3 Tons/hr
3. Firing Rate  
Bark Heat Input = 6500 (11.15) 2000 = 145 mmBtu/hr  
Wastepaper Rejects = 8000 (3) 2000 = 48 mmBtu/hr  
Total Heat Input = 193 mmBtu/hr

F. Allowable Emissions

PM (Carbonaceous Fuel) = 0.2 lb/mmBtu or 38.6 lb/hr  
PM (Oil Fired) = 0.1 lb/mmBtu or 19.3 lb/hr  
PM (Combinations of Carbonaceous Fuel and Oil limited to 193 mmBtu/hr. Allowable PM emissions for any combination shall be calculated based on the sum of the individual calculations for Carbonaceous and Oil Fuels.



ATTACHMENT B

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

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

FEB 25 1991

4APT-AE

Mr. Clair H. Fancy, P.E., Chief  
Bureau of Air Regulation  
Division of Air Resources Management  
Florida Department of Environmental  
Regulation  
Twin Towers Office Building  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

RECEIVED  
MAR 13 1991  
DER-BAQM

Dear Mr. Fancy:

As requested in your November 16, 1990, letter, we have reviewed the analysis by Mr. Terry Cole of Oertel, Hoffman, Fernandez and Cole, P.A., regarding the applicability of NSPS and PSD to the boilers at Seminole Kraft and AES Cedar Bay (AESCB) in Jacksonville, Florida. In Mr. Cole's letter, two specific situations involving the boilers at Seminole Kraft and the AESCB project were addressed.

APPLICABILITY OF NSPS AND PSD IF AESCB/SEMINOLE KRAFT PROJECT IS CERTIFIED

Under the conditions of certification for the AESCB project, the shutdown of boilers at Seminole Kraft is required in order to provide offsets for increases in pollutants from the cogeneration facility. It must be noted that for the emissions reductions to be creditable, they must be permanent. After the PSD permit is issued which incorporates these shutdowns and makes them federally enforceable, there will be no additional emissions reduction credit available from the shutdown of these boilers. Should Seminole Kraft decide to refurbish the dismantled bark boilers, the boilers would be treated as entirely new emissions units with none of the exemptions from applicability for existing units that are specified under PSD regulations being available.

With regard to NSPS, the existing boilers at Seminole Kraft would not become subject to NSPS if they remained intact and were merely restarted, without any physical or operational change.

If the boilers are dismantled in any fashion (i.e. key components removed) and the decision is later made to restart the boilers, then NSPS would apply. This is due to the fact that there would be an emission increase caused by a physical change to the boilers. Since the boilers were incapable of operating, the emissions would be zero immediately before the changes necessary for a restart and therefore, an emissions increase would have resulted thus triggering NSPS. This is consistent with the Wisconsin Electric Power Company decision. If changes are only necessary to accommodate a different fuel mix, then we would accept emission data just prior to the shutdown and compare with data after start up to determine if an emissions increase, and hence a modification, would result thus triggering NSPS. Furthermore, the composition of the fiber rejects would need to be evaluated to determine if the new combination of fuel would be classified as municipal solid waste (MSW). If so, then the newly promulgated NSPS regulations for municipal waste combustors would apply.

APPLICABILITY OF NSPS AND PSD IF AESCB/SEMINOLE KRAFT PROJECT IS NOT CERTIFIED

According to Mr. Cole, the bark boilers would not be subject to NSPS or PSD permit review when the fuel mixture for the bark boilers is changed from 100% bark to 75% bark/25% fiber reject mix. The basis for this determination is that the bark boilers were capable of firing the fiber rejects at the percentages anticipated as of January 6, 1975.

In order to determine the applicability of NSPS to the bark boilers due to the change in fuel type it must be ascertained if the bark boilers will have an increase in the emission rate, expressed as kilograms per hour, of a regulated pollutant and if the bark boilers could fire the fiber rejects as originally constructed. However, not enough information was provided to determine if an emission rate increase in a regulated pollutant would occur, therefore, we will assume that an increase in a regulated pollutant will occur.

Assuming that an increase will occur, then the second condition must be addressed. It is incorrect to use January 6, 1975, as the date to determine if the bark boilers were originally designed to burn the bark and fiber rejects simultaneously. The exemption to the modification provision at §60.14(e)(4) essentially states that if the existing facility could have fired the alternative fuel prior to the applicability date of

the NSPS Subpart, then the increase in the emission rate of a regulated pollutant due to the use of the alternative fuel would not be considered a modification as defined in §60.14. Since Mr. Cole indicated that on January 6, 1975, the bark boilers were capable of firing the 75% bark/25% fiber rejects mixture, the only possible applicable NSPS Subparts are Subparts D and E. If the bark boilers were capable of firing the alternative fuel prior to August 17, 1971, then neither Subpart would apply.

