

**CATALYST PAPER (SNOWFLAKE) INC.
TITLE V RENEWAL PERMIT #46898
RESPONSIVENESS SUMMARY TO PUBLIC COMMENTS**

INTRODUCTION

Catalyst Paper (Snowflake) Inc (CPSI) applied for a renewal Class I, Title V air quality control permit on February 26, 2008, for the continued operation of a recycled paper mill near Snowflake in Navajo County, Arizona. This permit renews and supersedes Operating Permit #M170424P1-99. The paper mill produces approximately 1,460 tons per day of newsprint and newsprint-like grades from recycled newsprint, magazines and purchased pulp. Emission activities include the paper machines, 1 primary power boiler (coal), 2 standby power boilers (natural gas and fuel oil), a coal handling facility, and a wastewater treatment facility.

PUBLIC PARTICIPATION PROCESS

Public notices for the draft permit were published in the Tribune-News and the White Mountain Independent on January 29, 2010, and February 5, 2010. Written comments were received during the public comment period. This summary presents the Department's responses to the issues raised which were applicable to the proposed air permit. Comments are identified in bold and italics and the Department's responses are in regular font.

Concerns were expressed regarding the effectiveness of emission control equipment used at the mill.

Table 1, below, identifies the air pollution control equipment or fuel limitations applicable to the different equipment at the facility.

Table 1 – Emission Control Equipment Installed at the CPSI Paper Mill

Emission Unit	Control Equipment or Fuel Limitation	Pollutant Controlled
Power Boiler #1	Limited to natural gas or fuel oil #2 containing less than 500 ppm sulfur	Sulfur Dioxide (SO ₂) Particulate Matter (PM)
Power Boiler #2	Slipstream Alkaline Scrubber	SO ₂
	Electrostatic Precipitator (ESP)	PM
Power Boiler #3	Limited to natural gas or fuel oil #2 containing less than 500 ppm sulfur	SO ₂ , PM
	Low NO _x Burners	Nitrogen Oxides (NO _x)
Coal Handling Facility	Water Sprays	PM
Soda Ash Silo	Baghouse	PM
Gasoline Tank	Submerged filling device	Volatile Organic Compounds (VOCs)
Fugitive Dust (Unpaved roads, ash pond, etc)	Water and other reasonable precautions	PM

All the control devices at the mill are required by the permit to be operated in a manner consistent with good air pollution control practices. It is important to note that by far the largest source of emissions from the mill is the coal-fired Power Boiler #2 and it is this unit which has the most sophisticated and efficient

pollution control devices. Power Boilers #1 and #3 are standby units and are limited to natural gas or low sulfur fuel oil. In addition to the various control devices installed on the Power boilers, there are several continuous emission monitoring systems (CEMS) installed, all of which are subject to strict quality control requirements to ensure the data is accurate. These include a SO₂ CEMS and an opacity monitor on Power Boiler #2 and a NO_x CEMS on Power Boiler #3. The permit requires these devices to be operated continuously to ensure that the mill does not exceed the emissions limitations on Power Boilers #2 or #3. As a new requirement in the permit, CPSI is required to implement a compliance assurance monitoring (CAM) plan for Power Boiler #2. The CAM plan requires CPSI to monitor both opacity and electrical parameters of the ESP and to enact corrective measures should they deviate from established values in order to prevent exceedances of permit limits. This approach serves as a proactive method to expeditiously identify and address process and control device malfunctions

The permit also requires that visual surveys of emissions performed by a certified observer are conducted on a periodic basis on Power Boiler #1 and #3. If the observer sees emissions that appear to be greater than the standard, they must immediately take a reading of the visible emissions in accordance with EPA Reference Method 9 (an observation every 15 seconds for 6 minutes). If the emissions are greater than the applicable standard, CPSI is required to take immediate corrective action and report the event to the Department as a violation of the permit requirements. These monitoring requirements will help to ensure that the control equipment is operated appropriately.

The Department has determined that the permit requires the control equipment to be operated in an efficient way that will ensure that the facility meets all applicable requirements.

Concerns were expressed about CPSI being exempted, or “grandfathered” from newer regulations.

A few comments expressed concern that CPSI was being grandfathered from newer, more stringent regulations. Grandfathering, in this instance, refers to the practice of holding older emissions units to the standards which existed when they were built and not to newer standards. This is common in air permitting because large complex facilities such as the mill have to be specifically designed to meet the air pollution regulations in existence at the time of construction. Under current State statutes, the Department can not apply newer standards to older emission units if they are legally exempt from such provisions. Occasionally new rules and regulations will be adopted that can be applied to existing emission units, and in those instances the Department will determine if it is feasible to apply them to the CPSI facility.

