DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Scheduled Inspection

B423832653

FACILITY: FRENCH PAPER COMPANY		SRN / ID: B4238
LOCATION: 100 FRENCH STREET, NILES		DISTRICT: Kalamazoo
CITY: NILES		COUNTY: BERRIEN
CONTACT: Shane Fenske , Vice President of Operations		ACTIVITY DATE: 12/16/2015
STAFF: Matthew Deskins	COMPLIANCE STATUS: Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: Unannounced Scheduled Inspection		
RESOLVED COMPLAINTS:		

On December 16, 2015, AQD staff (Matt Deskins) went to conduct an unannounced scheduled inspection of the French Paper Company (FPC) located in Niles, Berrien County. FPC is considered a synthetic minor source (Opt-Out) and has an air use permit (PTI# 395-96A) for a 68.8 mmbtu/hr natural gas/oil fired boiler. According to file information, the boiler was installed June 7, 1989 and is therefore not subject to the New Source Performance Standard (40 CFR 60 Subpart Dc) unless they have modified it or reconstructed it. However, it appears to be subject to the new federal National Emission Standards for Hazardous Air Pollutants (NESHAP) for Industrial, Commercial, and Institutional Boilers at Area Sources (40 CFR Part 63 Subpart JJJJJJ). The AQD is not delegated by the EPA to enforce this regulation so no compliance determination will be made in regards to it. The purpose of staff's inspection was to determine compliance with the aforementioned permit and any other state or federal air regulations that the AQD is delegated to enforce. Staff departed for the facility at approximately 10:40 a.m.

Staff arrived at the facility at approximately 12:40 p.m. after travel time and having lunch. Prior to entering the building, staff observed the boiler stack and did not note any visible emissions coming from it. Staff then proceeded to the reception area, introduced them self to an employee, and stated the purpose of the visit. The employee asked staff who they needed to see and staff mentioned previously that they had met with Ted Kruchowski (Plant Engineer) and Shane Fenske (V.P. of Operations). She mentioned that Ted no longer worked there but she would try to locate Shane. As she was trying to contact him he ended up coming into the office. Staff introduced them self to Shane and stated that FPC was on their inspection list for this fiscal year and staff would like to inspect and look at the records required for the boiler that they have permitted. Shane then led staff back to his office where we sat down to discuss things. Shane mentioned that the engineering department keeps the various records on the boiler and that he would have to get with them on those. Staff said that was fine and that staff would first like to ask Shane some general questions again about operations. Before doing that though, Staff exchanged business cards with Shane and gave him a copy of the DEQ "Environmental Inspections" Brochure as well as the AQD Boiler NESHAP Pamphlet regarding the new federal regulations pertaining to them. Shane asked if staff could give him an overview on what might be required by the NESHAP at FPC. Staff mentioned that he couldn't say for sure and isn't real familiar with it since the AQD isn't delegated to enforce it. Staff mentioned that the pamphlet includes helpful information and links to help facilities in determining what requirements apply to them. Staff then asked some general questions and the following is a summary of our discussions.

According to Shane, FPC still employs about 70 people and the paper production side of things is currently working 24 hours a day 3 to 4 days a week depending on the outside temperature. He said things can slow down a little when the outside temperature gets real cold because the paper production is totally depending upon the boiler. He went on to state that business has been slow in general compared to last year. Staff then asked if any equipment has been removed or added to the facility since our last inspection in 2012. Shane mentioned that outside of doing routine maintenance on existing equipment, they haven't added or changed anything. He said that they redo the refractory on the boiler every July and have it inspected and tuned. He also went on to say that they upgraded the water softener system that services it as well. Staff then asked about production and Shane stated that they still manufacture specialty papers. He stated they can manufacture colored paper in approximately 2,400 different colors now and that they still do some shredded fill paper, technical

grades of fire retardant paper, and non-conductive paper used in electronic equipment. He stated that the facility still doesn't apply any coatings to the paper but will use a starch and water mixture on the sheet press. FPC also uses both powder and various liquid dyes but neither contain any VOCs.

Staff then asked Shane about the boilers and he said that they are both still there but of course the coal fired one isn't used. Staff mentioned that during the past inspection they were looking at possibly removing the coal boiler for scrap. Shane mentioned they did but the cost to get it out was going to be more than what the scrap was worth. He went on to say that the big thing they would like to do is either lower the existing stack or demolish it and replace it entirely with a steel one. He said the existing one is real costly to maintain and that it costs $80,000 just to paint it. Staff mentioned that they might be able to do that since the stack height when originally permitted was probably being based off the fact they had the coal fired boiler. Staff also mentioned they might be able to be a true minor source since they don't use the coal fired boiler anymore. NOTE: Staff looked into this later and since they have the fuel oil as back-up, the PTE for SO2 wouldn't allow them to be a true minor source. Staff then asked Shane if they have used any fuel oil in the boiler. Shane said that they haven't used any fuel oil in years nor have they had any delivered. He said that natural gas has been so cheap for a number of years now so they haven't bothered with it. NOTE: Staff checked the last several years of MAERS reports and it hasn't documented any fuel oil usage in the boiler either.

Staff then went on a facility tour with Shane. The following is a summary of what staff noted and will be followed by the special conditions of PTI No. 395-96A and the facilities compliance status with them.

