



State Registration Number
B3692

Michigan Department of Environmental Quality
Air Quality Division

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number
MI-ROP-B3692-2009

Packaging Corporation of America - Filer City Mill

SRN: B3692

Located at

2246 Udell Street, Filer City, Manistee County, Michigan 49634

Permit Number: MI-ROP-B3692-2009

Staff Report Date: May 11, 2009

This Staff Report is published in accordance with Sections 5506 and 5511 of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). Specifically, Rule 214(1) requires that the Michigan Department of Environmental Quality (MDEQ), Air Quality Division (AQD), prepare a report that sets forth the factual basis for the terms and conditions of the Renewable Operating Permit (ROP).

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RENEWABLE OPERATING PERMIT

May 11, 2009 STAFF REPORT

Purpose

Major stationary sources of air pollutants, and some non-major sources, are required to obtain and operate in compliance with a ROP pursuant to Title V of the federal Clean Air Act of 1990 and Michigan's Administrative Rules for air pollution control pursuant to Section 5506(1) of Act 451. Sources subject to the ROP program are defined by criteria in Rule 211(1). The ROP is intended to simplify and clarify a stationary source's applicable requirements and compliance with them by consolidating all state and federal air quality requirements into one document.

This report, as required by Rule 214(1), sets forth the applicable requirements and factual basis for the draft permit terms and conditions including citations of the underlying applicable requirements, an explanation of any equivalent requirements included in the draft permit pursuant to Rule 212(5), and any determination made pursuant to Rule 213(6)(a)(ii) regarding requirements that are not applicable to the stationary source.

General Information

Stationary Source Mailing Address:	Packaging Corporation of America - Filer City Mill 2246 Udell Street Filer City, Michigan 49634
Source Registration Number (SRN):	B3692
North American Industry Classification System (NAICS) Code:	32212
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	200800064
Responsible Official:	Mr. Robert J. Peretin, Mill Manager 231-723-9951
AQD Contact:	Mr. Shane Nixon, Senior Environmental Engineer 231-876-4413
Date Permit Application Submitted:	May 16, 2008
Date Application Was Administratively Complete:	May 27, 2008
Is Application Shield In Effect?	Yes
Date Public Comment Begins:	May 11, 2009
Deadline for Public Comment:	June 10, 2009

Source Description

The PCA Filer City Mill is a semi-chemical mill that produces corrugated medium, which is used as the inner layer in corrugated cardboard. The plant produces the corrugated medium from whole logs, which are debarked and then processed into chips which pass through scalping screens and are transferred to storage piles or storage silos. Purchased chips are also used along with recycled cardboard. The chips are softened in digesters by cooking under high pressure using sodium carbonate solution (white liquor) and mechanical action is used to separate the wood fibers. The fibers are then washed and processed into corrugated medium. The resulting solution after the fibers have been removed is referred to as black liquor. The black liquor is recycled through a fluidized bed reactor (Copeland reactor) to produce sodium carbonate that is used again to produce white liquor in the process. The facility also has the ability to use microorganisms to digest the black liquor to produce methane. The methane is then used as fuel in the facility's three boilers for steam production. The boilers also have the capability to be fired on coal, oil, or natural gas.

The following table lists stationary source emission information as reported to the Michigan Air Emissions Reporting System in the **2007** submittal.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	733.6
Lead (Pb)	0.03
Nitrogen Oxides (NO _x)	815.0
Particulate Matter (PM)	31.6
Sulfur Dioxide (SO ₂)	2,100.0
Volatile Organic Compounds (VOCs)	91.8
Total Hazardous Air Pollutants (HAPs)	0

**As listed pursuant to Section 112(b) of the federal Clean Air Act.

See Parts C and D in the draft ROP for summary tables of all processes at the stationary source that are subject to process-specific emission limits or standards.

Regulatory Analysis

The following is a general description and history of the source. Any determinations of regulatory non-applicability for this source are explained below in the Non-Applicable Requirement part of the Staff Report and identified in Part E of the ROP.

The stationary source is located in Manistee County, which is currently designated by the U.S. Environmental Protection Agency (USEPA) as attainment/unclassified for all criteria pollutants.

The stationary source is subject to Title 40 of the Code of Federal Regulations (CFR), Part 70, because the potential to emit all criteria pollutants exceeds 100 tons per year.

No emissions units at the stationary source are currently subject to the Prevention of Significant Deterioration (PSD) regulations of Title 40 of the Code of Federal Regulations (CFR), Part 52.21 because the process equipment was constructed/installed prior to the promulgation of the PSD regulations.

EUPAPERMACH1, EUPAPERMACH2, and EUPAPERMACH3 were installed prior to August 15, 1967. As a result, this equipment is considered "grandfathered" and is not subject to New Source Review (NSR) permitting requirements. However, future modifications of this equipment may be subject to NSR.

EUBOILER2 and EUBOILER4A at the stationary source are subject to the New Source Performance Standards for Industrial-Commercial-Institutional Steam Generating Units promulgated in Title 40 of the Code of Federal Regulations, Part 60, Subparts A and Db.

EUDIGESTERS, EUEVAPLTV, and EUEVAPFC at the stationary source are subject to the Maximum Achievable Control Technology Standards for the Pulp and Paper Industry promulgated in Title 40 of the Code of Federal Regulations (CFR), Part 63, Subparts A and S.

