Florida Department of Environmental Protection

Northeast District
7825 Baymeadows Way, Suite B200
Jacksonville, Florida 32256-7590
Phone: 904/807-3300 ♦ Fax: 904/448-4366

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

April 15, 2009

Mr. Bobby G. Sammons, General Manager
Smurfit-Stone Container Enterprises, Inc.
North 8th Street
Fernandina Beach, Florida 32034

Re: DRAFT Title V Air Operation Permit Revision No.: 0890003-025-AV
Revision to Title V Air Operation Permit No.: 0890003-023-AV
Fernandina Beach Mill

Dear Mr. Sammons:

One copy of the "DRAFT Determination" for the Title V Air Operation Permit Revision for the Fernandina Beach Mill located at North 8th Street, Fernandina Beach, Nassau County, is enclosed. This letter is a courtesy to inform you the changes made to the DRAFT Permit as a result of comments received on March 10, 2009.

The permitting authority's "INTENT TO ISSUE TITLE V AIR OPERATION PERMIT REVISION" and the "PUBLIC NOTICE OF INTENT TO ISSUE TITLE V AIR OPERATION PERMIT REVISION" originally issued on February 27, 2009 is being withdrawn and replaced by the attached package.

An electronic version of the REVISED DRAFT Permit will be posted on the Division of Air Resource Management's World Wide Web site for the United States Environmental Protection Agency (USEPA) Region 4 office's review. The web site address is:

"http://www.dep.state.fl.us/air/eproducts/ards/default.asp"

The "PUBLIC NOTICE OF INTENT TO ISSUE TITLE V AIR OPERATION PERMIT REVISION" must be published as soon as possible. Proof of publication, i.e., newspaper affidavit, must be provided to the permitting authority's office within 7 (seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit pursuant to Rule 62-110.106(11), F.A.C.

Please submit any written comments you wish to have considered concerning the permitting authority's proposed action to Christopher L. Kirts P.E., at the above letterhead address. If you have any other questions, please contact Rita Felton-Smith at (904) 807-3237.

Sincerely,

Christopher L. Kirts, P.E.

CLK:rfs:mcl

Enclosures

copy furnished to:

David A. Buff., P.E.
Barbara Friday, Bureau of Air Regulation (INTERNET E-mail Memorandum)

I. Applicant Comments.

Comments were received from the applicant on March 10, 2009. The comments were considered significant enough to reissue the DRAFT Title V Operation Permit Revision. Listed below is each comment followed by the Department response and proposed permit change if applicable.

Comment #1:

Statement of Basis-

Under the emissions units descriptions, a description of the SO2 CEMS should be added. Also, for No. 4 and 5 Recovery Boilers, a description of HCE usage should also be added.

Response. The Department has added the following to the Statement of Basis for the No. 5 Power Boiler:

Sulfur dioxide emissions are monitored with a CEM system to demonstrate compliance with the sulfur dioxide emissions limit established for an exemption from the requirements of Best Available Retrofit Technology (BART) pursuant to Rule 62-296.340, Florida Administrative Code (F.A.C.)

The Department has added the following to the Statement of Basis for both the No. 4 and No. 5 Recovery Boilers:

The mill is authorized to use hot caustic extract (HCE) liquor up to a maximum of 146,000 tons per any consecutive 12-months as an additive to supplement the black liquor solids. The HCE is added with the weak black liquor and processed through the black liquor cycle.

Comment #2:

Draft permit –

Page 11- permitting notes- the BART rule citation should be added to the list of applicable rules.

Response. The Department has added the following language to the Permitting Note(s) for No. 5 Power Boiler as well as the Statement of Basis:

Rule 62-296.340, F.A.C. - Best Available Retrofit Technology (BART) Exemption

Comment #3:

Draft permit –

The "Brief " Description Section of No. 5 Power Boiler is inconsistent with the same section for the other emission sources listed in the permit in that it specifically describes in detail controls, monitors and stack parameters…This descriptive language that is not an enforceable limitation…It is requested that the "Brief Description" for No. 5 Power Boiler be similar in detail and form to that for the other sources in the permit, for example:

"#5 Power Boiler is a multi-fuel (carbonaceous fuel, No. 6 and No. 2 fuel oils, "on-specification" used oil, and wastewater clarifier wood fiber residuals) that maximum continuous operational heat input of 805 MMBtu/hr. It is also the backup combustion device for burning collected LVHC noncondensible gases. Particulate is controlled by multiple cyclones and an ESP."