NOTE: Shane e-mailed staff their recordkeeping spreadsheets the following day because he had a conference call scheduled that afternoon. Also, the paper roller presses weren't being used for production at the time of the inspection because they were in the middle of changing out color jobs (they were re-threading the machine with paper from the new color job). Some of the following information is being based off previous inspections to which Shane verified to still be accurate.

The paper making process starts out by adding either shredded virgin pulp paper, post-consumer materials, recycled envelope clippings and/or a combination of them into a "vat" where they get mixed with water and the appropriate powder or liquid dye. A mixing blade inside the vat blends it all together. The mixed pulp then gets run through various sized mesh screens to eliminate any pulp paper that's bigger than required. The pulp paper then gets squirted out on a real fine mesh screen where it begins to dry somewhat. It then goes through various roller presses to help remove some of the excess water before going into some more roller presses that are heated by the boiler steam to help further drying. The beginning of the roller drying operation is approximately 110 degrees F and the end is approximately 310 degrees F. The now finished paper then runs through various QA machines to make sure everything is okay with it prior to it being rolled up on a spindle ready for shipping. It may also go to a slicing area if the customer requires smaller rolls or if it needs to be cut into sheets.

Staff then proceeded with Shane to the boiler room. The boiler room consists of two boilers, one coal fired and the other natural gas/fuel oil fired. As mentioned previously in this report and in previous inspection reports, the coal fired boiler is never used and it has been rendered inoperable with all piping to it removed. The natural gas/fuel oil boiler is the only unit that FPC has permitted with the AQD now. As mentioned previously, they haven't been using any fuel oil. Staff noted that they still have the No. 2 Fuel Oil tank out back and it has a capacity of approximately 35,000 gallon tank. Staff then proceeded back toward the office area. Staff thanked Shane for his time and departed at approximately 2:05 p.m.

SPECIAL CONDITIONS

The following conditions apply to: EU-GASBOILER

DESCRIPTION: Natural gas and distillate oil fired boiler with a rated heat release of approximately 69

million BTU's per hour.

I. EMISSION LIMITS

Pollutant	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. SO_2	0.055 lb/MMBtu	Test Protocol	EU-GASBOILER	General Condition 13,	R 336.1205(3)
2. SO_2	3.50 pph	Monthly averaging period	EU-GASBOILER	Special Condition VI.1	R 336.1205(3)
3. NO_x	0.145 lb/MMBtu	Test Protocol	EU-GASBOILER	General Condition 13,	R 336.1205(3)
4. NO_x	9.9 pph	Monthly averaging period	EU-GASBOILER	Special Condition VI.1	R 336.1205(3)

AQD Comment: COMPLIANCE. 1 and 3 above would have to be determined by testing which the AQD hasn't requested. Records reviewed regarding the pound per hour limits in 2 and 4 above indicate SO2 and NOx emissions well below permitted limits. See Attached Spreadsheets.

II. MATERIAL LIMITS

Material	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. Sulfur content of distillate oil	0.05% by weight	Instantaneous	EU-GASBOILER	Special Condition VI.1	R 336.1205(3)
2. Distillate Oil	493 gallons per hour	Monthly averaging period	EU-GASBOILER	Special Condition VI.1	R 336.1205(3)

AQD Comment: COMPLIANCE. It appears they haven't been combusting any fuel/distillate oil in the boiler for quite some time. The sulfur content of the distillate oil during past inspections has always been 0.05%.

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. (R 336.1201(3))

1. The permittee shall maintain the following records:

   - The amount of distillate oil used (gallons) on a daily basis, whenever the boiler is being operated.
   - The amount of natural gas used (cubic feet) on a daily basis, whenever the boiler is being

operated.

- Calculations of the hourly NO_x and SO_2 emission rates. For purposes of calculating emissions, either emission factors from AP-42 or MAERS may be used if emission testing data for EU-GASBOILER is not available. In the event that testing is required for EU-GASBOILER, the results of that testing will be used to show compliance with the hourly emission limits in lieu of AP-42 or MAERS emission factors. The hourly emission rates shall be determined by using a monthly averaging period (or less).
- Operating hours of the boiler, as determined on a monthly basis.
- The permittee shall keep, in a satisfactory manner, fuel supplier certification records for each delivery of the diesel fuel oil. Such certifications shall include the sulfur content of the fuel (expressed as either parts per million or percent by weight).

AQD Comment: COMPLIANCE with all the above. See attached spreadsheets. Also, the facility is using MAERS factors for emissions calculations and in past inspections staff was shown the distillate oil certification that it contains less than 0.05% sulfur.

VIII. STACK/VENT RESTRICTIONS

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter/Dimensions (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SV-GASBOILER	96	200	R 336.2803, R 336.2804, 40 CFR 52.21(c) & (d)

AQD Comment: COMPLIANCE. The stack appears to meet the above dimensions.

IX. OTHER REQUIREMENTS

1. The permittee shall not operate the existing coal fired boiler. (R 336.1201(3))

AQD Comment: COMPLIANCE. The facility doesn't operate the coal fired boiler and it has been rendered inoperable.

2. Visible emissions from EU-GASBOILER shall not exceed a six-minute average of 10 percent opacity. (R 336.1301)

AQD Comment: COMPLIANCE. Staff did not note any VEs coming from the stack.

INSPECTION SUMMARY: The facility appears to be in COMPLIANCE with the terms and conditions of PTI No. 395-96A and all other air regulations that the AQD is delegated to enforce at the present time.

NAME Matt Dahn DATE 12-21-15 SUPERVISOR MD 12/22/2015