EUCOPELAND+DISTANK at the stationary source is subject to the Maximum Achievable Control Technology Standards for Chemical Recovery Combustion Sources at Kraft, Soda, Sulfite, and Stand-Alone Semi-chemical Pulp Mills promulgated in Title 40 of the Code of Federal Regulations (CFR), Part 63, Subparts A and MM.

The monitoring conditions contained in the ROP are necessary to demonstrate compliance with all applicable requirements and are consistent with the DEQ "Procedure for Evaluating Periodic Monitoring Submittals."

EUBOILER1 at the stationary source is subject to the federal Compliance Assurance Monitoring (CAM) rule under Title 40 of the Code of Federal Regulations (CFR), Part 64. This emission unit has a control device and potential pre-control emissions of particulate matter greater than the major source threshold level.

EUBOILER2 at the stationary source is subject to the federal Compliance Assurance Monitoring (CAM) rule under Title 40 of the Code of Federal Regulations (CFR), Part 64. This emission unit has a control device and potential pre-control emissions of particulate matter greater than the major source threshold level.

EUFLYASH at the stationary source is subject to the federal Compliance Assurance Monitoring (CAM) rule under Title 40 of the Code of Federal Regulations (CFR), Part 64. This emission unit has a control device and potential pre-control emissions of particulate matter greater than the major source threshold level.

EUSODA-ASH at the stationary source is subject to the federal Compliance Assurance Monitoring (CAM) rule under Title 40 of the Code of Federal Regulations (CFR), Part 64. This emission unit has a control device and potential pre-control emissions of particulate matter greater than the major source threshold level.

Please refer to Parts B, C and D in the draft ROP for detailed regulatory citations for the stationary source. Part A contains regulatory citations for general conditions.

Source-wide Permit to Install (PTI)

Rule 214a requires the issuance of a Source-wide PTI within the ROP for conditions established pursuant to Rule 201. All terms and conditions that were initially established in a PTI are identified with a footnote designation in the integrated ROP/PTI document. PTIs issued after the effective date of ROP No. 199600411 are identified in Appendix 6 of the ROP.

The following table lists all individual PTIs that were incorporated into previous ROPs.

PTI Number			
229-71	632-78	891-79	681-80B
145-02	19-03		

Equivalent Requirements

This permit does not include any equivalent requirements pursuant to Rule 212(5). Equivalent requirements are enforceable applicable requirements that are equivalent to the applicable requirements contained in the original PTI, a Consent Order/Judgment, and/or the State Implementation Plan.

Non-applicable Requirements

Part E of the draft ROP lists requirements that are not applicable to this source as determined by the AQD, if any were proposed in the application. These determinations are incorporated into the permit shield provision set forth in Part A (General Conditions 26 through 29) of the draft ROP pursuant to Rule 213(6)(a)(ii).

Processes in Application Not Identified in Draft ROP

The following table lists processes that were included in the ROP application as exempt devices under Rule 212(4). These processes are not subject to any process-specific emission limits or standards in any applicable requirement.

Exempt Emission Unit ID	Description of Exempt Emission Unit	ROP Exemption	PTI Permit Exemption
NA	NA	NA	NA

Draft ROP Terms/Conditions Not Agreed to by Applicant

This permit does not contain any terms and/or conditions that the AQD and the applicant did not agree upon pursuant to Rule 214(2).

Compliance Status

The AQD finds that the stationary source is expected to be in compliance with all applicable requirements as of the effective date of this ROP.

Action taken by the DEQ

The AQD proposes to approve this permit. A final decision on the ROP will not be made until the public and affected states have had an opportunity to comment on the AQD's proposed action and draft permit. In addition, the U.S. Environmental Protection Agency (USEPA) is allowed up to 45 days to review the draft permit and related material. The AQD is not required to accept recommendations that are not based on applicable requirements. The delegated decision maker for the AQD is Janis Denman, Cadillac District Supervisor. The final determination for ROP approval/disapproval will be based on the contents of the permit application, a judgment that the stationary source will be able to comply with applicable emission limits and other terms and conditions, and resolution of any objections by the USEPA.



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**August 3, 2009 STAFF REPORT
ADDENDUM**

Purpose

A Staff Report dated May 11, 2009 was developed in order to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by R 336.1214(1). The purpose of this Staff Report Addendum is to summarize any significant comments received on the draft ROP during the 30-day public comment period as described in R 336.1214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

General Information

Responsible Official:	Mr. Robert J. Peretin, Mill Manager 231-723-9951
AQD Contact:	Mr. Shane Nixon Senior Environmental Engineer 231-876-4413

Summary of Pertinent Comments

No pertinent comments were received during the 30-day public comment period.

Changes to the May 11, 2009 Draft ROP

After the initial public comment period, Permit to Install 159-06B was issued for facility. AQD staff have incorporated the conditions of the Permit to Install into the draft ROP. As a result of the changes to the draft ROP, the AQD is making the draft ROP available for public comment a second time.



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**September 8, 2009 STAFF REPORT
ADDENDUM**

Purpose

A Staff Report dated May 11, 2009, was developed in order to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by R 336.1214(1). The purpose of this Staff Report Addendum is to summarize any significant comments received on the draft ROP during the 30-day public comment period as described in R 336.1214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

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Summary of Pertinent Comments

No pertinent comments were received during the 30-day public comment period.

Changes to the August 3, 2009 Draft ROP

No changes were made to the draft ROP.