

STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION

021



JOHN ELIAS BALDACCI
Governor

BETH NAGUSKY
Acting Commissioner

MEMORANDUM

TO: Board of Environmental Protection
FROM: Peter Carleton, Bureau of Air Quality Control
SUBJECT: Domtar Industries, Inc. (Domtar)
DATE: November 18, 2010

*** **

Statutory and Regulatory References:

Domtar operates the Baileyville facility under the terms and conditions of Part 70 Air Emission License A-215-70-A-I issued on December 22, 2004 and subsequent amendments. Domtar's Air Emission Licenses provides for the operation of fuel burning and process equipment associated with the pulp mill operations.

Description:

Domtar experienced a violation of the CEM uptime requirements as established in Maine's rule for *Source Surveillance*, 06-096 CMR 117. This ACA also relates to violations of opacity restrictions and non-condensable gas (NCG) venting restrictions which have occurred during the time period between the 4th Quarter 2007 to 3rd Quarter 2010 as well as stack test failures for stack testing undertaken on the facility's #9 Power Boiler on July 14, 2009 and the #3 Recovery Boiler Smelt Dissolving Tank conducted on July 13, 2009.

Facility Nomenclature

Domtar Maine Corp. acquired the facility from Georgia Pacific Corporation in June 2001. The Georgia Pacific Corporation licenses were transferred to Domtar Maine Corp. pursuant to a Department license transfer order dated July 18, 2001. At the time of the transfer, an application was pending that had been submitted by Georgia Pacific Corporation for an initial Part 70 Air Emission License for the facility. This pending application was also transferred to Domtar Maine Corp. in the July 18, 2001 transfer order. The pending application resulted in the issuance of Air Emission License A-215-70-A-I, which is the license that is the subject of this administrative consent agreement. Because the pending Part 70 license application was transferred to Domtar Maine Corp., the ensuing license should have been issued to Domtar Maine Corp. However, for reasons not clear in the file, the license was issued to Domtar Industries, Inc., which is a different legal entity. Subsequent amendments to Air Emission License A-215-70-A-I were issued in the name of Domtar Industries, Inc., until recently when an amendment was issued in the name of Domtar Maine, LLC. Domtar Maine, LLC is successor name to Domtar Maine Corp. and recently that name changed again to Woodland Pulp, LLC. All three names, Domtar Maine Corp., Domtar Maine, LLC and Woodland Pulp, LLC share the same charter number with the Maine Secretary of State.

Because the July 18, 2001 license transfer order transferred the pending Part 70 application to Domtar Maine Corp. n/k/a Woodland Pulp, LLC, it is apparently an error that Domtar Industries, Inc. was named on the initial Part 70 license. Domtar Industries, Inc. was named as the party on the consent agreement because that is the name on the license from which the violations arose. However, given that the July 18, 2001 transfer order should have resulted in the initial Part 70 license being issued to Domtar Maine Corp. n/k/a Woodland Pulp, LLC, Woodland Pulp, LLC has signed the agreement.

Location:

Baileyville, Maine

Environmental Issues:

The Department imposes air emission license conditions to ensure that the licensed equipment is operated in a manner consistent with good air pollution control practices and in a manner protective of air quality. Compliance with all air emission license conditions and applicable regulations is essential to the maintenance of good air quality.

Department Recommendation:

Staff recommends approval of the Consent Agreement which requires Domtar to make payment of civil penalties in the amount of \$53,900.00. The penalty was a negotiated settlement based on the Air Bureau's penalty assessment guideline.



STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION

023

JOHN ELIAS BALDACCI
GOVERNOR

BETH NAGUSKY
ACTING COMMISSIONER

IN THE MATTER OF:

DOMTAR INDUSTRIES INC.)	ADMINISTRATIVE CONSENT
WASHINGTON COUNTY)	AGREEMENT
BAILEYVILLE, MAINE)	38 M.R.S.A. § 347-A
AIR QUALITY VIOLATION)	
2010-025-A)	

This Agreement by and among Domtar Industries Inc., the Maine Department of Environmental Protection (the "Department") and the Maine Office of the Attorney General is entered into pursuant to the laws concerning the Department's *Organization and Powers*, 38 M.R.S.A. § 347-A(1)(A).

