

## **Response to Graphic Packaging International Inc. Letter of August 24, 2011**

Comment 1, Felt Wash Activity: The felt wash activity is four sources instead of one source.

Response: After considering the drawings and explanations submitted by the facility on September 19, 2011, the District agrees that S16, Felt Wash Operation, can be split into four sources: S16, Felt Cleaning (Top Felt), S17, Felt Cleaning (Bottom Felt), S18, Felt Cleaning (1<sup>st</sup> Main Press), and S19, Felt Cleaning (2<sup>nd</sup> Main Press).

Comment 2, Paperboard Sealing Activity: The paperboard sealing activity is three sources instead of one source.

Response: After considering the drawings and explanations submitted by the facility on September 19, 2011, the District agrees that S18, Paperboard Sealing, can be split into three sources: S20, Paperboard Sealing (Dry Stack Solution Box), S21, Paperboard Sealing (Wet Stack Top Solution Box), and S22, Paperboard Sealing (Wet Stack Bottom Solution Box).

Comment 3, Paperboard Coating Activity: The paperboard coating activity is three sources instead of one source.

Response: After considering the drawings and explanations submitted by the facility on September 19, 2011, the District agrees that S17, Paperboard Coating, can be split into three sources: S23, Paperboard Coating (#1 Coater), S24, Paperboard Coating ((#1 Coater), and S25, Paperboard Coating ((#1 Coater).

Comment 4, Table III, 40 CFR 82.161, Technician Certification: This requirement does not apply.

Response: Graphic Packaging International Inc. would be required to hire a technician that complies with 40 CFR 82.161 in the case that any subject equipment was maintained. Therefore, it is proper to include this requirement in the "Generally Applicable Requirements" table.

Comment 5, Table IV-Facility: Remove 40 CFR 98.2(a)(2) citation because GPI is not subject to the pulp and paper category, but instead is subject to 40 CFR 98.2(a)(3).

Response: Part 98 prescribes mandatory greenhouse gas reporting for certain facilities that fall within the "pulp and paper manufacturing" source category, which is defined in 40 C.F.R. 98.270(a). GPI falls within this source category because, among its activities, it manufactures pulp and paper (i.e. integrated facilities), produces secondary fiber from recycled paper, converts paper into paperboard products (e.g. containers), and /or operates coating and laminating processes. (GPI erroneously states because it doesn't conduct any of the operations listed in Section 98.270(b), GPI is not a pulp and paper manufacturer. Subsection (b) merely lists operations that must be included in the GHG report of that source category; those particular operations are not part of test for determining whether a facility is a pulp and paper manufacturing facility.) GPI is subject to the Part 98 reporting requirements for pulp and paper manufacturing facilities. GPI's co-generation facility (rated over 30 mmBtu/hour) emits more than 25,000 metric tons CO<sub>2</sub>e per year. 40 C.F.R. 98.2(a)(2) requires owners and operators of pulp and paper manufacturing facilities located in the United States that emit 25,000 metric tons CO<sub>2</sub>e or more per year in combined emissions from stationary combustion units, miscellaneous uses of carbonate and all applicable source categories in Subpart A's Tables A-3 and A-4 (e.g., co-generation facilities) to comply with the 40 C.F.R. Part 98 GHG reporting requirements. See, 40 C.F.R. Part 98.271.

40 C.F.R. Part 98.272 specifies the GHG emissions that GPI must report. They include those from its co-generation units.

Therefore, the District has determined that Graphic Packaging International is subject to 40 CFR 98.2(a)(2), and not to 40 CFR 98.2(a)(3), and the latter citation has been deleted from Table IV-Facility.

Comment 6, Table IV-Facility: California HSC Title 17, Subchapter 10, Article 2, 95132 and 95133 do not apply.

Response: The District agrees that these regulations pertain to the entities that conduct the verification of emissions data reported by a subject facility. 17 CCR sections 95103(c) and 95130 requires that operators of existing co-generation in California obtain the services of an accredited verification body, i.e. a body that meets the criteria set forth in sections 95131 – 95133. While GPI is not a verification body, it must be sure to hire an accredited body. If GPI submits reports verified by a body that fails to comply with these criteria, GPI would be in violation of 95109(c) and 95130. They are an integral part of the overall regulation, and GPI is responsible for knowing the requirements. For these reasons, these regulations will not be removed from Table IV-Facility.

Comment 7, Table IV-B: Regulation 9-7-307.10 does not exist.

Response: The section was deleted from the rule on May 4, 2011. The limits in the section were 30 ppmv for NOx and 400 ppmv for CO. The limits have been moved to the exemption in Section 9-7-112.2 that has been invoked by Graphic Packaging International Inc. The citation of Section 9-7-307.10 will be deleted. The limits in Table VII-B will have the Section 9-7-112.2 citation. No monitoring of NOx and CO is required by the regulation.

Comment 8, Table IV-B: Delete SIP Regulation 9-7-303 because the boiler cannot fire natural gas and fuel oil simultaneously.

Response: The standard has been deleted from the permit. Table II-A does have a note saying that both fuels cannot be fired simultaneously.

Comments on the Statement of Basis:

Response: The statement of basis will not be amended at this time. There is no requirement to issue an amended statement of basis at the time of issuance. The record will contain your comments.

All changes to the permit after the proposed permit was published and all responses to comments are contained in this issuance letter to you.

The District believes that the discussion on BAAQMD Regulation 1-107 in the statement of basis is sufficiently clear.