



Air Quality Permitting Response to Public Comments

February 2, 2012

**Permit to Construct No. P-2011.0101
Project No. 60865**

**Clearwater Paper Corporation
Lewiston Facility
Idaho Pulp and Paperboard Division
Lewiston, Idaho**

Facility ID No. 069-00001

Prepared by:
Shawnee Chen, P.E.
Senior Air Quality Engineer
AIR QUALITY DIVISION

Final

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1. BACKGROUND

In accordance with IDAPA 58.01.01.209.05.c Rules for the Control of Air Pollution in Idaho, the Department of Environmental Quality (DEQ) provided for public comment the proposed Permit to Construct (PTC) P-2011.0101 Project No. 60865 for Clearwater Paper Corporation, Lewiston Facility, Idaho Pulp and Paperboard Division located in Lewiston, Idaho regarding changes to monitoring, recordkeeping, and reporting requirements of the lime kilns.

DEQ provided the comment period from November 25, 2011 through January 10, 2012. Comments were provided via e-mail. Each comment and DEQ's response is provided in the following section. Comments with a common theme have been grouped together as one comment and responded to as one comment. All comments submitted in response to DEQ's proposed action are included as the appendix of this document.

2. PUBLIC COMMENT AND RESPONSES

Public comments regarding the permit analysis and air quality aspects of the proposed permit are summarized below. Due to the similarity of many of the comments received, the summary presented below combines and/or paraphrases some comments in order to eliminate duplication and to provide a more concise summary. Questions, comments, and/or suggestions received during the comment period that did not relate to the air quality aspects of the permit application, the Department's technical analysis, or the proposed permit are not addressed.

Comment 1:

General Comments - Clearwater requests that the specific regulatory citation for each permit condition be included in the permit.

Response 1:

To follow DEQ's Permit to Construct template, the regulatory citation for each permit condition is not added to the revised PTC.

Comment 2:

Footnotes for Table 3 and Table 5 - Both tables refer to "lb/3-hr" or "lb/12-hr" limits and are confusing. For clarity, please revise the table to read for SO₂: "lb/hr^(e)" and for CO: "lb/hr^(f)" where footnotes (e) and (f) read as follows:

- (e) 3-hour block average
- (f) 12-hour block average

Response 2:

The emissions limits in Table 3 and Table 5 are the same as the emissions limits in the Appendix for the 2003 permit. lb/3-hr, the unit for the emission limits, means pounds per every three hours. lb/12-hr, the unit for the emission limits, means pounds per every twelve hours. Clearwater's proposed change from "lb/3-hr" to "lb/hr" and "lb/12-hr" to "lb/hr" could lead to an interpretation of the emissions limits in pounds per hour. To avoid the confusion, the proposed change is not granted.

The SO₂ emission limits in lb/3-hr are for complying with 3-hr SO₂ NAAQS. We used 3-hour block in the modeling analysis to demonstrate compliance with the 3-hour SO₂ NAAQS. Therefore, SO₂ emissions limits in lb/3-hr mean pounds per 3-hour "block". Because lb/3-hr could be interpreted as lb/three rolling hours, or lb/three-hour block; for clarity, the footnote (e) were added to the draft permit. Footnote (e) should read as follows:

(e) 3-hour block ~~average~~

Clearwater did not explain why "lb/12-hr" could be interpreted as pounds per 12-hour block, and DEQ did not found information in the Statement of Basis for the previous PTCs that interpreted "lb/12-hr" as "lb/12-hour block". The proposed footnote (f) is not granted at this time. In addition, this request was not part of the original application and is beyond the scope of this permitting action. Clearwater may propose the change in a separate PTC application with supporting documents.

Comment 3:

Conditions 1.2 and 6.2 - Clearwater did not initially request any action for these conditions that impose TRS concentration. The concentration limits derive from an expired permit issued August 22, 1984. As described in the Statement of Basis for the Tier 1 permit, this requirement is obsolete. Therefore, we request that the TRS concentration limits be deleted. Clearwater is unaware of any current state or federal requirement for a TRS concentration limit on lime kilns. Absent this concentration limit, TRS is limited by an annual emissions limitation referred to in Condition 1.1.

Response 3:

The TRS emissions limits are kept as they were in the 2003 PTC. This request was not part of the original application and is beyond the scope of this permitting action. Clearwater may propose the changes in a separate PTC application with supporting documents.

In addition, no information was found in the Statement of Basis for the Tier I issued on 1/1/2010 regarding that this TRS requirement was obsolete. According to the citation in the 2/27/2003 permit, the limits were established under the authority of IDAPA 58.01.01.211.

Comment 4:

Conditions 2.1 and 7.1 - Clearwater requested that the short term production limits be removed because they are unnecessary to demonstrate compliance with emissions limits and the limits may constrain lime kiln operation. While the Department observed that the throughput values were reflected in the short term emission rates used for modeling, compliance with the short term emissions limits is determined by stack testing or continuous emission monitoring. The throughput limits are unnecessary to demonstrate compliance and serve no other environmental benefit. Clearwater once again requests that the short term production limits be removed in improve flexibility in the permit.

Condition 6.4 - Clearwater did not initially request any action for this condition, but now requests that this condition be deleted. Clearwater is unaware of any current state or federal requirement for a SO₂ concentration limit on lime kilns. Absent this concentration limit, SO₂ is limited by a lb/3-hour and annual emissions limit referred to in Condition 6.1.

Response 4:

DEQ is not able to make above changes at this time because Clearwater did not provide analyses on how removing the existing permit limits impacts the emissions from the entire facility (e.g., does the change debottleneck the production of the facility?) In addition, these requests were not part of the original application and are beyond the scope of this permitting action. Clearwater may propose the changes in a separate PTC application with supporting documents.

