

STATE OF LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

GEORGIA-PACIFIC CORPORATION
Port Hudson Operations
East Baton Rouge Parish, Louisiana,
Respondent

PROCEEDINGS UNDER
THE LOUISIANA ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

SETTLEMENT AGREEMENT

The following Settlement is hereby agreed to between Georgia-Pacific Corporation (the "Respondent") and the Department of Environmental Quality (the "Department"), under authority granted by the Louisiana Environmental Quality Act, LSA- R.S. 30:2001, et seq., (the "Act").

I.

Respondent owns and operates a paper mill (the Port Hudson Operations) located on or near Mt. Pleasant Road in Zachary, East Baton Rouge Parish, Louisiana.

II.

In April 1999, at the request of the DEQ as part of the Respondent's Title V permit application update, Respondent conducted a review of its compliance with applicable New Source Review provisions of the Clean Air Act, as implemented through Department statutes and regulations, with respect to two projects involving installation of new paper machines at the mill in the mid-1980s.

III.

Georgia-Pacific voluntarily expanded the scope of its review to include the whole facility and for the time period extending back to 1980. The review addressed compliance with federal and state regulations pertaining to the Nonattainment New Source Review ("NNSR") Rule (now codified at LAC 33:111.504), the Prevention of Significant Deterioration ("PSD") rule (now codified at LAC 33:111.509), and the New Source Performance Standards ("NSPS") (now codified in LAC 33:111. Ch. 30). Georgia-Pacific promptly provided reports to the Department as the result of its review.

IV.

The allegations which form the basis for the enforcement action are:

A. At the request of the Department, Georgia-Pacific Corporation (Respondent) conducted a comprehensive New Source Review (NSR) and Standards of Performance for New Stationary Sources (NSPS) review of plant changes that had occurred since 1980. According to Respondent, a review of the plant records indicated that a number of physical and operational changes had taken place. These changes required Georgia-Pacific Corporation, Port Hudson Operations, to obtain proper permitting authorization prior to completing associated changes which are regulated by Prevention of Significant Deterioration (PSD) permitting procedures and to meet the Standards of Performance under 40 CFR Part 60, Subpart BB, Standards of Performance for Kraft Pulp Mills.

B. Major physical changes to the No. 1 and No. 2 Recovery Boilers occurred, during the period from 1988 through 1990, to provide an increase in the capacity to burn black liquor and support the increase in overall production. In 1988, changes were made to increase the capacity of the No. 1 Recovery Boiler from the original design capacity of 2.1 MM lbs. BLS/day to 2.7

MM lbs. BLS/day. In 1990, additional changes were required to actually reach the 2.7 MM lbs. BLS/day capacity. In 1988, changes to the No. 2 Recovery Boiler also occurred. In 1988, changes were made to the No. 2 Recovery Boiler to increase the original design capacity of 3 MM lbs. BLS/day to 3.9 MM lbs. BLS/ day. In 1990, additional changes were required to actually reach the 3.9 MM lbs. BLS/day capacity. As a result, an emissions analysis performed by the Respondent concludes that on a potential-to-potential basis, emissions increases occurred in particulate matter (PM/PM₁₀), sulfur dioxide (SO₂), total reduced sulfur (TRS), nitrogen oxides (NO_x), and carbon monoxide (CO) above the PSD significant thresholds.

1. Respondent failed to submit a timely and complete PSD permit application prior to major modification of Recovery Boilers Nos. 1 and 2. This is a violation of LAC 33:III.509.I.1 and Section 2057 (A) (2) of the Act.
2. Respondent's Recovery Boilers Nos. 1 and 2 discharged gases to the atmosphere which contain TRS in excess of 5 ppm by volume on a dry basis, corrected to 10% oxygen. This is a violation of 40 CFR 60.283 (a) (2) which language has been adopted as a Louisiana regulation in LAC 33:III.3003 and Section 2057 (A) (2) of the Act.
3. Respondent failed to install and operate a continuous monitoring system to monitor and record the opacity of the gases discharged into the atmosphere from Recovery Boilers Nos. 1 and 2. This is a violation of 40 CFR 60.284 (a) (1) which language has been adopted as a Louisiana regulation in LAC 33:III.3003 and Section 2057 (A) (2) of the Act.
4. Respondent failed to install and operate continuous monitoring systems to monitor and record the concentration of TRS emissions on a dry basis and the percent of oxygen by volume on a dry bases in the gases discharged into the atmosphere from Recovery Boilers Nos. 1 and 2. This is a violation of 40 CFR 60.284 (a) (2) which language has been adopted as a Louisiana regulation in LAC 33:III.3003 and Section 2057 (A) (2) of the Act.