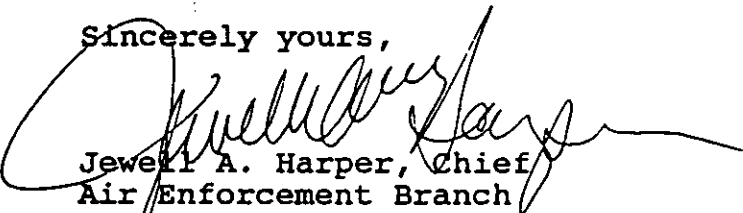
If the bark boilers were not capable of firing the alternative fuel prior to August 17, 1971, then they could be subject to either Subparts D or E or both if an increase in the emission rate of a regulated pollutant occurs. In addition, in order for Subpart E to apply, the combination of bark and fiber rejects would have to be determined to be MSW.

In addition, if the combination of bark and fiber rejects is considered to be MSW, then the bark boilers would be subject to emission standards for existing MSW combustors which will be established in accordance with the guidelines published in the February 11, 1991, Federal Register.

With regard to PSD, since the bark boilers were capable of firing bark and fiber refuse prior to January 6, 1975, then PSD review would not be required.

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

Sincerely yours,



Jewell A. Harper, Chief  
Air Enforcement Branch  
Air, Pesticides and Toxics  
Management Division



ATTACHMENT C

OERTEL, HOFFMAN, FERNANDEZ & COLE, P. A.

ATTORNEYS AT LAW

SUZANNE BROWNLESS  
M. CHRISTOPHER BRYANT  
J. L. CALEEN, JR.  
C. ANTHONY CLEVELAND  
TERRY COLE  
ROBERT C. DOWNIE, II  
MARTHA J. EDENFIELD  
SEGUNDO J. FERNANDEZ  
KENNETH F. HOFFMAN  
KENNETH G. OERTEL  
HAROLD F. X. PURNELL  
PATRICIA A. RENOVITCH  
SCOTT SHIRLEY  
THOMAS G. TOMASELLO  
W. DAVID WATKINS

SUITE C  
2700 BLAIR STONE ROAD  
TALLAHASSEE, FLORIDA 32301  
  
MAILING ADDRESS:  
POST OFFICE BOX 6507  
TALLAHASSEE, FLORIDA 32314-6507

TELEPHONE (904) 877-0099  
FACSIMILE (904) 877-0981  
  
JOHN H. MILLICAN  
ENVIRONMENTAL CONSULTANT  
(NOT A MEMBER OF THE FLORIDA BAR)  
  
J. P. SUBRAMANI, PH. D., P. E.  
ENVIRONMENTAL CONSULTANT  
(NOT A MEMBER OF THE FLORIDA BAR)

October 26, 1990

Mr. Steve Smallwood  
Bureau of Air Quality Management  
Department of Environmental Regulation  
2600 Blair Stone Road  
Tallahassee, FL 32399-2400

RE: Refurbishment or replacement of  
Seminole Kraft Bark Boilers; Changing Fuel Mix

Dear Steve:

The purpose of this letter is to confirm your previous discussion with Julie Blunden, Curt Barton, and me concerning refurbishment or replacement of existing bark boilers, or the use of such boilers to burn recycled fiber rejects as well as bark.

As you know, Seminole Kraft Corporation proposes to convert its Jacksonville mill to a 100% recycle operation. This will benefit the community in many ways, including reducing the need to landfill used corrugated containers and eliminating all TRS emissions.

In processing the recycled fiber a certain amount of rejects will be produced which must be burned or landfilled. Due to the volume of rejects generated over the long term, incineration is preferred. The fiber rejects have a high energy content and they can be efficiently burned with bark (also generated on-site) in boilers adequate for this purpose.

The DER permitting requirements for boilers used for this purpose would depend on whether the AES Cedar Bay/Seminole Kraft Co-generation Project is ultimately certified.

Permitting Requirements if AES Cedar Bay/Seminole Kraft Project is Certified:

If the Co-generation Project is certified, Condition IID of the proposed Conditions of Certification (revised 7-19-90) requires

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that Power Boiler Nos. 1 through 3 and Bark Boiler Nos. 1 and 2 are to be "permanently shut down and made incapable of operation" at the time initial compliance tests on the AESCB boilers are completed. This provision constitutes a federally enforceable permit condition upon final action by the Siting Board and Secretary.

In light of this condition, the same permitting requirements apply irrespective of whether a new boiler is constructed to burn bark and fiber rejects or an existing boiler is refurbished for this purpose. These requirements would consist of the applicable federal and state New Source Performance Standard; assurance that ambient air quality standards will not be violated; and Prevention of Significant Deterioration (PSD) review in the absence of creditable emission reductions such as those resulting from the shut-down of the Kraft Recovery Boilers. See Rule 17-2.500, F.A.C. There is no prohibition against applying for a new source permit because of a federally enforceable condition requiring retirement of an existing source.