Comment 5:

Conditions 2.3.2 and 7.3.2 - Clearwater requested that these conditions be deleted, in light of changes to IDAPA 58.01.01.800 et.seq. that were pending in 2011, and in light of enforceable emissions limitations already imposed on TRS and SO₂ emissions from the lime kilns. Emissions limits ensure adequate treatment of non-condensable gases. The 2003 permit and the Department's latest draft require that the "routing and treatment of NCGs...be conducted in an effective and efficient manner for the control of pollutants contained in the NCGs or generated by the treatment of NCGs." This vague phrase adds no assessable meaning to the condition. Removal of this language is consistent with permits for other pulp mills in Region 10, as no other permits surveyed include analogous narrative language. Please delete the conditions as proposed in the application or revise to read: "When NCGs are routed to the No. (3 or 4) lime kiln, such routing and treatment of NCGs shall be

conducted in compliance with the applicable provisions of 40 CFR 60, Subpart BB; 40 CFR Part 63, Subpart S, and IDAPA 58.01.01.815-818."

Response 5:

Based on the information in the technical memorandum for the 2/26/2002 PTC, when non-condensable gases (NCGs) were routed from the incinerator to the lime kilns, uncontrolled NCGs were often vented to the atmosphere for a short period until operations could stabilize. In addition, Clearwater only operates the scrubber when NCGs are routed through the No.4 lime kiln. To minimize excess emissions of NCGs caused by venting uncontrolled NCGs to the atmosphere when routing NCGs from the incinerator to the lime kilns and to minimize SO₂ emissions caused by not timely bringing the scrubber on line, Permit Conditions 2.3.2 and 7.3.2 requires: "When NCGs are routed to the No. 3 (No. 4) lime kiln, such routing and treatment of NCGs, including transition operations, shall be conducted in an effective and efficient manner for the control of pollutants contained in NCGs or generated by the treatment of NCGs..." Whether or not excess emissions of NCGs are violations would be affected by many factors, such as 40 CFR 63.443, Odor Rules in Tier I operating permit, etc.

Permit Conditions 2.3.2 and 7.3.2 are kept as they were in the existing 2/27/2003 PTC.

Comment 6:

Conditions 2.4 and 7.4 - Please delete the word "install" from the second sentence. The pollution control equipment was installed years ago rendering this word obsolete

Response 6:

"Install" is not deleted because any replacement of broken, non-function parts of the ESP is required to be installed in accordance with manufacturer specifications.

Comment 7:

Conditions 3.1 and 8.1 - Clearwater did not request any revision to the periodic performance testing requirements included in the 2003 permit. This testing was timely performed on July 16, 2002 for No.3 lime kiln and on July 18, 2002 for No.4 lime kiln following issuance of the 2002 permit. Revision of the lime kiln PTC was initiated to reduce the regulatory burden on the Lewiston mill and did not trigger new initial performance testing obligations. Please note completion of the initial performance testing requirement in the Statement of Basis and clarify that initial performance testing is not required by this PTC update.

Conditions 3.1 and 8.1 further state in language added by the Department and not requested by Clearwater: "The permittee shall use the test results to verify the correlations between opacity and the PM/PM₁₀ emissions limits and to ensure that the CAM for complying with the lime kiln's PM/PM₁₀ emissions limits is still valid." The basis for this insert is unclear. There is no reliable correlation between opacity and particulate emissions that can reasonably be developed through testing. Clearwater requests that this new language be deleted because we are not aware of any state or federal requirement to perform testing to verify the validity of a CAM approach. Condition 19.9 of the Tier 1 permit currently addresses CAM parameters as follows, in conformance with 40 CFR part 64:

19.9. After approval of monitoring under 40 CFR 64, if the owner or operator identifies a failure to achieve compliance with an emission limitation or standard for which the approved monitoring did not provide an indication of an excursion or exceedance while providing valid data, or the results of compliance or performance testing document a need to modify the existing indicator ranges or designated conditions, the owner or operator shall promptly notify DEQ and, if necessary, submit a proposed modification to this permit to address the necessary monitoring changes. Such a modification may include, but is not limited to, reestablishing indicator ranges or designated conditions, modifying the

frequency of conducting monitoring and collecting data, or the monitoring of additional parameters.
[40 CFR 64.7(e)]

Response 7:

Agree. Because the initial testing requirement is fulfilled, the language regarding initial testing is removed. The last paragraph in the draft permit regarding CAM is removed because it has already been addressed in the Tier I operating permit.

Comment 8:

Conditions 3.3, 3.4, 8.4 and 8.5 - Clearwater did not initially request any action for these conditions, but now requests that these conditions be deleted. As demonstrated in the CEMS code previously submitted to the Department, production rates and flow are monitored continuously. These parameters are not recorded in specific blocks of time. The CEMS calculates the emission rates from the continuous data and the emission rates are recorded in the blocks of time specified by each specific emissions limit. While production and flow data for the averaging periods can be manually extracted from the system, tracking and recording this data is not required to determine compliance with the emissions limits. Therefore, monitoring and recording for 3 hour, 12 hour, 24 hour blocks and annual throughput, plus 3 hour gas flow rates, is burdensome and unnecessary. Please delete these unnecessary conditions to align the mill's requirements with current federal and state rules, as well as other pulp mill permits.

Response 8:

DEQ is not able to delete the permit conditions that require Clearwater to monitor the production rates and fuel usage to demonstrate compliance with the production limits and emissions limits. Regarding how to record the monitored data, Clearwater may work with DEQ to develop an alternative recording method. Because these requests were not part of the original application, and no alternative recording method has been developed; Permit Conditions 3.3, 3.4, 8.4 and 8.5 are kept as they were in the 2003 permit.

Comment 9:

Conditions 3.5 and 8.6 - Clearwater requested that these conditions be deleted in light of changes to IDAPA that were pending in 2011, and in light of monitoring and recordkeeping requirements agreed upon in the attached Consent Order signed by the Department on November 19, 2010. Clearwater negotiated with Mike Simon, Steve Bacom, Lisa Carlson and the Lewiston Regional Office to determine a method for NCG monitoring and recordkeeping that satisfied the Department and reduced the mill's burden. Please delete these provisions because the 2010 consent order provisions superseded these requirements and will be included in the reissued Tier 1 permit.