The No. 3 Brown Stock Washing System was installed in 1988, which is after the NSPS Subpart BB applicability date of September 24, 1976. The Respondent's emissions analysis comparing past potential emissions to future potential emissions indicated that emission increases of TRS occurred.

5. Respondent's No. 3 Brown Stock Washing System discharged gases to the atmosphere which contain TRS in excess of 5 ppm by volume on a dry basis, corrected to 10% oxygen. This is a violation of 40 CFR 60.283 (a) (1) which language has been adopted as a Louisiana regulation in LAC 33:III.3003 and Section 2057 (A) (2) of the Act.

The Respondent installed a new bleach plant line (No. 3 Bleach Plant) and made both physical and operational changes to the No. 1 and No. 2 Bleach Plants to accommodate an increase in mill production capacity. The No. 1 Bleach Plant capacity increased from the original design of 600 ADTPD to 1000 ADTPD. The No. 2 Bleach Plant capacity was increased from the original design of 500 ADTPD to 850 ADTPD. The No. 3 Bleach Plant was installed in 1988 at a capacity of 500 TPD. In 1996, the mill converted the bleaching sequence of all three plants to 100% chlorine substitution. As revealed by an emission analysis comparing past potential emissions to future potential emissions, this resulted in a net increase of carbon monoxide (CO) emissions above the PSD significant threshold.

6. Respondent failed to submit a timely and complete PSD permit application prior to major modification of the Nos. 1, 2 and 3 Bleach Plants. These are violations of LAC 33:III.509.I.1 and Section 2057 (A) (2) of the Act.

Physical and operational changes were made to the No. 1 Lime Kiln in 1986 to accommodate an increase in capacity from the original design of 100 tons calcium oxide (CaO) per day to 340 tons CaO per day. An emissions analysis performed by the Respondent comparing past potential emissions to future potential emissions revealed that TRS emissions increased.

7. Respondent's No. 1 Lime Kiln discharged gases to the atmosphere which contain TRS in excess of 8 ppm by volume on a dry basis, corrected to 10% oxygen. This is a violation of 40 CFR 60.283 (a) (5) which language has been adopted as a Louisiana regulation in LAC 33:III.3003 and Section 2057 (A) (2) of the Act.
8. Respondent failed to install, calibrate, maintain, and operate the necessary continuous monitoring systems. These are violations of 40 CFR 60.284 (a) (2) and 40 CFR 60.284(b)(2) which language has been adopted as a Louisiana regulation in LAC 33:III.3003 and Section 2057 (A) (2) of the Act.

The Respondent increased throughput of the No. 2 Lime Kiln in 1986 by a change in the method of operation of this source to accommodate for a higher production rate of the mill. The capacity of the No. 2 Lime Kiln was increased from the original design of 150 tons of CaO per day to 270 tons of CaO per day. As a result, on a potential-to-potential basis the emissions of PM₁₀ and TRS increased above the PSD significant threshold.

9. Respondent failed to submit a timely and complete PSD permit application prior to major modification of the No. 2 Lime Kiln. This is a violation of LAC 33:III.509.I.1 and Section 2057 (A) (2) of the Act.

To the extent that the violations included herein exceed those identified in the Notice of Potential Penalty issued January 11, 2000, the Respondent specifically waives its right to Notice pursuant to La. R.S. 30:2050.3(B), but only with respect to the violations identified herein.

V.

The Respondent has proposed the Beneficial Environmental Project ("BEP") further described in Paragraph VIII. After an examination of the "nine factors" provided in La. R.S. 30:2025(E)(3), the Department has determined that considering the significant costs and environmental benefits of the BEP, the BEP should be accepted as full and complete settlement of the claims set forth in this agreement.

VI.

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties. Specifically, Respondent alleges:

- A. Published data on emission factors for many of its emission units have changed as measurement technology has become more accurate since the time period when the changes to its source were made and at the time of such changes, it reasonably and in good faith believed that such changes did not trigger applicability of PSD, NNSR, or NSPS rules.