The parties agree as follows:

1. Domtar Industries, Inc. (Domtar) is a Delaware corporation in good standing to conduct business in Maine as a pulp and paper mill in Baileyville, Maine.
2. Domtar operates the Baileyville facility under the terms and conditions of Part 70 Air Emission License A-215-70-A-I issued on December 22, 2004 and subsequent amendments. Domtar's Air Emission Licenses provides for the operation of fuel burning and process equipment associated with the pulp and paper mill operations.
3. Part 70 Air Emission License A-215-70-A-I, Condition (14)(S) states in relevant part:
 - (14) #9 Power Boiler
 - S. Domtar shall operate, calibrate and maintain NO_x and SO₂ CEMS and an O₂ and stack flow monitor in accordance with 40 CFR, Part 60, Appendix B and the data recovery requirements of MEDEP Chapter 117.
4. Maine's rule, *SOURCE SURVEILLANCE*, 06-096 CMR 117(5)(A) states in relevant part:
5. **Data Recovery Requirements.** Emission monitoring devices must record accurate and reliable data during all source-operating time except for periods when emission monitoring devices are subject to established quality assurance and quality control procedures or to unavoidable malfunction.

AUGUSTA
17 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0017
(207) 287-7688 FAX: (207) 287-7826
RAY BLDG., HOSPITAL ST.

BANGOR
106 HOGAN ROAD, SUITE 6
BANGOR, MAINE 04401
(207) 941-4570 FAX: (207) 941-4584

PORTLAND
312 CANCO ROAD
PORTLAND, MAINE 04103
(207) 822-6300 FAX: (207) 822-6303

PRESQUE ISLE
1235 CENTRAL DRIVE, SKYWAY PARK
PRESQUE ISLE, MAINE 04679-2094
(207) 764-0477 FAX: (207) 760-3143

024

DOMTAR INDUSTRIES INC.)
WASHINGTON COUNTY)
BAILEYVILLE, MAINE)
AIR QUALITY VIOLATION)
2010-025-A)

ADMINISTRATIVE CONSENT
AGREEMENT
38 M.R.S.A. § 347-A

A. The department may not initiate enforcement action pursuant to 38 MRSA, section 349 against any person for failure to operate a continuous emission monitoring system for gaseous emissions as long as the system is recording accurate and reliable data at least 90% of the source-operating time in each quarter of the calendar year. If the continuous emission monitoring system for gaseous emissions is recording accurate and reliable data less than 90% of source-operating time within any quarter of the calendar year, the department may initiate enforcement action and may include in that enforcement action any period of time that the continuous emission monitoring system was not recording accurate and reliable data during that quarter unless the licensee can demonstrate to the satisfaction of the department that the failure of the system to record accurate and reliable data was due to the performance of established quality assurance and the quality control procedures or unavoidable malfunctions.

5. In a telephone call from Domtar on November 26, 2008 and subsequent e-mails, Domtar reported to the Department that the #9 Power Boiler CEMs, monitoring NO_x and SO₂ emissions was experiencing operational difficulties due to plugging and moisture carryover and that the facility had decided to discontinue use of the CEMs in order to protect the monitors from being damaged. Upon review of the 2008 4th quarter quarterly report, submitted to the Department by Domtar on January 30, 2009, and a letter to the Department from Domtar dated January 30, 2009, the Department documented that Domtar did not meet the continuous emission monitor (CEM) uptime requirement of 90% as required by 06-096 CMR 117(5)(A). Domtar was able to achieve a total uptime percentage for the 4th quarter of 2008 of 73% (which equates to 570 hours or 23.75 days of downtime) for both the NO_x and the SO₂ CEMs.