Conditions 4.4 and 9.4 - Clearwater requested that these conditions be deleted in light of changes to IDAPA 58.01.01.800 et.seq. that were pending in 2011 and in light of monitoring and recordkeeping requirements agreed upon in the attached Consent Order signed by the Department on November 19, 2010. Clearwater negotiated with Mike Simon, Steve Bacom, Lisa Carlson and the Lewiston Regional Office to determine a method for NCG monitoring and recordkeeping that satisfied the Department and reduced the mill's burden. This IDAPA semi-annual report requirement was removed from the IDAPA rules in 2011. Removing this requirement from the PTC is consistent with the streamlined reporting approach negotiated in the recent Consent Order.

Response 9:

Permit Conditions 3.5 and 8.6 are the monitoring requirements for demonstrating compliance with Permit Conditions 2.3 and 7.3 regarding NCGs treatment work practice. Permit Conditions 4.4 and 9.4

are the reporting requirements for demonstrating compliance with Permit Conditions 2.3 and 7.3 regarding NCGs treatment work practice.

In addition, the 11/19/2010 consent order does not affect Permit Conditions 3.5, 4.4, 8.6, and 9.4 because the 11/19/2010 consent order addressed excess emissions reporting violations, and Permit Conditions 3.5, 4.4, 8.6, and 9.4 are monitoring and recordkeeping requirements for NCGs working practice. They are different.

The 2011 pending Rule (i.e., changes to IDAPA 58.01.01.815 through 826) does not affect Permit Conditions 3.5, 4.4, 8.6, and 9.4 because the permit conditions were developed under the authority of IDAPA 58.01.01.211 according to the citation in the 2/27/2003 PTC not IDAPA 58.01.01.815 through 826.

Permit Conditions 3.5, 4.4, 8.6, and 9.4 are kept as they were in the 2/27/2003 PTC.

Comment 10:

Conditions 3.10 and 8.11 - Clearwater requested in its application that "temperature" be removed from this monitoring requirement. The temperature of the exhaust gases from the lime kiln stacks does not relate in any way to the operation of the CEMS which is used to demonstrate compliance. Temperature monitoring is not needed for compliance or operational purposes. The 2003 permit may have required temperature monitoring to provide data to convert act to dscf so the mass rate of emissions could be calculated. Subsequently, the monitoring requirement was changed from an in stack flow monitor to an engineering calculation making the stack temperature no longer relevant. Monitoring temperature now is burdensome on Clearwater without any environmental or regulatory basis. Please delete this parameter from these conditions, as requested in the application.

Response 10:

Agree. "Temperature" is removed from Permit Conditions 3.10 and 8.11, respectively.

Comment 11:

Conditions 4.3 and 9.3 - Clearwater did not initially request any action for these conditions, but now requests that these conditions be deleted. Clearwater is subject to semi-annual CEMS reporting under 40 CFR Parts 60 and 63 for TRS only. No other CEMS reporting is imposed by federal or state requirements. No federal or state regulation requires reporting for NO_x and SO₂. Reporting beyond the regulatory requirements without any environmental benefit and beyond the obligations of our competitors is burdensome. Absent any state or federal regulatory basis Clearwater requests deletion of these conditions.

Response 11:

The 2003 permit conditions are kept the same in the revised PTC. It is reasonable to specify the emission rate report in Permit Conditions 4.3 and 9.3 because the NO_x and SO₂ emissions limits were established in the 2/27/2003 PTC to avoid PSD permitting, the NO_x, SO₂, and TRS emissions rates are calculated using CEM data and the exhaust gas flow rates, and the exhaust gas flow rates vary with the parameters listed in Permit Conditions 3.11 and 8.12.

Clearwater has a Tier I. Tier I General Provision 24 requires semiannual monitoring reports. The reports in Permit Conditions 4.3 and 9.3 may serve the reporting purpose in Tier I for NO_x, SO₂, and TRS emissions limits of the lime kilns.

Comment 12:

Condition 5.1 and 10.1 - For clarification, Clearwater requests that these conditions be revised to read: "The emissions limits, operating requirements, monitoring and recordkeeping requirements, and reporting requirements of this PTC replace, from the date of this permit forward, all requirements previously imposed for the [No.3] [No.4] Lime Kiln in permits issued on October 29, 1986, June 24, 2002, and February 27, 2003."

Response 12:

The 6/24/2002 PTC required Clearwater to replace the old scrubbers on No.3 and No.4 lime kilns with the ESPs and a scrubber in series for No.4 lime kiln to resolve visible emission violations. Permit Conditions 5.1 and 10.1 in the 6/24/2002 PTC waived Clearwater's compliance obligation on the requirements associated with the old scrubbers in Permit No. 1140-0001-255 (pages 16 and 16a), issued on October 29, 1986 during the process of replacing the old scrubbers with the ESPs and the new scrubber. Permit Conditions 5.1 and 10.1 are obsolete permit conditions, but was carried over to the 2/27/2003 PTC. They are now removed from the revised PTC.

Appendix

Public Comments Submitted for

**Permit to Construct No. P-2011.0101
Project No. 60865**

Appendix

Public Comments Submitted for

**Permit to Construct No. P-2011.0101
Project No. 60865**



Clearwater Paper Corporation
Idaho Pulp & Paperboard
803 Mill Road, P.O. Box 1126
Lewiston, ID 83501-1126

January 10, 2012

VIA EMAIL

Shawnee Chen, P.E.
Senior Air Quality Engineer
Air Quality Division
State of Idaho Department of Environmental Quality
1410 North Hilton
Boise, ID 83706

RE: Comments on Clearwater Paper Corporation draft Permit to Construct
PTC No. P-2011.0101 PROJ 60865

Dear Ms. Chen:

Clearwater Paper Corporation (Clearwater) provides comments on a facility draft Permit to Construct (PTC) covering the lime kilns operated at the Lewiston mill. Clearwater initiated revision of the PTC (Permit Number 069-00001, issued February 27, 2003) to improve the monitoring, recordkeeping, and reporting conditions, based upon a survey of permits from other Region 10 pulp mills that revealed numerous areas where the Lewiston mill was subject to more rigorous regulation than its competitors. No physical or operational change to the lime kilns was involved in this request, therefore, the application submitted in 2011 did not trigger an opportunity to impose new conditions on the lime kilns. Along with the PTC application, Clearwater provided the Department a mark-up of the 2003 permit and justification for each proposed revision.