B. Use of an "actual-to-future-actual" emission computation methodology is more appropriate, complies with the PSD rules for assessing applicability to modifications and was in common use at the time permitting decisions were being made. Use of such methodology in several cases would indicate that no PSD requirement was triggered.

C. Respondent cooperated fully with the Department in investigating its past compliance with new source review requirements. Respondent voluntarily expanded its review to additional requirements and for a longer time period. Findings of the review were provided to the Department promptly upon conclusion of the review.

D. With respect to individual emission units:

1. Recovery Boiler No. 1 (Source No. 01, Stack A and No. 02, Stack B) Respondent believes that modifications to the boiler did not trigger PSD for NO_x and CO as such modifications are likely to have reduced emissions of these pollutants. Regardless of whether a PSD permit was required or not, the control technology already employed by Respondent meets Best Available Control Technology ("BACT") standards for emissions of PM₁₀, SO₂, NO_x and CO. Respondent concedes that the current technology does not yet meet BACT for TRS. This emission unit is not subject to BACT or Lowest Achievable Emission Rate ("LAER") technology for any other pollutant.

2. Recovery Boiler No. 2 (Source No. 03, Stack A and No. 04, Stack B) Respondent believes that modifications to the boiler did not trigger PSD for NO_x and CO as such modifications are likely to have reduced emissions of these pollutants. Regardless of whether a PSD permit was required or not, the control technology already employed by Respondent meets BACT for PM₁₀, SO₂, NO_x and CO. Respondent concedes that the current technology does not

yet meet BACT for TRS. This emission unit is not subject to BACT or LAER for any other pollutant.

3. Bleach Plant Operations (Source Nos. 22, 23 and 24) - Regardless of whether a PSD Permit was required or not, there is no control technology currently available for CO emissions; thus, the current level of CO emissions meets BACT. These sources are not subject to BACT for any other pollutant.

4. Brown Stock Washing System No. 3 (Source No. 14) - Regardless of whether construction of this affected facility triggered NSPS BB for TRS, the facility would have been exempt from the TRS Standard under 40 CFR § 283(a)(1)(iv) because control of TRS at this source was not technologically or economically feasible under NSPS standards. Other similarly situated sources in the United States were exempted from this standard for these reasons.

5. Lime Kiln No. 1. (Source No. 10) - The modifications triggering NSPS for this unit resulted in a decrease in emissions of PM10, S02 and CO. Although the change resulted in increased potential to emit TRS, the facility as a whole implemented projects to reduce TRS at other point sources within the next two years that offset this increase.

6. Lime Kiln No. 2 (Source No. 11) - Respondent did not believe that a modification occurred at this source because there were no physical modifications to the source. In any case, the reductions in TRS at the facility as a whole offset any increased TRS emissions from this source. This source is not subject to BACT for any other pollutant.

VII.

Nonetheless, the Respondent, without making any admission of liability under state or federal statute or regulation, agrees to undertake, and the Department agrees to accept, the Beneficial Environmental Project ("BEP") described in paragraph VIII below and the additional

measures agreed to in Paragraph X below, in full and complete settlement of the claims set forth in this agreement.

VIII.

Respondent agrees to the performance of the BEP and the additional measures described in Paragraph X as described below, which will be completed by Respondent in accordance with the compliance schedules included in Attachments 1 and 2, which are incorporated by reference and included as part of this Agreement. The Department agrees that it will authorize construction of this BEP pursuant to this settlement agreement and the authority of LAC 33:III.501.C.3. and 511 within a time period sufficient to allow Respondent to meet this schedule providing PSD does not apply to the project or the Respondent obtains an exemption from PSD requirements.

A. Respondent proposes to convert Recovery Boilers Nos. 1 and 2 to NonDirect Contact Evaporation (NDCE, or low odor) design. The NDCE conversion will result in TRS reductions well beyond BLOx system improvements required to meet BACT and in significant reductions of approximately 200 tons per year of volatile organic compounds (VOCs). This conversion represents an investment in environmental improvements of approximately \$51.75 million, of which approximately \$40 million dollars is over and above the estimated expenditure required to meet current regulatory standards.

B. Respondent will donate 50% of the VOC reduction credits from the NDCE conversion to the State of Louisiana to count as credits toward Reasonable Further Progress under Section 172 of the Clean Air Act and under the State Implementation Plan. Respondent proposes to bank the remaining 50% of the VOC reduction credits under the provisions of LAC 33:III. Chapter 6 (Emission Reduction Credits Banking) for potential future use by the Port Hudson Operations.