6. Part 70 Air Emission License A-215-70-A-I, Conditions (14)(A) and (E) state in relevant part:

(14) #9 Power Boiler [MEDEP Chapter 140, BPT]

A. Emissions from the #9 Power Boiler shall not exceed the following:

Pollutant	lb/MMBtu	Origin and Authority	Avg Time
SO ₂	0.79	BPT	24 hr block

DOMTAR INDUSTRIES INC.)
 WASHINGTON COUNTY)
 BAILEYVILLE, MAINE)
 AIR QUALITY VIOLATION)
 2010-025-A)

ADMINISTRATIVE CONSENT
 AGREEMENT
 38 M.R.S.A. § 347-A

025

Pollutant	lb/hr	Origin and Authority	Avg Time
SO ₂	420	BPT, #A-215-71-X-M Enforceable by State Only	3 hr block

E. Domtar shall have no sulfur restrictions on fuel oil for the #9 power boiler, provided that emissions do not exceed the licensed limit of 0.79 lb SO₂/MMBtu for a 24 hr block average.

7. During reviews of quarterly Excess Emissions Reports, Quarterly reports and Annual Compliance Certifications submitted to the Department from 4th Quarter 2007 to 3rd Quarter 2010, the Department documented a violation of the #9 Power Boiler 24-hour SO₂ 0.79 lb/MMBtu limit on November 11, 2007 and a violation of the #9 Power Boiler 3-hr 420 SO₂ lb/hr limit on April 6, 2009. Over the 24-hour period on November 11, 2007, Domtar averaged 0.9 lb/MMBtu of SO₂ emissions from the #9 Power Boiler and over the 3-hour period between 9:00 AM and 12:00 noon on April 6, 2009 Domtar averaged 452.96 lb/hr of SO₂ emissions from the #9 Power Boiler.

8. Part 70 Air Emission License A-215-70-A-I, Condition (15)(A) states in relevant part:

(15) #3 Recovery Boiler [#A-215-71-B-A/R]

A. Emissions shall not exceed the following.

Pollutant	gr/dscf corrected to 8% O ₂	ppmv dry basis corrected to 8% O ₂	lb/hr
NO _x	-	80 ² (30 day rolling avg) 164 ² (24 hr block avg)	143.3 ³ (24 hour block average)

826

DOMTAR INDUSTRIES INC.)
WASHINGTON COUNTY)
BAILEYVILLE, MAINE)
AIR QUALITY VIOLATION)
2010-025-A)

ADMINISTRATIVE CONSENT
AGREEMENT
38 M.R.S.A. § 347-A

9. Part 70 Air Emission License A-215-70-A-I, Conditions (16)(A) states in relevant part:

(16) Combined lb/hr Emissions From #3 Recovery Boiler and #9 Power Boiler

A. When NO_x emissions from the #3 Recovery Boiler are greater than 143.3 lb/hr on a 24-hour average basis, a combined limit of 329.3 lb/hr on a 24-hour average for #3 Recovery Boiler and #9 Power Boiler shall apply. When NO_x emissions from #3 Recovery Boiler are greater than 143.3 lb/hr, an alternative limit of 170.3 lb/hr on a 24-hour average shall apply to the #3 Recovery Boiler, in addition to the 329.3 lb/hr combined total for both units. These alternative limits may not be used more than 60 times per year (12 month rolling total).

10. During reviews of quarterly Excess Emissions Reports, Quarterly reports and Annual Compliance Certifications submitted to the Department from 4th Quarter 2007 to 3rd Quarter 2010, the Department documented a violation of both the #3 Recovery Boiler 24-hour NO_x 143.3 lb/hr emission limit and the alternative #9 Power Boiler/#3 Recovery Boiler combined 24-hour NO_x 170.3 lb/hr emission limit. Over the 24-hour period on December 2, 2009, Domtar averaged 170.39 lb/hr of NO_x emissions from the #3 Recovery Boiler.