Permitting Requirements for Bark Boilers if AES Cedar Bay/Seminole Kraft Project Not Certified:

The permitting requirements are different, however, if the proposed Co-generation Project is not certified. The existing Bark Boiler(s) are capable of being used to burn the fiber rejects as well as bark.

It appears that the change in fuel content -- from 100% bark to a 75% bark/25% fiber reject mix -- does not constitute a modification for purposes of applying new source performance standards or PSD review. This is because of the way "modification" is defined and the specific exemption to that definition.

Modification is defined in 40 CFR §60.2 (also found in Chapter 17-2, F.A.C.) as:

Any physical change in, or change in the method of operation of, an existing facility which increases the amount of any air pollutant (to which a standard applies) emitted into the atmosphere by that facility or which results in the emission of any air pollutant (to which a standard applies) into the atmosphere not previously emitted.

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There is, however, an exception to the definition which applies to use of an alternative fuel or raw material if prior to the applicable date of the regulation the existing facility was capable of accommodating an alternative fuel use. A "facility" is capable of accommodating an alternative fuel use if the use could be accomplished under the facility's construction specifications as amended prior to the change. 40 CFR §60.14(e)(4).

DER rules contain a similar exemption. Rule 17-2.500(2)(c)4, F.A.C., exempts the use of an alternative fuel which the facility was capable of accommodating before January 6, 1975, unless such change is prohibited under any federally enforceable permit condition established after January 6, 1975.

Since prior to January 6, 1975, the bark boilers were capable of burning the reject fibers in the percentages anticipated, and still are, they fall within the exception to the general NSPS requirement.

EPA and DER rules also subject "major modifications" of existing facilities to PSD review. Such modifications are generally defined as any physical change in, or change in the method of operation of, a major stationary source which would result in a significant net emissions increase of any pollutants subject to regulation. The rules also contain, however, an exemption for a physical change or change in method of operation for the use of an alternative fuel or raw material which the source was capable of accommodating before January 6, 1975, unless such change would be prohibited under any federally enforceable permit condition established after January 6, 1975. 40 CFR 52.21(2)(d); see also §17-2.500(2)(c)4., F.A.C.

Consequently, under the situation described, the switch in fuel mixture would not be a major modification requiring PDS review. Seminole Kraft would, however, notify the Department before burning the reject fibers and answer any questions concerning it.

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October 26, 1990  
Page 4

I would appreciate your confirming my understanding of our discussion. Please do not hesitate to provide corrections or clarification where needed. Thank you for your cooperation.

Sincerely,

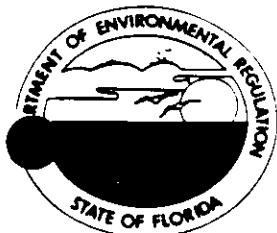
  
Terry Cole

TC/kp

cc: Curt Barton  
Julie Blunden

s-smallw.ltr

AUG 1 - 1991



# Florida Department of Environmental Regulation

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

Lawton Chiles, Governor

Carol M. Browner, Secretary

July 16, 1991

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**RECEIVED**  
4/1/93  
M. KIDDER  
J. BROWN  
A. KOCSTH  
AUG 5 1991

Mr. L. A. Stanley  
General Manager  
Seminole Kraft Corporation  
9469 Eastport Road  
P. O. Box 26998  
Jacksonville, Florida 32218-0998

OERTEL, HOFFMAN,  
FERNANDEZ & COLE, P.A.

Dear Mr. Stanley:

Re: Request to Burn Recycle Fiber as a Fuel  
Nos. 1 and 2 Bark Boilers

The Department has reviewed your letter with attachments received June 28, 1991, regarding the request to burn recycle fiber as a fuel in the above referenced combination (carbonaceous and fossil fuels) boilers. Based on a review of the letter and attachments, a construction permit for a modification will be required in order for the boilers to be allowed to burn recycle fiber as a fuel, because the boilers are not currently permitted to burn plastics and metals (other than the normal constituents of the fossil fuels permitted as fuels), which are components of the recycle fiber. Therefore, please submit the proper application form(s), including all assumptions, calculations and reference material, and the appropriate processing fee to the Department of Environmental Regulation; and, the evaluation of all pollutants should compare the current actual emissions versus the future potential/allowable emissions. Also, provide an ultimate analysis of the current fuel(s) and the proposed fuels on a bone dry, percent weight basis; and, provide the fuel utilization rates on a tons per hour and tons per day basis. Please explain where the plastics will come from and how it is part of the recycle fiber waste stream.

If there are any questions, please call Mr. Clair Fancy at (904) 488-1344 or write to me at the above address.

Sincerely,

STEVE SMALLWOOD, P.E.  
Director  
Division of Air Resources  
Management

SS/BM/t

cc: A. Kutyna, NE District      G. Smallridge, Esq., DER  
R. Roberson, BESD