1. The VOC reductions shall be determined by performing stack tests on the existing system (Recovery Boilers and BLOx system) to determine existing emissions. These results shall be compared to the VOC emissions determined through a stack test performed after completion of the BEP.

2. Both stack tests shall be conducted in accordance with appropriate EPA approved test methods. Any deviation from or modification of the methods used for testing shall have prior approval from the Office of Environmental Assessment, Environmental Technology Division.

3. The emission testing performed after completion of the BEP shall be conducted within sixty (60) days after achieving normal production rate or after the end of the shakedown period, but in no event later than 180 days after restart-up. The Office of Environmental Assessment, Environmental Technology Division and the Office of Environmental Compliance, Enforcement Division shall be notified at least thirty (30) days prior to testing and shall be given an opportunity to conduct a pretest meeting and observe the emission testing. The test results shall be submitted to the Environmental Technology Division and the Office of Environmental Compliance, Enforcement Division within sixty (60) days after the complete testing. As required by LAC 33:III.913, the Respondent shall provide necessary sampling ports in stacks or ducts and such other safe and proper sampling and testing facilities for proper determination of emission limits.

IX.

For purposes of this settlement agreement, the Department has made a preliminary BACT determination for the existing recovery boilers that an upgrade to the existing BLOx system

would be BACT for TRS and good combustion practices would be BACT for NO_x, CO and SO₂. No further BACT determination shall be necessary with respect to the existing recovery boilers as they will be replaced with the NDCE units in accordance with this settlement agreement. Baseline NO_x emissions of the existing recovery boilers and the BLO_x system for the purposes of determining applicability of PSD to the NDCE project are hereby established at the preliminary BACT allowable level of 488 tons per year for Recovery Boiler #1 and 759 tons per year for Recovery Boiler #2.

X.

Respondent also agrees to perform the following measures in accordance with the schedule included in Attachment 2 and made a part of this Agreement:

A. Respondent proposes to implement improvements necessary to meet the applicable New Source Performance Standards for the Lime Kiln No. 1, and the No. 3 Brown Stock Washing System in accordance with the schedule included in Attachment 2.

B. Respondent will comply with all applicable provisions of State and Federal NNSR, PSD and NSPS regulations with regard to monitoring, record keeping, reporting and other requirements in accordance with the schedule attached in Attachment 2.

C. Respondent will submit an updated application for their Title V operating permit(s), which will include applicable New Source Review requirements, in accordance with the schedule attached in Attachment 2. Except for the recovery boilers as provided, final BACT determinations for all units requiring BACT, including the Bleach Plant Operations, Lime Kiln No. 2 and the No. 3 Brown Stock Washing System will be established in the Title V Permitting process.

XI.

The Respondent and Department further agree to the following administrative and enforcement provisions:

A. The Respondent shall submit semiannual progress reports that address the schedules in Attachments 1 and 2, beginning 6 months after the effective date of this agreement. Within 60 days after the completion of all measures specified in Attachments 1 and 2, Respondent shall send a final report to the Department to confirm that all measures required by this Settlement Agreement have been completed.

B. The terms of this settlement agreement shall represent an enforceable obligation which may be enforced by the Department through any of the enforcement procedures allowed under the Act, including those in La. R.S. 30:2025, and in particular R.S. 30:2025(C)(2).

C. The BEP described in Paragraph VIII shall be considered as fully executed when Georgia-Pacific transfers the emission reduction credits described Paragraph VIII.B, demonstrates significant reductions in TRS emissions from the recovery boilers and spends at least \$46.57 million dollars of the capital expenditure in fulfillment of the BEP. If these conditions are not met, the Respondent may suggest additional projects for approval by the Department as further satisfaction of this requirement or the Department may issue a Supplemental Penalty Assessment to address any deficiencies in the execution of this agreement.

XII.

The deadlines specified in this Agreement, including the attachments to this Agreement, may be extended by the mutual consent of the parties, in writing.

XIII.

Respondent agrees the Department may consider the report submitted by Respondent in 1999 dated September 3, 1999 and this Settlement Agreement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department and in any such action the Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

XIV.

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

XV.

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in East Baton Rouge Parish as well as a newspaper of general circulation in that parish. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

XVI

Any person's signature below shall constitute an agreement by that person, or as agent for a principal, to be bound by the terms and conditions of this Agreement. Each signatory to this Agreement represents that he is authorized to bind the party he represents.