11. Part 70 Air Emission License A-215-70-A-I, Condition (15)(A) states in relevant part:

(15) #3 Recovery Boiler [#A-215-71-B-A/R]

A. Emissions shall not exceed the following.

Pollutant	gr/dscf corrected to 8% O ₂	ppmv dry basis corrected to 8% O ₂	lb/hr
CO	-	215 (30 day rolling avg)	235 ³ (24 hr block average)

12. During reviews of quarterly Excess Emissions Reports, Quarterly reports and Annual Compliance Certifications submitted to the Department from 4th Quarter 2007 to 3rd Quarter 2010, the Department documented 2 violations of the #3 Recovery Boiler 24-hour CO 235 lb/hr emission limit. Over the 24-hour period on August 4, 2009, Domtar averaged 258.68 lb/hr of CO emissions from the #3 Recovery Boiler and over the 24-hour period on August 28, 2009, Domtar averaged 241.65 lb/hr of CO emissions from the #3 Recovery Boiler.

DOMTAR INDUSTRIES INC.)
WASHINGTON COUNTY)
BAILEYVILLE, MAINE)
AIR QUALITY VIOLATION)
2010-025-A)

ADMINISTRATIVE CONSENT
AGREEMENT
38 M.R.S.A. § 347-A

827

13. Part 70 Air Emission License A-215-70-A-I, Condition (14)(A) states in relevant part:

(14) #9 Power Boiler

A. Emissions from the #9 Power Boiler shall not exceed the following:

Pollutant	lb/MMBtu	Origin and Authority	Avg Time
PM	0.15	RACT, #A-215-71-B-A/R	-

14. After review of the stack test history at Domtar, Department staff documented that Domtar had undertaken emissions testing for particulate matter (PM) emissions for #9 Power Boiler on July 14, 2009 which resulted in emissions in excess of the facility's Air Emission License restriction for PM emissions. Testing conducted on July 14, 2009 resulted in PM emissions from the #9 Power Boiler of 0.16 lb/MMBtu which exceeds the licensed limit of 0.15 lb/MMBtu of PM emissions. The Department documented that Domtar conducted a successful passing re-test for #9 Power Boiler PM emissions on August 3, 2009.

15. Part 70 Air Emission License A-215-70-A-I, Condition (19)(A) states in relevant part:

(19) Smelt Dissolving Tank

The smelt dissolving tank shall comply with each of the following:

A. Emissions from the smelt dissolving tank shall not exceed the following:

Pollutant		lb/hr
TRS	0.033 lb/ton BLS (dry weight)	3.1

16. After review of Domtar's stack test history, Department staff documented that Domtar had undertaken emissions testing for TRS emissions from the #3 Recovery Boiler Smelt Dissolving Tank on July 13, 2009, which resulted in emissions in excess of the facility's Air Emission License restriction for the smelt dissolving tank TRS emissions. Testing conducted on July 14, 2009 resulted in TRS emissions from the #3 Recovery Boiler Smelt Dissolving Tank of 3.2 lb/hr which exceeds the licensed limit of 3.1 lb/hr of TRS emissions. The Department documented that Domtar conducted a successful passing re-test for #3 Recovery Boiler Smelt Dissolving Tank TRS emissions on July 15, 2009.

17. Part 70 Air Emission License A-215-70-A-I, Condition (30)(B) states in relevant part:

(30) Low Volume, High Concentration Collection and Control System

B. Pursuant to MEDEP Chapter 124, Domtar shall not allow venting of TRS from the LVHC or associated equipment that is required to be controlled which exceeds 40 minutes in duration or contributes to an aggregate TRS venting of more than 1% of quarterly operating time. Ventings within these parameters are not violations of this License. [MEDEP Chapter 124]

18. Maine's rule, *TOTAL REDUCED SULFUR CONTROL FROM KRAFT PULP MILLS*, 06-096 CMR 124(3)(C)(1) and (2) state in relevant part:

3. Standards

C. No owner or operator subject to this Chapter shall allow venting of TRS from the LVHC or associated equipment that is required to be controlled which:

- (1) exceeds 40 minutes in duration; or
- (2) contributes to an aggregate TRS venting of more than 1.0% of quarterly operating time.