Any additional required detail (for example, required monitoring) should be provided in the appropriate specific conditions rather than in the description.

Response. The Department has revised the Brief Description such that it is consistent with the language that was used in Permit No. 0890003-024-AV.

Comment #4:

Draft permit –

Page 22 A.35. Please remove reference to "lower sulfur" fuel oil. The BART exemption does not require the mill to use lower sulfur fuel oil; just monitor SO2 emissions and reduce SO2

emissions to the new limit. The language should be changed from "lower sulfur fuel oil" to "fuel oil."

Response: The reference to "lower sulfur fuel oil" was from previously issued Construction Permit No. 0890003-003-AC. As the mill states, the BART Exemption in Construction Permit No. 0890003-018-AC does not require the mill to use lower sulfur fuel oil therefore the Department has revised the reference condition as follows:

A.35. Sulfur Dioxide (24-hr) - NCG/Fuel Oil. The facility shall maintain records of the following:

- The sulfur content of the fuel oil,
- The flow rate of the fuel oil,
- The amount (gallons) of the fuel oil

[Application No. 0890003-025-AV]

Comment #5:

Appendix HCE-

For PSD tracking purposes, the net emissions table requires the mill to use the NOx emission factors presented in the permit application to calculate future actual NOx emissions from its recovery boilers. Specific Condition 4 in the HCE construction permit (08900003-013-AC) required the mill to conduct extensive NOx emission testing on one of the recovery boilers to demonstrate that NOx emissions would not increase due to HCE firing with the BLS. Specific Condition 8 requires the mill to use 'the emission test results from Specific Condition No. 4 x 2 to calculate the annual future actual NOx emission from the two recovery boilers. As authorized in Specific Condition 4, we chose No. 4 recovery boiler (larger capacity) to complete this testing. This NOx testing was completed in June 2008. As expressly required by the permit, the NOx emission factor established by this testing must be used to calculate future actual NOx emissions from the recovery boilers, not the NOx emission factors from the permit application. The stack test data shows that NOx emissions do not increase and are actually lowered when HCE is used. Furthermore, we report actual NOx emissions in an annual report as required by Specific Condition 10 of the HCE Construction permit. At minimum, in order to comply with the construction permit,

Appendix HCE must be changed to specify use of the NOx emission factor from the 2008 testing to calculate future actual emissions from the two recovery boilers.

Item 3. Can the 60 days after the end of the year for the report be changed to coincide with the AOR reporting? That would be May 1 this year and April 1 for subsequent years.

Response: Appendix HCE has been revised based upon the comments.

Comment #6:

Appendix 40 CFR 60 –

Each page has a footer referencing a City of Jacksonville Title V permit renewal issued to a municipal solid waste landfill. To avoid any confusion or misunderstanding, especially when citizens review the permit, this footer should be eliminated in the final permit.

Response: The footer has been revised to reflect Smurfit-Stone Container Enterprises, Inc. Fernandina Beach Mill.

Comment #7:

Table 1-1 Summary of Emissions –

For No. 5 Power Boiler, the new SO2 emissions limit is not listed.

Response: Both Table 1-1 and Table 2-1 have been revised for the No. 5 Power Boiler to include the SO_2 emissions limit and compliance method required by Construction Permit No. 0890003-018-AC.

In the Matter of an
Application for Permit by:

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

DRAFT Title V Air Operation Permit Revision No.:
0890003-025-AV

Fernandina Beach Mill
Nassau County

_____/

INTENT TO ISSUE A TITLE V AIR OPERATION PERMIT REVISION

The Florida Department of Environmental Protection (permitting authority) gives notice of its intent to issue a Title V Air Operation Permit Revision (copies of the DRAFT Title V Air Operation Permit Revision attached) for the Title V source detailed in the application(s) specified above for the reasons stated below. The permitting authority is withdrawing the previously issued DRAFT Title V Operation Permit Revision originally issued on February 27, 2009, and replacing it with this package.

