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BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

Graphic Packaging International, Inc.
2600 De La Cruz Blvd
Santa Clara, CA, 95050

August 24, 2011

Brenda Cabral
Supervising Air Quality Engineer
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Subject:

Public Review Comments for Graphic Packaging International Title V Permit and Statement of Basis

Reference:

Graphic Packaging International, Inc., Santa Clara Paper Mill, Plant #AO732
2600 De La Cruz Blvd., Santa Clara, California

Dear Brenda:

This letter provides comments to the proposed Title V permit and Statement of Basis under the public review comment period, which concludes on August 29, 2011, in an effort to correct misconceptions about our Santa Clara operations and provide needed operational flexibility. Comments to the permit are provided first, followed comments to the Statement of Basis.

Comments to the Proposed Title V Permit

1. Felt Wash Activity. Graphic Packaging International, Inc. (GPI), operates four, separate felt wash sources. Each source is a unique piece of equipment, serving different functions and cleaning requirements. The four felt wash sources are located in different stations, processing different wet-end felts: top felt, bottom felt, 1st main press, and 2nd main press. Under the proposed Title V Permit, all felt wash activities are grouped together, as if they are one source. These are different sources with different functions and should be treated as unique sources. The definition of source is critical for this activity because Regulation 8-4 is cited as an applicable requirement. Under Regulation 8-4, VOC emissions are essentially limited to 5 tons per year. If all felt wash sources are grouped together, this absolute limit unfairly restrains growth for larger facilities like our



Santa Clara Mill, while allowing greater growth for smaller facilities with less felt wash activities. Given that a group designation puts GPI at a competitive disadvantage and that these felt wash sources are physically separate and serve different wet-end felts, we request that the group designation S-16 (Tables II-A, IV-F, and VII-F) be changed to four separate source designations for each felt wash source.

2. Paperboard Sealing Activity. GPI operates three, separate sealing solution box sources. Each source is a unique piece of equipment, applying different sealing solutions based on each product specification. The three sealing solution boxes are located in different stations, processing different parts of the web: dry stack solution box, wet stack top solution box, and wet stack bottom solution box. Under the proposed Title V Permit, all sealing activities are grouped together, as if they are one source. These are different sources with different functions and should be treated as unique sources. Please change the group designation of S-18 (Tables II-C and VII-G) to three separate source designations for each sealing solution box source.
3. Paperboard Coating Activity. GPI operates three, separate coater sources. Each source is a unique piece of equipment, applying different coatings based on each product specification. The three coaters are located in different stations, providing different coating functions: pre-coat and top coat. Under the proposed Title V Permit, all coating activities are grouped together, as if they are one source. These are different sources with different functions and should be treated as unique sources. Please change the group designation of S-17 (Tables II-C and VII-G) to three separate source designations for each coater source.
4. Table III. Regulation 40 CFR 82.161 does not apply. This regulation applies to businesses offering services for refrigerant leak repair or replacement, including technician certification program approvals. GPI is not in this business. Please remove this regulation as it is not an applicable requirement.
5. Table IV-Facility. 40 CFR 98.2(a)(2) does not apply. GPI is subject to 40 CFR 98. Under this regulation, a facility can only be subject to one part of 40 CFR 98.2(a). GPI is subject to 40 CFR 98.2(a)(3) with its cogeneration facility rated over 30 MMBtu/hr and GHG emissions greater than 25,000 metric tons CO_{2e}. GPI is not in any of the EPA-defined categories listed under parts (a)(1) or (a)(2), as it is not subject to the pulp and paper category (we do not operate the applicable processes in Subpart AA). Please remove this regulation as it is not an applicable requirement.
6. Table IV-Facility. California HSC Title 17, Subchapter 10, Article 2, 95132 and 95133 do not apply. These regulations apply to businesses offering services as verifiers for greenhouse gas reporting. As a facility that must report its greenhouse gases, GPI cannot seek accreditation as a verification body. Please remove this regulation as it is not an applicable requirement.
7. Table IV-B. Regulation 9-7-307.10 does not apply. In the latest version of this regulation as amended May 4 of 2011, 9-7-307.10 does not exist. Please remove this regulation as it is not an applicable requirement.



8. Table IV-B. SIP Regulation 9-7-303 does not apply. This regulation only applies when gaseous and non-gaseous fuels are burned simultaneously. GPI's standby boiler does not have the capability to fire on natural gas and fuel oil simultaneously. Please remove this regulation as it is not an applicable requirement.

Comments to the Proposed Statement of Basis

1. Felt Wash Activity(page 12). Please note in the text that GPI operates four felt wash sources: top felt, bottom felt, 1st main press, and 2nd main press.
2. Paperboard Sealing Activity(page 12). Please note in the text that GPI operates three sealing solution box sources: dry stack solution box, wet stack top solution box, and wet stack bottom solution box.
3. Clarification of Combined Stack Discussion(page 15). Regulation 1-107 states that "District regulations shall be applied to the combined emission." In the 6th paragraph, the following sentence misinterprets this regulation and should be deleted: "Therefore, it is clear that the turbine emission limitations apply to the duct burner and vice versa." Furthermore, please delete the 4th sentence in this paragraph and change the last sentence to read: "The fuel input limits..." to underscore that all fuel input limits apply to each source separately.

Thank you for your consideration of these comments. We look forward to having a renewed permit with appropriate operational flexibility and acknowledgement of applicable regulations under which we will comply. Please contact Rick Horne at (408) 496-5080 should you have any questions regarding these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard M. Johnston", with a stylized flourish at the end.

Richard M. Johnston
Resident Manager & Responsible Official

Copies:

William Buchan, Market Potential, Inc.