Clearwater received a draft PTC from the Department on November 22, 2011 for review. In several instances, the Department rejected our suggestions for streamlining and reducing the mill's regulatory burden. In other instances, the Department imposed new conditions further saddling the Lewiston mill with potential regulatory obligations that are not imposed on our competitors. Clearwater's management is tasked with identifying ways to conserve resources so that the Lewiston mill remains competitive in the forest products industry. Our intention is to maintain our strong commitment to compliance and to reduce unnecessary burdens on the operation. Accordingly, the proposed changes requested in the permit application were intended to ensure that the lime kilns are subject to current applicable requirements for this equipment that are imposed by federal or state regulations. These comments are consistent with that goal.

General Comments – Clearwater renews its request that the specific regulatory citation for each permit condition be included in the permit. As noted in the Statement of Basis, the purpose of several permit conditions cannot be determined, are obsolete, or are based upon an expired document. Absent a current regulatory justification, the permit condition is ripe for removal to reduce cost and burden, so long as environmental compliance with current applicable regulations is ensured. Please provide a current regulatory basis for each permit condition.

Additionally, all references to the 2001 Consent Order as a basis for a permit condition are inappropriate because the Consent Order was terminated by a letter dated February 10, 2004 sent from Pat Nair, formerly at the Department. Please delete these references and replace them with current justification for the requirements.

A recent Consent Order was executed by the Department and Clearwater on November 19, 2010 covering treatment and reporting for non-condensable gases. See, attached. Both the Department and Clearwater expected these requirements to be reflected in a future permit. Please replace the conditions noted below with the requirements agreed upon in the recent Consent Order.

Footnotes for Table 3 and Table 5 – Clearwater did not request any revision to the emission limits table included in the Appendix for the 2003 permit. The Department revised this portion of the permit. Both tables

refer to "lb/3-hr" or "lb/12-hr" limits and are confusing. For clarity, please revise the table to read for SO₂: "lb/hr ^(e)" and for CO: "lb/hr ^(f)" where footnotes (e) and (f) read as follows:

- ^(e) 3-hour block average
- ^(f) 12-hour block average

Conditions 1.2 and 6.2 – Clearwater did not initially request any action for these conditions that impose TRS concentration. The concentration limits derive from an expired permit issued August 22, 1984. As described in the Statement of Basis for the Tier 1 permit, this requirement is obsolete. Therefore, we request that the TRS concentration limits be deleted. Clearwater is unaware of any current state or federal requirement for a TRS concentration limit on lime kilns. Absent this concentration limit, TRS is limited by an annual emissions limitation referred to in Condition 1.1.

Conditions 2.1 and 7.1 – Clearwater requested that the short term production limits be removed because they are unnecessary to demonstrate compliance with emissions limits and the limits may constrain lime kiln operation. While the Department observed that the throughput values were reflected in the short term emission rates used for modeling, compliance with the short term emissions limits is determined by stack testing or continuous emission monitoring. The throughput limits are unnecessary to demonstrate compliance and serve no other environmental benefit. Clearwater once again requests that the short term production limits be removed in improve flexibility in the permit.

Conditions 2.3.2 and 7.3.2 – Clearwater requested that these conditions be deleted, in light of changes to IDAPA 58.01.01.800 et seq. that were pending in 2011, and in light of enforceable emissions limitations already imposed on TRS and SO₂ emissions from the lime kilns. Emissions limits ensure adequate treatment of non-condensable gases. The 2003 permit and the Department's latest draft require that the *"routing and treatment of NCGs...be conducted in an effective and efficient manner for the control of pollutants contained in the NCGs or generated by the treatment of NCGs."* This vague phrase adds no assessable meaning to the condition. Removal of this language is consistent with permits for other pulp mills in Region 10, as no other permits surveyed include analogous narrative language. Please delete the conditions as proposed in the application or revise to read: *"When NCGs are routed to the No. (3 or 4) lime kiln, such routing and treatment of NCGs shall be conducted in compliance with the applicable provisions of 40 CFR 60, Subpart BB; 40 CFR Part 63, Subpart S, and IDAPA 58.01.01.815-818."*

Conditions 2.4 and 7.4 – Please delete the word "install" from the second sentence. The pollution control equipment was installed years ago rendering this word obsolete

Conditions 3.1 and 8.1 – Clearwater did not request any revision to the periodic performance testing requirements included in the 2003 permit. This testing was timely performed on July 16, 2002 for No. 3 lime kiln and on July 18, 2002 for No. 4 lime kiln following issuance of the 2002 permit. Revision of the lime kiln PTC was initiated to reduce the regulatory burden on the Lewiston mill and did not trigger new initial performance testing obligations. Please note completion of the initial performance testing requirement in the Statement of Basis and clarify that initial performance testing is not required by this PTC update.

Conditions 3.1 and 8.1 further state in language added by the Department and not requested by Clearwater: *"The permittee shall use the test results to verify the correlations between opacity and the PM/PM₁₀ emissions limits and to ensure that the CAM for complying with the lime kiln's PM/PM₁₀ emissions limits is still valid."* The basis for this insert is unclear. There is no reliable correlation between opacity and particulate emissions that can reasonably be developed through testing. Clearwater requests that this new language be deleted because we are not aware of any state or federal requirement to perform testing to verify the validity of a CAM approach. Condition 19.9 of the Tier 1 permit currently addresses CAM parameters as follows, in conformance with 40 CFR part 64:

19.9. After approval of monitoring under 40 CFR 64, if the owner or operator identifies a failure to achieve compliance with an emission limitation or standard for which the approved monitoring did not provide an indication of an excursion or exceedance while providing valid data, or the results of compliance or performance testing document a need to modify the existing indicator ranges or designated conditions, the owner or operator shall promptly notify DEQ and, if necessary, submit a proposed modification to this permit to address the necessary monitoring changes. Such a modification may include, but is not limited to, reestablishing indicator ranges or designated conditions, modifying the frequency of conducting monitoring and collecting data, or the monitoring of additional parameters. [40 CFR 64.7(e)]

Conditions 3.3, 3.4, 8.4 and 8.5 – Clearwater did not initially request any action for these conditions, but now requests that these conditions be deleted. As demonstrated in the CEMS code previously submitted to the Department, production rates and flow are monitored continuously. These parameters are not recorded in specific blocks of time. The CEMS calculates the emission rates from the continuous data and the emission rates are recorded in the blocks of time specified by each specific emissions limit. While production

and flow data for the averaging periods can be manually extracted from the system, tracking and recording this data is not required to determine compliance with the emissions limits. Therefore, monitoring and recording for 3 hour, 12 hour, 24 hour blocks and annual throughput, plus 3 hour gas flow rates, is burdensome and unnecessary. Please delete these unnecessary conditions to align the mill's requirements with current federal and state rules, as well as other pulp mill permits.

