



STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION

JOHN ELIAS BALDACCI
GOVERNOR

DAVID P. LITTELL
COMMISSIONER

**Katahdin Paper Company, LLC
Penobscot County
Millinocket, Maine
A-406-77-3-M**

**Departmental
Findings of Fact and Order
Air Emission License
New Source Review Amendment #3**

After review of the air emissions license minor revision request, staff investigation reports and other documents in the applicant's file in the Bureau of Air Quality, pursuant to 38 M.R.S.A., Section §344 and Section §590, the Department finds the following facts:

I. REGISTRATION

A. Introduction

FACILITY	Katahdin Paper Company, LLC
LICENSE TYPE	06-096 CMR 115, Minor Revision
NAICS CODE	322121
NATURE OF BUSINESS	Paper Mill
FACILITY LOCATION	Millinocket, Maine
NSR AMENDMENT ISSUANCE DATE	July 8, 2009

B. Minor Revision Summary

Katahdin Paper Company, LLC (Katahdin Paper) has submitted a new source review minor revision request for the Millinocket facility to include a license restriction on fuel oil use in the WB4 boiler. The fuel limit in WB4 will bring the unit below the Best Available Retrofit Technology (BART) threshold.

C. Application Classification

The license revision will not result in a license increase of any regulated pollutant. Therefore, this amendment is determined to be a minor revision under *Major and Minor Source Air Emission License Regulations*, 06-096 CMR 115 (last amended December 1, 2005) and has been processed as such. The Department shall incorporate this minor revision into the pending Part 70 license renewal.

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II. MINOR REVISION DESCRIPTION

WB4 is a 740 MMBtu/hr oil boiler licensed to fire #2 and #6 fuel oil. On December 18, 2007, the Department issued amendment A-406-77-1-A addressing BART requirements in 40 Code of Federal Regulations (CFR) Part 51; and 38 M.R.S.A. §603-A, sub-8 and §582, sub-5-C. The BART amendment required Katahdin Paper to fire oil with a sulfur content of less than 1% or reduce sulfur dioxide emissions by 50% no later than January 1, 2013. Subsequent to the amendment issuance, the Environmental Protection Agency (EPA) sent Maine a State Implementation Plan deficiency letter requiring a full 5 factor BART analysis for each source.

Katahdin Paper ceased operations on September 9, 2008 and has not fired the WB4 boiler since December 2002. A current project under evaluation at the facility includes tying biomass gasifier units into WB4 and using the boiler as a heat exchanger. No fuel oil would be used in WB4. Katahdin Paper has stated that even if this proposed project is deemed infeasible, it is not expected that fuel oil will be fired in WB4 in the foreseeable future.

Based on the above information, Katahdin Paper has requested a minor revision to certify that WB4 will not need to submit the additional BART analysis. A facility is determined to have BART eligible emission units if the following criteria outlined in the Regional Haze Rule found in 40 CFR, Part 51 are met:

1. The facility falls into one of the 26 source specific categories identified in the Clean Air Act (CAA) of 1977,
2. The facility has emission units that entered operation in the 15 years prior to the adoption of the CAA, and
3. The facility has the potential to emit more than 250 tons/year of a single visibility impairing pollutant from units that fall under criteria #2.

Katahdin Paper accepts restricting WB4 to less than 250 tons/year each of PM, SO₂, and NO_x. Fuel use shall be limited in WB4 to 1,690,000 gallons per year (equivalent to 321.5 hours of operation). The fuel use limit was calculated using the current SO₂ emission limit of the boiler (1554.96 lb/hr with 2% sulfur).

This amendment supersedes the BART amendment A-406-77-1-A (Dec. 18, 2007), since BART will no longer be applicable to WB4 due to the fuel limit.

ORDER

Based on the above Findings and subject to conditions listed below, the Department concludes that the emissions from this source:

- will receive Best Practical Treatment,
- will not violate applicable emission standards,
- will not violate applicable ambient air quality standards in conjunction with emissions from other sources.

The Department hereby grants Air Emission License A-406-77-3-M pursuant to the preconstruction licensing requirements of 06-096 CMR 115 and subject to the standard and special conditions below.

Severability. The invalidity or unenforceability of any provision, or part thereof, of this License shall not affect the remainder of the provision or any other provisions. This License shall be construed and enforced in all respects as if such invalid or unenforceable provision or part thereof had been omitted.

The following shall replace condition (16) in air emission license A-406-70-A-I:

(16) WB4

- A. WB4 is licensed to fire #6 fuel oil and #2 fuel oil. [06-096 CMR 140, BPT]
- B. The sulfur content of the fuel oil fired shall not exceed 2.0% by weight demonstrated by receipts or other records from the supplier indicating the percent sulfur by weight of the fuel oil. [06-096 CMR 106]
- C. Emissions from WB4 shall not exceed the following limits:

Pollutant	lb/MMBtu	Origin and Authority	Enforceability
PM	0.20	MEDEP, Chapter 103, Section 2(A)(1)	Federally Enforceable
NO _x	0.45	MEDEP Chapter 140, BPT	Enforceable by State-only

Pollutant	lb/hr	Origin and Authority	Enforceability
PM	148.0	MEDEP Chapter 140, BPT	Enforceable by State-only
PM ₁₀	148.0	MEDEP Chapter 140, BPT	Enforceable by State-only
SO ₂	1,555.0	MEDEP Chapter 140, BPT	Enforceable by State-only
NO _x	333.0	MEDEP Chapter 140, BPT	Enforceable by State-only
CO	22.2	MEDEP Chapter 140, BPT	Enforceable by State-only
VOC	7.4	MEDEP Chapter 140, BPT	Enforceable by State-only

- D. Compliance with the PM lb/MMBtu and lb/hr limits shall be demonstrated by stack testing in accordance with 40 CFR Part 60, Appendix A, Method 5 upon request by the Department. [06-096 CMR 140, BPT]
- E. Compliance with the NO_x lb/MMBtu emission limit shall be on a 24-hr block average basis demonstrated by means of a CEMS. Periods of startup, shutdown, and equipment malfunctions shall not be included in determining the 24-hour block averages. [06-096 CMR 138 and 140]
Enforceable by State-only
- F. Compliance with the NO_x lb/hr emission limit shall be demonstrated by stack testing upon request by the Department in accordance with 40 CFR Part 60, Appendix A, Method 7E. [06-096 CMR 140, BPT]
- G. While operating WB4, the facility shall operate the low NO_x burners for control of NO_x emissions. [06-096 CMR 138 and 140]
- H. WB4 shall not exceed a fuel use of 1,690,000 gallons per year of fuel oil on a 12 month rolling total (limiting SO₂ emissions to less than 250 tpy). Fuel use records shall be maintained documenting the fuel use limit. [BART restriction threshold, 40 CFR Part 61]

This amendment shall supersede the requirements in A-406-77-1-A (issued Dec. 18, 2007).

DONE AND DATED IN AUGUSTA, MAINE THIS 8th DAY OF July, 2009.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

BY: James P. Brookshire
DAVID P. LITTLELL, COMMISSIONER

PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES

Date of initial receipt of application: April 29, 2009

Date of application acceptance: May 5, 2009

Date filed with the Board of Environmental Protection: _____

This Order prepared by Kathleen E. Tarbuck, Bureau of Air Quality.