While the mill is not subject to newer standards, it should be noted, however, that the permit prescribes stringent monitoring, recordkeeping, and reporting requirements to track ongoing compliance with applicable requirements. On a semi-annual basis, CPSI will be required to submit documentation substantiating its compliance status with the permit terms and also provide records of the monitoring that has been conducted. CPSI will have to conduct emission testing as identified in the permit and technical support document. For example, Power Boiler #2 will be tested annually for SO₂, NO_x, and PM. In addition, the Department has the authority to conduct unannounced inspections at any time to ensure that the facility is operating in compliance with permit limits.

Concerns were expressed that the applicable air pollution laws are inadequate to protect human health

Many comments were received expressing concern that even if the mill follows all applicable regulations, the regulations are inadequate to protect human health. The main sources of emissions from the mill are the boilers that power the facility. These boilers are subject to standards established by the Environmental Protection Agency and there are upcoming regulations which may apply to the boilers.

When drafting an air permit, the Department can only include those emission limitations which are based on applicable laws and regulations. Although the Department may be limited to imposing those numeric emission limitations contained in applicable regulations, it has the authority to include a strict set of recordkeeping, monitoring, and reporting requirements to ensure that those emissions limitations are met. The Department has determined that this has been accomplished in this permit.

Concerns were expressed regarding the odor and health effects of the mill

A common theme in several of the comments was that an odor was traveling many miles from the mill and causing adverse health effects to residents. After receiving these comments, the Department conducted internal research to identify complaints that might have been received regarding the paper mill in the last several years. According to the research, no complaints have been received regarding the facility. In a situation like this, it is very important for the public to make use of the Department’s complaint line at (602) 771-2286 or online at www.azdeq.gov/function/compliance/complaint. If ADEQ receives a complaint, the Agency tries to respond as soon as possible and usually within five days. An inspector will call the person who lodged the complaint to find out more about the situation and will visit the site as necessary. ADEQ uses the complaint/inspections program to verify facility compliance with permit limits and also to help resolve any public health concerns. Since this is the first time that the Department has heard of these issues, additional investigation will be done. Since there are multiple sources in the Snowflake area, the tracking of complaints will help to determine if there is any type of pattern in the events causing potential health impacts.

Concerns were expressed regarding the hazardous air pollutant content of the on-spec used oil fired in Power Boiler #2.

The permit allows CPSI to burn a maximum of 8,000 gallons of on-specification used oil in Power Boiler #2 in any 12-month period. According to CPSI, on-specification used oil was last burned in 1998 but the condition remains in the permit to provide operational flexibility. The boiler is incapable of operating on oil alone so at any given time, only a fraction of the total fuel in the boiler is used oil. The permit limits the burning of this oil to that which has been generated at the facility. This allows CPSI to put this oil to use when otherwise it would have to be disposed of in some other way. Arizona Revised Statute (ARS) §49-803 allows for the disposal of used oil for the purposes of energy recovery. The permit requires the oil to be tested to ensure that it meets the definition of on-specification used oil and records must be kept of these tests. Table 2, below, outlines the maximum concentration of various impurities which can present in on-specification used oil.

Table 2 – Limitations on On-Spec Used Oil

Compound	Maximum Concentration in parts per million
Arsenic	5 ppm
Cadmium	2 ppm
Chromium	10 ppm
Lead	100 ppm
PCB	2 ppm
Total Halogens	4,000 ppm

Concerns were expressed regarding the Snowflake White Mountain Power Plant (SWMP)/wood burning.

Several commenters objected to either the burning of wood at the paper mill or were concerned with emissions from the SWMP facility. In regard to the first issue, the CPSI permit does not allow wood to

be used as fuel at the mill. On the other hand, SWMP is a biomass power plant which combusts only untreated wood, paper sludge, and natural gas. SWMP is a separate source under the Department's air quality program and holds its own air quality permit (Permit #36183). Any specific concerns regarding that facility's permit can not be addressed through this permitting action but should be handled during the permitting for that facility. Any concerns about the SWMP or the fuel burned in the biomass boiler should be called into the complaint line at (602) 771-2286 or online at www.azdeq.gov/function/compliance/complaint.