Conditions 3.5 and 8.6 – Clearwater requested that these conditions be deleted in light of changes to IDAPA that were pending in 2011, and in light of monitoring and recordkeeping requirements agreed upon in the attached Consent Order signed by the Department on November 19, 2010. Clearwater negotiated with Mike Simon, Steve Bacom, Lisa Carlson and the Lewiston Regional Office to determine a method for NCG monitoring and recordkeeping that satisfied the Department and reduced the mill's burden. Please delete these provisions because the 2010 consent order provisions superseded these requirements and will be included in the reissued Tier 1 permit.

Conditions 3.10 and 8.11 – Clearwater requested in its application that "temperature" be removed from this monitoring requirement. The temperature of the exhaust gases from the lime kiln stacks does not relate in any way to the operation of the CEMS which is used to demonstrate compliance. Temperature monitoring is not needed for compliance or operational purposes. The 2003 permit may have required temperature monitoring to provide data to convert acf to dscf so the mass rate of emissions could be calculated. Subsequently, the monitoring requirement was changed from an in stack flow monitor to an engineering calculation making the stack temperature no longer relevant. Monitoring temperature now is burdensome on Clearwater without any environmental or regulatory basis. Please delete this parameter from these conditions, as requested in the application.

Conditions 4.3 and 9.3 – Clearwater did not initially request any action for these conditions, but now requests that these conditions be deleted. Clearwater is subject to semi-annual CEMS reporting under 40 CFR Parts 60 and 63 for TRS only. No other CEMS reporting is imposed by federal or state requirements. No federal or state regulation requires reporting for NO_x and SO₂. Reporting beyond the regulatory requirements without any environmental benefit and beyond the obligations of our competitors is burdensome. Absent any state or federal regulatory basis Clearwater requests deletion of these conditions.

Conditions 4.4 and 9.4 – Clearwater requested that these conditions be deleted in light of changes to IDAPA 58.01.01.800 et.seq. that were pending in 2011 and in light of monitoring and recordkeeping requirements agreed upon in the attached Consent Order signed by the Department on November 19, 2010. Clearwater negotiated with Mike Simon, Steve Bacom, Lisa Carlson and the Lewiston Regional Office to determine a method for NCG monitoring and recordkeeping that satisfied the Department and reduced the mill's burden. This IDAPA semi-annual report requirement was removed from the IDAPA rules in 2011. Removing this requirement from the PTC is consistent with the streamlined reporting approach negotiated in the recent Consent Order.

Condition 5.1 and 10.1 – For clarification, Clearwater requests that these conditions be revised to read: *"The emissions limits, operating requirements, monitoring and recordkeeping requirements, and reporting requirements of this PTC replace, from the date of this permit forward, all requirements previously imposed for the [No. 3] [No. 4] Lime Kiln in permits issued on October 29, 1986, June 24, 2002, and February 27, 2003."*

Condition 6.4 – Clearwater did not initially request any action for this condition, but now requests that this condition be deleted. Clearwater is unaware of any current state or federal requirement for a SO₂ concentration limit on lime kilns. Absent this concentration limit, SO₂ is limited by a lb/3-hour and annual emissions limit referred to in Condition 6.1.

Clearwater Paper appreciates the Department's effort to modify the 2003 PTC, to reduce the regulatory burden on the mill, and to ensure our obligations are consistent with our competitors. Clearwater is hopeful that these improvements to the draft PTC can be made in a timely manner.

If you have any questions or comments do not hesitate to contact me at 208-799-4104.

Sincerely,



Sue Somers
Environmental Manager

cc: Tessa Stevens, IDEQ



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

5010
FILE

1410 North Hilton • Boise, Idaho 83706 • (208) 373-0502

RECEIVED 11/29/10 CA
C.L. "Butch" Otter, Governor
Tom Hardesty, Director

NOV 23 2010

VIA CERTIFIED MAIL

Sue Somers, Environmental Engineering Manager
Clearwater Paper Corporation - Idaho Pulp and Paperboard
P.O. Box 1126
Lewiston, Idaho 83501

RE: Signed Consent Order, Clearwater Paper Corporation - Idaho Pulp and Paperboard,
Facility ID No. 069-00001

Dear Ms. Somers:

Enclosed is a copy of the signed Consent Order regarding compliance problems that occurred at the Clearwater Paper Corporation's Pulp and Paperboard facility located near Lewiston. I appreciate your continued cooperation in resolving this matter.

If you have any questions, please contact me at (208) 373-0502, or via email at Steve.Bacom@deq.idaho.gov.