This Title V Operation Permit Revision is being issued to include two projects into the Title V Operation Permit.

The applicant, Mr. George Q. Langstaff, applied on September 29, 2008 to the permitting authority for a Title V Air Operation Permit Revision (Project 024) and on December 9, 2008 for a Title V Air Operation Permit Revision (Project 025) for the Fernandina Beach Mill located at North 8th Street, Fernandina Beach, Nassau County.

Project 024 is for the incorporation of the terms and conditions of Construction Permit No. 0890003-013-AC. The construction permit authorized the use of up to 146,000 tons per consecutive 12-months of hot caustic extract (HCE) liquor (at 35% solids maximum) as an additive to supplement the black liquor solids at the mill.

Project 025 is for the incorporation of the terms and conditions of Construction Permit No. 0890003-018-AC. The construction permit established an enforceable sulfur dioxide (SO_2) emissions limit for the No. 5 Power Boiler, which allowed the mill to be exempt from the requirements of Best Available Retrofit Technology (BART) pursuant to Rule 62-296.340, Florida Administrative Code (F.A.C.).

On January 7, 2009, the facility provided notification that due to the shutdown of a SSCC Box Plant in Jacksonville, the Fernandina Beach Mill replaced the all 5 existing printing presses at the Box Plant with presses from the SSCC Jacksonville Box Plant. Subsection J of the Title V

Operation Permit has been revised to reflect the replacement of the printing presses in this Title V Operation Permit Revision as well.
The permitting authority has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210, 62-212 and 62-213. This source is not exempt from Title V permitting procedures. The permitting authority has determined that a Title V Air Operation Permit Revision is required to continue operations at the described facility.

The permitting authority intends to issue the Title V Air Operation Permit Revision based on the belief that reasonable assurances have been provided to indicate that the operation of the source will not adversely impact air quality, and the source will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C.

Pursuant to Sections 403.815 and 403.087, F.S., and Rules 62-110.106 and 62-210.350(3), F.A.C., you (the applicant) are required to publish at your own expense the enclosed "PUBLIC NOTICE OF INTENT TO ISSUE A TITLE V AIR OPERATION PERMIT REVISION." The 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. For the purpose of these rules, "publication in a newspaper of general circulation in the area affected" means publication in a newspaper meeting 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 telephone number listed below. The applicant shall provide proof of publication to the Florida Department of Environmental Protection, Northeast District Office, 7825 Baymeadows Way, Suite B-200, Jacksonville, Florida 32256 (Telephone: 904/807-3300; Fax: 904/448-4363)], within 7 (seven) days of publication pursuant to Rule 62-110.106(5), F.A.C. 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.

The permitting authority will issue the PROPOSED Title V Air Operation Permit Revision and subsequent FINAL Title V Air Operation Permit Revision, in accordance with the conditions of the attached DRAFT Title V Air Operation Permit Revision unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed Title V Air Operation Permit Revision issuance action for a period of 30 (thirty) days from the date of publication of the "PUBLIC NOTICE OF INTENT TO ISSUE A TITLE V AIR OPERATION PERMIT REVISION." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this DRAFT Title V Air Operation Permit Revision, the

permitting authority shall issue a Revised DRAFT Title V Air Operation Permit Revision and require, if applicable, another Public Notice.

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 (received) in the Office of General Counsel of the Florida Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/ 245-2242; Fax: 850/ 245-2303). Petitions filed by the permit's applicant or any of the parties listed below must be filed within 14 (fourteen) days of receipt of this notice of intent. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 (fourteen) days of publication of the public notice or within 14 (fourteen) days of receipt of this notice of intent, 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 (fourteen) 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 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 how and when each petitioner received notice of the agency action or proposed action;

(d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;

(e) A concise statement of the ultimate facts alleged, as well as the rules and statutes which entitle the petitioner to relief;

(f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and,

(g) A statement of the relief sought by the petitioner, stating precisely the action 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 notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application(s) have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation will not be available in this proceeding.

Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 (sixty) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any Title V permit. Any petition shall be based only on objections to the Title V permit that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any Title V permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460.

Executed in Jacksonville, Florida.

Florida Department of Environmental Protection

Christopher L. Kirts, P.E.
District Air Program Administrator

Cc: David A. Buff., P.E.
Barbara Friday, Bureau of Air Regulation (INTERNET E-mail Memorandum)

PUBLIC NOTICE OF INTENT TO ISSUE A TITLE V AIR OPERATION PERMIT REVISION

Florida Department of Environmental Protection

DRAFT Title V Operation Permit Revision No.: 0890003-025-AV
Nassau County

The Florida Department of Environmental Protection (permitting authority) gives notice of its intent to issue a Title V Air Operation Permit Revision to Smurfit-Stone Container Enterprises, Inc., for the Fernandina Beach Mill located at North 8th Street, Fernandina Beach, Nassau County.

The facility's contact information is: Mr. Bobby G. Sammons, General Manager, Smurfit-Stone Container Enterprises, Inc., North 8th Street, Fernandina Beach, Florida 32034.

This Title V Operation Permit Revision is being issued to include two projects into the Title V Operation Permit.

Project 024 is for the incorporation of the terms and conditions of Construction Permit No. 0890003-013-AC for the hot caustic extract (HCE) project.

Project 025 is for the incorporation of the terms and conditions of Construction Permit No. 0890003-018-AC which established an enforceable sulfur dioxide (SO_2) emissions limit for the No. 5 Power Boiler. This allowed the mill to be exempt from the requirements of Best Available Retrofit Technology (BART) pursuant to Rule 62-296.340, Florida Administrative Code (F.A.C.).

The permitting authority will issue the PROPOSED Title V Air Operation Permit Revision and subsequent FINAL Title V Air Operation Permit Revision, in accordance with the conditions of the DRAFT Title V Air Operation Permit Revision unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The Permitting Authority will accept written comments concerning the DRAFT Title V Air Operation Permit Revision for a period of thirty (30) days from the date of publication of this Public Notice. Written comments must be post-marked and all facsimile comments must be received by the close of business (5:00 pm), on or before the end of this 30-day period, by the Permitting Authority at Florida Department of Environmental Protection, Northeast District Office, 7825 Baymeadows Way, Suite B-200, Jacksonville, Florida 32256 or facsimile (904) 448-4363. 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 (http://faw.dos.state.fl.us/) 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 Title V Air Operation Permit Revision, the Permitting Authority shall issue a Revised DRAFT Title V Air Operation Permit Revision and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

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,

Florida Statutes (F.S.). The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Florida Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000 (Telephone: 850/ 245-2242; Fax: 850/ 245-2303). Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 (fourteen) days of publication of the public notice or within 14 (fourteen) days of receipt of the notice of intent, 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 (fourteen) 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 applicable 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 will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, Florida Administrative Code (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; 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 petitioner's substantial rights will be affected by the agency determination;

(c) A statement of how and when the petitioner received notice of the agency action or proposed action;

(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, as well as the rules and statutes which entitle petitioner to relief;

(f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and,

(g) A statement of the relief sought by the petitioner, stating precisely the action 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 notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application(s) have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation is not available for this proceeding.

In addition to the above, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 (sixty) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any Title V permit. Any petition shall be based only on objections to the Title V permit that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any Title V permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460.

A complete project file is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Permitting Authority:
Florida Department of Environmental Protection
Northeast District Office
7825 Baymeadows Way
Suite B-200
Jacksonville, FL 32256
Telephone: (904) 807-3300
Fax: (904) 448-4363

The complete project file includes the DRAFT Title V Air Operation Permit Revision, the application, and the information submitted by the responsible official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact Christopher L. Kirts, P.E. at the above address, or call 904-807-3300 for additional information.