19. During reviews of quarterly Excess Emissions Reports, Semi-annual reports and Annual Compliance Certifications submitted to the Department from 4th Quarter 2007 to 3rd Quarter 2010, as well as previously submitted quarterly reports and excess opacity notifications, the Department documented violations of LVHC non-condensable gas (NCG) venting restrictions which have occurred during the time period between the 4th Quarter 2007 to 3rd Quarter 2010 which include LVHC venting in excess of 40 minutes which occurred during the 4th Quarter of 2007 and the 1st and 3rd Quarters of 2010.

20. Part 70 Air Emission License A-215-70-A-I, Condition (31)(C) states in relevant part:

(31) High Volume Low Concentration Collection and Control System

C. Beginning April 17, 2007, the HVLC collection system shall maintain a 96% collection and control uptime based on quarterly brownstock washer system operating time. [MEDEP, Chapter 124 and 40 CFR Part 63, Subpart S]

DOMTAR INDUSTRIES INC.) ADMINISTRATIVE CONSENT
WASHINGTON COUNTY) AGREEMENT
BAILEYVILLE, MAINE) 38 M.R.S.A. § 347-A
AIR QUALITY VIOLATION)
2010-025-A)

029

21. During reviews of quarterly Excess Emissions Reports, Semi-annual reports and Annual Compliance Certifications submitted to the Department from 4th Quarter 2007 to 3rd Quarter 2010, as well as previously submitted quarterly reports and excess opacity notifications, the Department documented one violation of HVLC venting restrictions which occurred during over the 4th Quarter of 2008 during which Domtar experienced 5.26% downtime of the HVLC collection and control system.
22. For the purposes of this Agreement, Domtar agrees that it received proper notice of all violations identified herein pursuant to 38 M.R.S.A. § 347-A(1)(B).
23. Pursuant to 38 M.R.S.A. §§ 341-D(6)(C) and 347-A(1)(A)(1), administrative consent agreements must be approved by the Board of Environmental Protection (“Board”), which is part of the Department.
24. The Board has regulatory authority over the activities described herein.
25. This Agreement shall not become effective unless and until it is approved by the Board and the Office of the Attorney General.
26. To resolve the violations identified in this Agreement, Domtar agrees to pay the sum of fifty three thousand, nine hundred dollars (\$53,900) as a civil monetary penalty immediately upon signature of this Agreement, to the *Treasurer, State of Maine*.
27. The Board and the State of Maine Attorney General grant Domtar a release of the causes of action that they have for the specific violations described in paragraphs six (6), eight (8), eleven (11), thirteen (13), fifteen (15), seventeen (17), twenty (20) and twenty two (22) above in consideration of the payment called for in paragraph twenty seven (27) above. The release shall not become effective until all requirements of this Agreement are satisfied.
28. Non-compliance with this Agreement voids the release set forth in paragraph twenty eight (28) of this Agreement and may lead to an enforcement action pursuant to 38 M.R.S.A. § 347-A(1)(A), 347-A(5), or 348, as well as pursuit of other remedies.
29. Actions taken pursuant to this Agreement shall be completed in accordance with the requirements of all local, state and federal laws, including but not limited to licensing requirements.

030

DOMTAR INDUSTRIES INC.)
WASHINGTON COUNTY)
BAILEYVILLE, MAINE)
AIR QUALITY VIOLATION)
2010-025-A)

ADMINISTRATIVE CONSENT
AGREEMENT
38 M.R.S.A. § 347-A

30. The provisions of this Agreement shall apply to, and be binding on, the parties, their officers, agents, servants, employees, successors, and assigns, and upon those persons in active concert or participation with them who receive actual notice of this agreement.

IN WITNESS WHERE OF the parties hereto have executed this agreement of eight (8) pages.

WOODLAND PULP LLC
~~DOMTAR INDUSTRIES INC.~~

BY: L. Hart DIRECTOR OCT. 20, 2010
NAME, TITLE DATE

BOARD OF ENVIRONMENTAL PROTECTION

BY: _____
SUSAN LESSARD, CHAIR DATE

MAINE OFFICE OF THE ATTORNEY GENERAL

BY: _____
GERALD D. REID, ASSISTANT ATTORNEY GENERAL DATE