Sincerely,

Steve D. Bacom
Compliance and Enforcement Coordinator, Air Quality Division

SDB

Enclosure Case No. E-2009.0018

2010AAJ775

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF

Clearwater Paper Corporation)
Pulp and Paperboard Division, Idaho)
803 Mill Road)
Lewiston, Idaho 83501)

CONSENT ORDER
Idaho Code § 39-108

1. Pursuant to the Idaho Environmental Protection and Health Act (EPHA), Idaho Code § 39-108, the Department of Environmental Quality (DEQ) enters into this Consent Order with Clearwater Paper Corporation - Pulp and Paperboard Division, Idaho (Clearwater) located in Lewiston, Nez Perce County, Idaho.
2. Clearwater, registered to do business in Idaho, owns and operates a pulp and paperboard manufacturing facility in Lewiston, Idaho, an air pollution source regulated under EPHA and the Rules for the Control of Air Pollution in Idaho (Rules), IDAPA 58.01.01.001 through 999.
3. In 2008 and 2009, DEQ received excess emission event reports from Clearwater. Information obtained through the review of these reports, and otherwise available to DEQ, revealed apparent violations of the Rules and Clearwater's Tier I Operating Permit No. T1-2007.0057, issued December 17, 2002, modified August 27, 2007 (Tier I Operating Permit).
4. By Notice of Violation (NOV) dated September 4, 2009, DEQ notified Clearwater of these alleged violations. DEQ provided Clearwater with the opportunity for a compliance conference to discuss correction of the violations and entry into a Consent Order with DEQ. The NOV is incorporated into this Consent Order by reference.
5. Subsequent to the issuance of the NOV, DEQ received additional excess emission event reports from Clearwater. Information obtained through the review of these reports, and otherwise available to DEQ, revealed additional violations of the Rules and Clearwater's Tier I Operating Permit, hereafter referred to as Violation Nos. 5 and 6, and are described as follows:

Violation No. 5

IDAPA 58.01.01.134.02.b states in relevant part:

"The owner or operator shall notify the Department of any upset/breakdown/safety event that results in excess emissions. Such notification shall identify the time, specific location, equipment or emissions unit involved, and (to the extent known) the cause(s) of the occurrence. The notification shall be given as soon as reasonably possible, but no later than twenty-four (24) hours after the event..."

Based on a review of the excess emission event reports and information otherwise available to DEQ, DEQ determined that Clearwater failed to provide notification no later than 24 hours after the upset/breakdown/safety events that occurred on August 7, 2009; September 1, 2009; and September 10, 2009.

Violation No. 6

IDAPA 58.01.01.135.02 states in relevant part:

"Contents of Excess Emissions Reports. Each report shall contain the following information:

...

c. An explanation of the cause, or causes, of the excess emissions and whether the excess emissions occurred as a result of startup, shutdown, scheduled maintenance, upset, breakdown or a safety measure;

d. An estimate of the emissions in excess of any applicable emissions standard (based on knowledge of the process and facility where emissions data is available);

e. A description of the activities carried out to eliminate the excess emissions; and...

g. If requesting consideration under Subsection 131.02, certify compliance status with Sections 131, 132, 133.01 through 133.03, 134.01, 135, and 136."

Based on a review of the excess emission event reports and information otherwise available to DEQ, DEQ determined that Clearwater failed to submit all of the information required by IDAPA 58.01.01.135.02 for the excess emissions events that occurred on August 7, 2009; September 1, 2009; and September 10, 2009.

6. On October 8, 2009, a compliance conference was held. Clearwater responded to each alleged violation cited in the NOV and presented actions taken or proposed to achieve compliance.
7. Initially on October 23, 2009, and periodically thereafter, Clearwater and DEQ met to establish notification and reporting protocols, and to develop new forms for non-condensable gas (NCG) venting that meet the excess emissions notification and reporting requirements appearing in IDAPA 58.01.01.130-136.
8. In order to resolve these matters without litigation or further controversy, Clearwater agrees to the provisions of this Consent Order and the following terms and actions:

9. **DISMISSAL OF VIOLATIONS**

- A. Based on information obtained during the October 8, 2009, compliance conference, DEQ dismisses Violation No. 4 and the associated penalty.

10. **RECITATION OF VIOLATIONS**

- A. Based on information obtained during the October 8, 2009, compliance conference, DEQ has determined that the three counts associated with Violation No. 1 were in fact violations of IDAPA 58.01.01.134.02.b; therefore, the three counts from Violation No. 1 have been combined with the 25 counts from Violation No. 2.

11. **NON-CONDENSABLE GAS VENTING NOTIFICATION AND REPORTING**

- A. In order to resolve Violation Nos. 2, 3, 5, and 6, Clearwater and DEQ have agreed upon site-specific notification, reporting, and emissions estimate forms for NCG venting. Use of these forms, attached as Exhibits A-C, respectively, complies with the notification and reporting requirements appearing in IDAPA 58.01.01.134 and 135, respectively, for NCG venting.
- B. Within 30 days of the effective date of this Consent Order, Clearwater shall begin using the site-specific notification, reporting, and emission estimate forms, attached as Exhibits A-C, respectively.
- C. Clearwater and DEQ agree that if the duration of a continuous NCG venting event is not in excess of five minutes, then Clearwater shall report these NCG vents in the required semi-annual and annual reports as required by Clearwater's Tier I Operating Permit General Conditions 21, 24, and 25; and all applicable state and federal regulations, specifically 40 CFR 63, Subpart S.

- D. Clearwater and DEQ agree that if the duration of a continuous NCG venting event is five minutes or more, then Clearwater shall:
- i. Notify DEQ and report the NCG venting in accordance with the notification and reporting requirements appearing in this Consent Order and IDAPA 58.01.01.130-136, using the site-specific forms attached in Exhibit A, Exhibit B, and the emissions estimates attached as Exhibit C; and
 - ii. Report these NCG vents in the required semi-annual and annual reports as required by Clearwater's Tier I Operating Permit General Conditions 21, 24, and 25, and the applicable state and federal regulations, specifically 40 CFR 63, Supart S.
- E. In the event that Clearwater modifies, updates, or otherwise changes the site-specific forms or methods and equations used to estimate NCG venting emissions, Clearwater shall submit the modified, updated, or otherwise changed site specific forms or emissions estimate calculations to DEQ within 15 days of the modification, update, and/or change.
- F. Clearwater shall notify and report all other excess emissions events to DEQ in accordance with IDAPA 58.01.01.130-136.

