

ARKANSAS
DEPARTMENT OF ENVIRONMENTAL QUALITY

In the Matter of:

LIS No. _____

Domtar A.W. LLC

Domtar Ashdown Mill
285 Highway 71 South
Ashdown, AR 71822
AFIN: 41-00002

ADMINISTRATIVE ORDER

This Administrative Order (AO or “Order”) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and the federal regulations issued thereunder. In addition, this AO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act, Act 472 of 1949, as amended, codified at Ark. Code Ann. § 8-4-101 *et seq.*, including Ark. Code Ann. § 8-4-311.

The issue herein having been settled by agreement of Domtar A.W. LLC (“Domtar”, “owner/operator”) and the Director of the Arkansas Department of Environmental Quality (ADEQ), it is hereby stipulated that the following STATEMENT OF BASIS and ORDER AND AGREEMENT be entered. ADEQ and Domtar agree to the entry of this AO to satisfy the Regional Haze Regulations requirements for Ashdown Mill pursuant to 40 C.F.R § 51.308(e).

STATEMENT OF BASIS

1. Domtar is a limited liability company, which is registered to do business in the state of Arkansas, and the owner and operator of a pulp and paper mill located in Ashdown, Arkansas (“Ashdown Mill”). Domtar’s primary executive office is in Fort Mill, South Carolina.” Domtar is the holder of the Title V air permit for the Ashdown Mill (“Permit”), which includes Power Boiler No. 1 and Power Boiler No. 2.
2. On July 1, 1999, EPA published regulations to address visibility impairment in the nation’s Class I areas. 64 FR 35714. On July 6, 2005, the U.S. EPA published an amendment to BART requirements included in the 1999 regulation. 70 FR 39103. Collectively, these regulations are commonly known as the “Regional Haze Rule,” codified at 40 C.F.R. §§ 51.300–51.309.
3. Two Class 1 areas covered by the Regional Haze Rule—Caney Creek Wilderness Area and the Upper Buffalo Wilderness Area exist in Arkansas.
4. In order to meet the requirements of the Regional Haze Rule, States must submit State Implementation Plans (“SIP”) implementing the requirements of the Regional Haze Rule to

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the U.S. EPA for approval. *Id.* The States were required to submit their SIPs prior to December 17, 2007. 40 C.F.R. § 51.308(b). Each Regional Haze SIP must contain “emission limitations” representing BART and schedules for compliance with BART for each BART-eligible source that may reasonably be anticipated to cause or contribute to any impairment of visibility in any mandatory Class I Federal area.” 40 C.F.R. § 51.308(e).

5. BART-eligible sources include those sources that: (1) have the potential to emit 250 tons or more of a visibility-impairing air pollutant; (2) were in existence on August 7, 1977, but not in operation prior to August 7, 1962; and (3) whose operations fall within one or more of the specifically listed source categories in 40 C.F.R. 51.301 (including fossil fuel-fired boilers of more than 250 million British thermal units per hour [MMBtu/hr] heat input). 40 C.F.R. Part 51, Appendix Y(I)(C)(1), and 42 U.S.C. § 7491(b)(2)(A).
6. Arkansas is required under 40 C.F.R. § 51.308(e) to submit a SIP addressing BART requirements. This SIP must contain emission limits representing BART and schedules for compliance with BART for each BART-eligible source that may reasonably be anticipated to cause or contribute to impairment of visibility in a Class 1 area.
7. The following units at the Ashdown Mill are kraft pulp mill fossil-fuel fired power boilers with heat inputs greater than 250 MMBtu/hr; units that were in existence prior to August 7, 1977, but in operation after August 7, 1962; and, based on a review of existing emissions data utilizing a baseline from 2001–2003, units that have the potential to emit more than 250 tons per year of a visibility impairing pollutant. Consequently, the following two (2) units (collectively “Ashdown Mill Power Boilers”) meet the definition of a BART-eligible source:
 - a. Ashdown Mill Power Boiler No. 1 (SN-03)
 - b. Ashdown Mill Power Boiler No. 2 (SN-05)
8. BART or an Alternative to BART is required for any BART-eligible source that emits any air pollutant that may reasonably be anticipated to cause or contribute to any impairment of visibility in a Class I Area. 42 U.S.C. § 7491(b)(2)(a); 40 C.F.R. § 51.308(e). ADEQ has determined that an individual source will be considered to “contribute to visibility impairment” if emissions from the source result in a change in visibility, measured in deciviews (dv), that is greater than or equal to 0.5 dv in a Class I area consistent with 40 C.F.R. Part 51, Appendix Y(III)(A)(1). 70 FR 39120. The Ashdown Mill Power Boilers were determined to be subject-to-BART in Arkansas’s 2008 Regional Haze SIP based on modeling performed using a 2001–2003 emission baseline.
9. Arkansas’s 2008 Regional Haze SIP set specific emission limits for the Ashdown Mill Power Boilers. The 2008 Regional Haze SIP was approved, in part, and disapproved, in part, by EPA on March 12, 2012. 77 FR 14604. The compliance timeline was adjusted by Minute Order No. 10-08 (Mar. 26, 2010) requiring compliance to occur no later than five (5) years after U.S. EPA approval of the Arkansas Regional Haze SIP. With respect to the Ashdown Mill Power Boilers, the particulate matter provisions applicable to Ashdown Mill