This Agreement shall apply to and be binding upon Respondent and the Department, their agents, successors and assigns and upon all persons, contractors, and consultants acting under or for either Respondent or the Department.

XVII

In consideration of the above, the claims for penalties arising out of Respondent's alleged violations of New Source Review laws addressed herein are hereby compromised and settled in accordance with the terms of this Settlement.

XVIII

This Agreement is effective upon the last date signed by either party to the Agreement. The last signatory shall promptly mail a signed copy to the other party after executing the Agreement.

WITNESSES:

Georgia-Pacific Corporation

Deane H. Efferon
Judy Perry

BY: Timothy H. Crawford
Timothy Crawford
Vice-President, Port Hudson Operations

DONE AND SIGNED before me in Zachary, Louisiana this 17th day of March, 2000,

C. Efferon
NOTARY PUBLIC

WITNESSES:

La. Department of Environmental Quality

Sutchen P. Serrat
Gaye B. Steele

BY:

Linda Korn Levy
Linda Korn Levy, Assistant Secretary
Office of Environmental Compliance

DONE AND SIGNED before me in BARON ROUGE, LA this 12th day of June, 2000,

JBB
NOTARY PUBLIC

APPROVED:

Linda Korn Levy
Linda Korn Levy, Assistant Secretary
Office of Environmental Compliance

**Attachment 1- Settlement Agreement
Georgia-Pacific Corporation, Port Hudson Operations
Compliance Schedule for Beneficial Environmental Project**

1. No. 1 Recovery Boiler Improvements

Purpose:

To install Non-Direct Contact Evaporation (NDCE, or Low-Odor Design) conversion equipment

Scope:

Georgia-Pacific anticipates the scope of the No. 1 Recovery Low Odor Conversion includes but is not limited to the following:

- Eliminate the existing direct contact cyclone evaporators
- Eliminate the existing direct contact, gas fired air heaters
- Install long flow economizer
- Install steam drum
- Install generating section
- Install additional superheater surface
- Install sweet water condenser
- Install feedwater air heaters
- Install new and relocate existing sootblowers
- Replace existing electrostatic precipitator
- Installation of TRS and Opacity monitoring
- Install dissolving tank scrubber recirculation system
- Install 75% black liquor concentrators and storage tanks

Schedule Milestones¹:

1.	Scope and Engineering	Underway
2.	Begin Site Preparation	6 weeks
3.	Order major equipment	20 weeks
4.	Complete major installation	45 weeks
5.	² Startup and shakedown period	46 weeks
6.	Compliance testing/Certification	See Para VIII.B of the Settlement Agreement

¹ The milestones in this schedule begin upon the effective date of an Authorization to Construct or a Title V permit granted by the Department.

² A permit issued by the Department shall be required prior to the initiation of milestones 5 & 6.

**Attachment 1- Settlement Agreement
Georgia-Pacific Corporation, Port Hudson Operations
Compliance Schedule for Beneficial Environmental Project**

2. No. 2 Recovery Boiler Improvements

Purpose:

To install Non-Direct Contact Evaporation (NDCE, or Low-Odor Design) conversion equipment.

Scope:

Georgia-Pacific anticipates the scope of the No. 1 Recovery Low Odor Conversion includes but is not limited to the following:

- Eliminate the existing direct contact cascade evaporators
- Eliminate the existing direct contact cyclone evaporators
- Eliminate the existing direct contact, gas fired air heaters
- Install long flow economizer
- Install additional superheater surface
- Install sweet water condenser
- Install feedwater air heaters
- Install new and relocate existing sootblowers
- Upgrade existing electrostatic precipitator
- Installation of TRS and Opacity monitoring
- Install dissolving tank scrubber recirculation system

Schedule Milestones³:

1.	Scope and Engineering	Underway
2.	Order major equipment	24 weeks
3.	Complete major installation	69 weeks
4.	⁴ Startup and shakedown period	70 weeks
5.	Compliance testing/Certification	See Para VIII.B of the Settlement Agreement

³ The milestones in this schedule begin upon the effective date of an Authorization to Construct or a Title V permit granted by the Department.

⁴ A permit issued by the Department shall be required prior to the initiation of milestones 5 & 6.