12. **PENALTIES**

- A. In light of ongoing discussions with Clearwater regarding excess emissions event notification and reporting requirements and resolution of this matter, DEQ has determined to waive the penalties resulting from Violation Nos. 5 and 6.
- B. On July 26, 2010, Clearwater submitted raw data detailing the dates, times, and locations that NCG venting occurred for the referenced excess emissions events. Clearwater claimed that many of the aforementioned excess emissions events would not be violations if DEQ applied the notification and reporting procedures referenced in Section 11 of this Consent Order.
- C. DEQ reviewed Clearwater's information, and determined that only twelve (12) of the aforementioned excess emissions events failed to meet the notification and reporting procedures/agreement referenced in Section 11 of this Consent Order. However, DEQ agreed to waive the penalties associated with Violation Nos. 5 and 6; therefore, only nine (9) of the previous 12 excess emissions events would be subject to penalties. These 9 excess emissions events translate to 9 violations of IDAPA 58.01.01.134.02.b and 9 violations of IDAPA 58.01.01.135.02, for a total of eighteen (18) separate violations (counts).

- D. DEQ reassessed the penalties for the 18 violations, referenced in Section 12.C of this Consent Order. DEQ reassessed the penalties, for Violation Nos. 2, 3, 5 and 6, in the following manner:

$$\$525 \times 18 \text{ counts} = \$9,450$$

- E. As a result of Clearwater's good faith efforts to resolve the aforementioned violations, to prevent future occurrences, and other unique factors, DEQ has determined to allow a forty percent (40%) reduction in the assessed penalties (i.e., \$3,780) referenced in Section 12.D of this Consent Order.
- F. Therefore, Clearwater shall pay to DEQ a civil penalty of Five Thousand Six Hundred and Seventy Dollars (\$5,670) for the alleged violations.
- G. Payment shall be made within 15 days of the effective date of this Consent Order.

13. **STIPULATED PENALTIES**

- A. In the event that Clearwater fails to comply with any of the requirements appearing in Section(s) 11 of this Consent Order, Clearwater shall be in violation of this Consent Order and shall pay a Three Thousand Seven Hundred and Eighty Dollar (\$3,780) stipulated penalty. The \$3,780 stipulated penalty is representative of a forfeiture of good faith effort and is commensurate to the penalty reduction referenced under Section 12 of this Consent Order.
- B. The stipulated penalty payment shall be made within 15 days of receiving a written request from DEQ.
- C. Payment of the stipulated penalty under this Section shall not relieve Clearwater of any of its obligations under this Consent Order, and does not preclude DEQ from seeking any other relief available under law.

14. Penalty Payments shall be made by check payable to the Department of Environmental Quality. Please send the penalty payment to the following address:

Accounts Receivable – Fiscal Office
Air Quality Penalty Payment
Department of Environmental Quality
1410 N. Hilton
Boise, Idaho 83706-1255

15. All correspondence sent by Clearwater to DEQ shall be addressed to:

Amber Rand, Air Quality Analyst
Department of Environmental Quality
1118 "F" Street
Lewiston, Idaho 83501

16. All correspondence sent by DEQ to Clearwater shall be addressed to:

Sue Somers, Environmental Engineering Manager
Potlatch Corporation - Idaho Pulp & Paperboard Division
P. O. Box 1126
Lewiston, Idaho 83501-1561

17. This Consent Order shall not relieve Clearwater from its obligation to comply with any of the provisions of EPHA, the Rules, any provision of an air quality permit issued by DEQ to Clearwater, or other applicable local, state, or federal laws and regulations.
18. This Consent Order shall bind Clearwater, its successors and assigns until such time as the terms of Section 11.C, D, and E of this Consent Order are incorporated into Clearwater's Tier I Operating Permit, at which time this Consent Order will automatically terminate.
19. Clearwater expressly recognizes that failure to comply with the terms of this Consent Order may result in a district court action for specific performance of the Consent Order, civil penalties, assessment of costs, restraining orders, injunctions, and other relief available under law.
20. If any event occurs that causes, or may cause, delay in the achievement of any requirement of this Consent Order, Clearwater shall notify DEQ in writing within ten days of the date Clearwater knew, or should have known, of the delay.

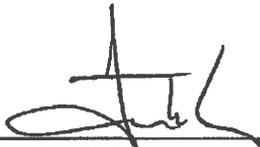
Any notice under this paragraph shall describe in detail the anticipated length of the delay, all anticipated consequences of the delay, measures taken by Clearwater to prevent or minimize the delay, and a timetable by which those measures shall be implemented.

Clearwater shall utilize all reasonable measures to avoid or minimize any such delay. If DEQ determines that the delay or anticipated delay in achieving any requirements of this Consent Order has been or will be caused by circumstances beyond the reasonable control of Clearwater, DEQ may grant an extension for a period equal to the length of the delay.

The burden of proving that any delay is caused by circumstances beyond the reasonable control of Clearwater shall rest wholly with Clearwater.

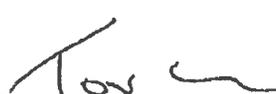
21. A waiver by DEQ of any provision, term, condition, or requirement of this Consent Order shall not constitute a waiver of any other provision, term, condition, or requirement.
22. DEQ and Clearwater represent and warrant that each has the authority to enter into this Consent Order and to take all actions provided for herein, and no further action or authorization is required.
23. In case any provision or authority of this Consent Order or the application of this Consent Order to any party or circumstances is held by any judicial or administrative authority to be invalid, the application of such provisions to other parties or circumstances and the remainder of the Consent Order shall remain in force and shall not be affected thereby.
24. The effective date of this Consent Order shall be the date of the signature by the Director of the Department of Environmental Quality.

DATED THIS 11 day of November, 2010



JOHN MCKEE
Mill Manager, Authorized Representative of Clearwater Paper Corporation

DATED THIS 19th day of November, 2010



TONI HARDESTY
Director, Department of Environmental Quality

EXHIBIT A

Excess Emission Initial Notification - NCG venting

Event(s) reporting period:

This report is required for all NCG venting in excess of 5 minutes. This form serves as the 24-hour initial notification for excess emission events as required by IDAPA 58.01.01.134.02b. NCG vents that are not in excess of five minutes shall be reported as required by 40 CFR Part 63, Subpart S and submitted with Clearwater's Tier I semi-annual reports.