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Power Boiler No. 1 (SN-03) were approved and became effective on April 11, 2012. The NO_x and SO₂ provisions applicable to the Ashdown Mill Power Boilers were disapproved as well as the particulate matter provisions applicable to Ashdown Mill Power Boiler No. 2 (SN-05).

10. In response to the disapproval of portions of the 2008 Regional Haze SIP, EPA promulgated a Federal Implementation Plan (FIP) with requirements applicable to the Ashdown Mill Power Boilers along with a schedule for compliance.
11. Ashdown Mill Power Boiler No. 2 is subject to particulate matter (PM) emission limitations and testing requirements when burning solid fuel, as applicable, under the Boiler MACT rule (40 CFR Part 63 Subpart DDDDD—hybrid suspension grate units designed to burn wet biomass/bio-based solid subcategory).
12. Domtar proposed an BART Alternative for the Ashdown Mill Power Boilers that meet the requirements of 40 C.F.R. § 51.308(e)(2).
13. This Order revises the requirements, both approved and disapproved, for Ashdown Mill Power Boilers included in the 2008 Regional Haze SIP and is being submitted to EPA as part of a Regional Haze SIP Revision. This Order, if approved as part of the SIP, is intended to replace the provisions of the FIP applicable to the Ashdown Mill Power Boilers.
14. ADEQ has determined that the enforceable limits in this AO meet all requirements set forth in 40 C.F.R. § 51.308(e)(2) for an Alternative to BART.
15. ADEQ considers the requirements set forth in the ORDER AND AGREEMENT to be “applicable requirements” within the meaning of Title V of the Clean Air Act. The addition of these applicable requirements necessitates the reopening of those sections of the Permit applicable to the Ashdown Mill Power Boilers in order to incorporate the applicable requirements. 40 C.F.R. § 70.7(f)(1)(i), APC&EC Reg. 26.1011(A).
16. ADEQ has been informed that Domtar intends to submit an application to EPA for an exemption from BART requirements for Ashdown Mill pursuant to 40 C.F.R. § 51.303. This AO contains a contingency in the event that a final approval of an exemption to BART requirements is granted by EPA.

ORDER AND AGREEMENT

WHEREFORE, the owner/operator and ADEQ do hereby stipulate and agree as follows.

1. Subject to Paragraphs 13 through 16 below of this Order and Agreement, the owner/operator shall comply with all requirements set forth in this Order and Agreement.
2. No later than December 31, 2018, the owner/operator shall comply with the requirements of this Order and Agreement.

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3. The owner/operator shall comply with the following emissions limitations for the Ashdown Mill Power Boilers:
 - a. Power Boiler No. 1 (SN-03)
 - i. An emission limit of 0.5 lb/hr for SO₂
 - ii. An emission limit of 191.10 lb/hr for NO_x
 - iii. An emission limit of 5.2 lb/hr for PM
 - b. Power Boiler No. 2 (SN-05)
 - i. An emission limit of 435 lb/hr for SO₂
 - ii. An emission limit of 293 lb/hr for NO_x
 - iii. An emission limit of 81.6 lb/hr for PM
4. Compliance with NO_x and SO₂ emission limits for Power Boiler No. 2 under Paragraph 3 of this Order and Agreement, shall be based on 30 boiler-operating-day rolling average for NO_x and SO₂ determined by using data from a continuous emission monitoring system, or other method specified in the Permit, except as provided for in Paragraph 8.
5. Compliance with SO₂ and NO_x emissions limits for Power Boiler No. 1 in Paragraphs 3 of this Order and Agreement shall be based on 30 boiler-operating-day rolling average for NO_x and SO₂. These averages shall be calculated by no later than fifteen days after the end of the month based on fuel usage records and the following emission factors: 280 lb-NO_x/MMscf and 0.6 lb-SO₂/MMscf. All records pertaining to fuel usage must be maintained by the owner/operator for five (5) years and be made available upon request to ADEQ representatives.
6. Compliance with PM emission limits for Power Boiler No. 1 under Paragraph 3(a)(iii) of this Order and Agreement shall be satisfied by burning only pipeline quality natural gas.
7. To demonstrate compliance with the PM emission limit for Power Boiler No. 2 in Paragraph 3(b)(iii), the owner/operator shall keep records of PM compliance testing under Boiler MACT for Power Boiler No. 2 for five (5) years. If testing requirements under Boiler MACT are no longer required under federal law, the owner/operator shall demonstrate compliance by keeping records of compliance testing using EPA Reference Method 5 every five years.
8. If the Permit for the Ashdown Mill Power Boilers is revised to require Power Boiler No. 2 to fire only pipeline quality natural gas, the requirements of Paragraphs 4 and 7 of this Order and Agreement shall not apply. Instead, the following compliance demonstrations shall apply if Power Boiler No. 2 is permitted to burn only pipeline quality natural gas:

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- a. Compliance with SO₂ and NO_x emissions limits for Power Boiler No. 2 in Paragraph 3 of this Order and Agreement shall be based on 30 boiler-operating-day rolling average for NO_x and SO₂. These averages shall be calculated based on fuel usage records and the following emission factors: 280 lb-NO_x/MMscf and 0.6 lb-SO₂/MMscf. All records pertaining to fuel usage must be maintained by the owner/operator and be made available upon request to ADEQ representatives.
 - b. Compliance with the PM emission limits for Power Boiler No. 2 under Paragraph 3(b)(iii) of this Order and Agreement shall be satisfied by burning only pipeline quality natural gas
9. The owner/operator shall submit an application to modify the Permit to ADEQ for Ashdown Mill to incorporate the applicable requirements of this AO no later than eighteen (18) months as of the effective date of this AO.
10. A violation of this AO shall be considered unlawful under Ark. Code Ann. § 8-4-217 and subject to penalties set forth in Ark. Code Ann. § 8-4-103 in the same manner as a violation of a permit issued by ADEQ.
11. Nothing contained in this AO shall relieve the owner/operator of any obligations imposed by any other applicable local, state, or federal laws, nor, except as specifically provided herein, shall this AO be deemed in any way to relieve the owner/operator of responsibilities contained in the Permit.
12. The obligations in this AO applicable to Ashdown Mill Power Boilers shall terminate under the following circumstances:
 - a. If Power Boiler No. 1 is permanently disabled and Power Boiler No. 1 is removed from the Permit, then the provisions specifically pertaining to Power Boiler No. 1 shall terminate.
 - b. If Power Boiler No. 2 is permanently disabled and Power Boiler No. 2 is removed from the Permit, then the provisions specifically pertaining to Power Boiler No. 2 shall terminate.
 - c. If both Power Boiler No. 1 and Power Boiler No. 2 are permanently disabled and both Power Boiler No. 1 and Power Boiler No. 2 are removed from the Permit, then the provisions contained in this AO shall terminate.
13. The obligations under this AO shall cease to apply to the current owner or operator of the Ashdown Mill Power Boilers, Domtar, and shall transfer to a new owner or operator of the Ashdown Mill Power Boilers upon the effective date of an Amendment to this AO in which a new owner/operator agrees to comply with the terms and conditions set forth in the Order and Agreement.
14. If the U.S. Congress or a federal court takes action on the Arkansas Regional Haze SIP

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revision or Regional Haze Rule resulting in the alteration of compliance requirements of the AO, including deadlines or other requirements, in whole or in part, then the AO shall be enforceable only to the extent it is federally enforceable.

15. If any provision or requirement of this AO is disapproved by EPA, the provision shall be severed and rendered inoperative, and the remaining provisions of this AO shall continue to be binding on the parties.
16. ADEQ shall notify the owner/operator of the effective date of termination of any or all of the provisions of this AO pursuant to Paragraphs 14 or 15 of this Order and Agreement.
17. This AO is effective upon execution by the Director of ADEQ.
18. By virtue of the signature appearing below, the individual represents that he or she is either an Officer or an authorized representative of the owner/operator.

SO ORDERED THIS ____ DAY OF _____, 2018.

Becky W. Keogh, Director
Arkansas Department of Environmental Quality

APPROVED AS TO FORM AND CONTENT:

Domtar A.W. LLC

By _____
Its _____
Date _____