Attachment 2 - Settlement Agreement
Georgia-Pacific Corporation, Port Hudson Operations
Compliance Schedule

1. No. 1 Lime Kiln Improvements

Purpose:

The purpose of the No. 1 Lime Kiln improvements is to meet NSPS level emission standards for the emissions of TRS. The No. 1 Lime Kiln improvements will increase mud washing efficiency to remove additional sodium, which will subsequently reduce TRS. The lime kiln improvements will also include installation of monitoring systems to meet NSPS Subpart BB requirements. Although the kiln already meets NSPS standards for particulate matter and opacity, the project will include improvements to the dust collection system.

Scope:

Georgia-Pacific anticipates the scope of the No. 1 Lime Kiln Upgrade includes but is not limited to the following:

- Install new Lime Mud Precoat Filter
- Eliminate existing dust collector
- Install cyclone dust collector
- Install 30" infeed screw
- Install new dust seals at hot and cold end of kiln
- Install hot water shower distribution system
- Install new Distributed Control System (DCS) instrumentation and control
- Install TRS and O₂ monitors

Schedule Milestones¹:

1.	Scope and Engineering	Underway
2.	Order major equipment	24 weeks
3.	Complete major installation	89 weeks
5.	² Startup and shakedown period	90 weeks
6.	Compliance testing/Certification	³

¹ The milestones in this schedule begin upon the effective date of a Title V permit or Authorization to Construct granted by the Department under the applicable provisions of LAC 33:III Chapter 5.

² A permit issued by the Department shall be required prior to the initiation of milestones 5 & 6.

³ Testing and Certification will be done in accordance with General Conditions VII and VIII of the permit.

**Attachment 2 - Settlement Agreement
Georgia-Pacific Corporation, Port Hudson Operations
Compliance Schedule**

2. No. 2 Lime Kiln Improvements

Purpose:

To meet BACT requirements, Georgia-Pacific will install such equipment on the Lime Kiln No. 2 as is required by the PSD rule.

Scope:

- To be established in PSD permitting process

Schedule Milestones^{4*}:

1.	Scope and Engineering	24 weeks
2.	Order major equipment	60 weeks
4.	Complete major installation	89 weeks
5.	Startup and shakedown period	90 weeks
6.	Compliance testing/Certification	5

⁴ The milestones in this schedule begin upon the effective date of a PSD or Title V permit incorporating the required PSD conditions granted by the Department under the applicable provisions of LAC 33:IIChapter 5.

⁵ Testing and Certification will be done in accordance with General Conditions VII and VIII of the permit.

**Attachment 2 - Settlement Agreement
Georgia-Pacific Corporation, Port Hudson Operations
Compliance Schedule**

3. No. 3 Brown Stock Washing System HVLC Collection and Control System

Purpose:

The purpose of the No. 3 Brown Stock Washing System HVLC Collection and Control System is to meet NSPS level emission standards for the emissions of TRS.

Scope:

The scope of the No. 3 BSW System HVLC Collection and Control System includes but is not limited to the following:

- Install collection hoods on all vacuum drums of the three washer lines.
- Rework the filtrate tanks vents, air doctor systems, and other equipment to minimize the volume of collected vent gas.
- Install an HVLC collection system, including gas cooler and gas reheater. The gas cooler condensate will be recycled to BSW system.
- Route HVLC collection ducting to the existing No. 1 Combination Boiler (Source Number 5) as primary control device, and existing No. 5 Power Boiler (Source Number 27) as backup.

Schedule Milestones⁶:

1.	Scope and Engineering	underway
2.	Order major equipment	2 weeks
3.	Begin installation of piping and components	8 weeks
4.	⁷ Startup and shakedown period	44 weeks
5.	Compliance testing/Certification	8

⁶ The milestones in this schedule are contingent on timely review and approval of Respondents request for Authorization to Construct, submitted December 3, 1999. This schedule assumes a start date of March 15, 2000, with final compliance to be achieved by April 15, 2001, in accordance with the Cluster Rule deadline.

⁷ A permit issued by the Department shall be required prior to the initiation of milestones 5 & 6.

⁸ Testing and Certification will be done in accordance with General Conditions VII and VIII of the permit

Attachment 2 - Settlement Agreement
Georgia-Pacific Corporation, Port Hudson Operations
Compliance Schedule

4. Permitting Requirements

Purpose:

To obtain the necessary Authorization to Construct and Permits necessary to begin construction and operation of projections described.

Schedule:

Respondent agrees to submit an updated Title V permit application that addresses all applicable NSR requirements, including PSD, by May 1, 2000.