**Clearwater Paper Corporation, Pulp and Paperboard Division, Lewiston, Idaho
 Facility ID 069-00001 Permit No. T1-2007-0106, Issuance Date 01/01/2010**

FOR DEQ REVIEW ONLY

DEQ notified Date/Time	<input checked="" type="checkbox"/> Meets notification requirements	<input type="checkbox"/> Does not meet notification requirements
Request additional information	Date requested	Date received
Comments		
Reviewer Name/Title	Date	
Reviewer Signature	Date	

EXHIBIT B

EXCESS EMISSIONS REPORT

Event Date _____

This report is required for each 24 hour initial notification form and is due to the Department no later than 15 days after the beginning of each event. Use of this site specific form satisfies the requirements of IDAPA 58.01.01.135 for reporting excess emissions caused by NCG venting events.

FACILITY INFORMATION:

Clearwater Paper Corporation, Pulp and Paperboard Division, Lewiston, Idaho

Facility ID: 069-00001 Permit No.: T1-2007-0106, Issuance Date: 01/01/2010

EQUIPMENT OR EMISSIONS UNIT INFORMATION: Non Condensable Gas (NCG) venting events

1. Identify the specific equipment or emissions unit(s) which caused the excess emissions:

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Hotwell | <input checked="" type="checkbox"/> M&D Digester | <input checked="" type="checkbox"/> Combined NCG Vent |
| <input checked="" type="checkbox"/> Digester | <input checked="" type="checkbox"/> HVLC | <input checked="" type="checkbox"/> O2 Deflag blow tank (methanol scrubber) |

2. Provide the date and time period during which the excess emissions occurred or attach the NCG venting summary table related to the event.

3. Venting was a result of:

- Startup, Shutdown, or Scheduled Maintenance (*scheduled*)
- Upset, Breakdown, Safety Measure, or Other (*unexpected*)

4. Provide an explanation of the cause(s) of the excess emissions. _____

5. Describe the activities carried out to eliminate the excess emissions. _____

6. For venting greater than or equal to 5 minutes in duration estimate the quantity of emissions or reference the emission factor(s) used to determine the quantity released:

EXCESS EMISSIONS REPORT

Event Date _____

CERTIFICATIONS

Certification of Compliance (by Owner or Operator)

In accordance with IDAPA 58.01.01.135.02.f, this report must be certified for compliance with the requirements of Section 131, 132, 133.01, 134.01 through 134.03, 135, and 136. *Note: If requesting consideration under 131.02 (below), then this Certification of Compliance need not be signed.*

Owner/Operator Signature

Print or Type Owner/Operator Name

Date

Request for Consideration under IDAPA 58.01.01.131.02 (by Owner or Operator)

I request consideration for this event under Subsection 131.02. By this request, I certify compliance with the requirements of Sections 131, 132, 133.01, 134.01 through 134.03, 135, and 136 (as applicable). In accordance with IDAPA 58.01.01.131.01, I also certify compliance with the provisions of Subsections 133.02, 133.03, 134.04, and 134.05.

Owner/Operator Signature

Print or Type Owner/Operator Name

Date

Certification of Truth, Accuracy, and Completeness (by Responsible Official)

I certify that, based on information and belief formed after reasonable inquiry, the statements and information contained in this and any referenced document(s) are true, accurate, and complete in accordance with IDAPA 58.01.01.123-124.

Responsible Official Signature

Print or Type Responsible Official Name

Date

Responsible Official Title

FOR DEQ REVIEW ONLY

<input checked="" type="checkbox"/> Meets Request for Consideration requirements	<input type="checkbox"/> Request Additional Information
<input checked="" type="checkbox"/> Does not meet Request for Consideration requirements	Date Requested: _____
Report received within 15 days: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Date Received: _____
Initial Notification Date/Time: _____	
Comments: _____	
Name, Title: _____	
Reviewer Signature: _____	Date: _____

EXHIBIT C

Batch	Batch	H2S - hydrogen sulfide	MMA - Methyl Mercaptan	DMS - Dimethyl sulfide	DMDS - Dimethyl disulfide	TRB as S
	flow gases	0.001	0.09	0.26	0.01	0.21
	relief gases	0.002	0.038	0.049	0.0072	0.0357
	total batch	0.003	0.128	0.329	0.0172	0.2457
Sawdust	flow gases	0.001	0.09	0.26	0.01	0.21
	relief gases	0.002	0.038	0.049	0.0072	0.0357
	total sawdust	0.003	0.128	0.329	0.0172	0.2457
Evaporator		0.013	0.002	0.0013	0.03	0.14
Main vent		0.019	0.226	0.6593	0.0644	0.6714
HVLC (sources listed in permit)		0.0013	0.0012	0.011	0.022	0.072
HVLC Methanol scrubber		0.84 lb methanol per ton ADP (from stack testing)				

Batch	maximum production rates in ADTP/day	24 hour emissions in lbs of maximum production rate				
		H2S	MMA	DMS	DMDS	TRB as S
batch	1100	3.3	140.8	361.9	18.92	237.27
sawdust	500	1.5	64	164.5	6.6	107.85
evaporator	1600	20.8	3.2	3.06	48	224
main vent		25.6	209	628.48	79.52	669.12
HVLC (sources listed in permit)	1100	1.43	1.32	12.1	24.2	79.2
HVLC Methanol scrubber	1100	694 lb methanol				

Batch	maximum production rates in ADTP/minute	1 minute emissions in lbs of maximum production rate				
		H2S	MMA	DMS	DMDS	TRB as S
batch	0.76	0.00	0.10	0.26	0.01	0.16
sawdust	0.35	0.00	0.04	0.11	0.01	0.07
evaporator	1.11	0.01	0.00	0.00	0.03	0.16
main vent		0.02	0.14	0.37	0.05	0.40
HVLC	0.76	0.00	0.00	0.01	0.02	0.06
HVLC Methanol scrubber	0.76	0.41 lb methanol				

enter time here in minutes -	EQ	emissions in lbs of maximum production rate during time period -				
		H2S	MMA	DMS	DMDS	TRB as S
batch		0	6	16	1	10
sawdust		0	3	7	0	4
evaporator		1	0	0	2	9
main vent		1	9	22	3	24
HVLC		0	0	1	1	3
maximum TRB emissions during time period in lbs.		1	9	23	4	27

HVLC Methanol scrubber 25 lb methanol