



Date: APR 11 2008

Tracking Number: 5354
Authorization Number: 3149

Catalyst Paper Corporation and
Catalyst Pulp Operations Limited dba
Catalyst Paper, General Partnership
2nd Floor, 3600 Lysander Lane
Richmond BC V7B 1C3

Dear Permittee:

Re: Your application for an amendment to a Permit under the Environmental Management Act

Enclosed is Permit 3149 amended under the provisions of the Environmental Management Act. Your attention is respectfully directed to the terms and conditions outlined in the permit. An annual fee will be determined according to the Permit Fees Regulation.

This permit does not authorize entry upon, crossing over, or use for any purpose of private or Crown lands or works, unless and except as authorized by the owner of such lands or works. The responsibility for obtaining such authority rests with the permittee. This permit is issued pursuant to the provisions of the Environmental Management Act to ensure compliance with Section 120(3) of that statute, which makes it an offence to discharge waste, from a prescribed industry or activity, without proper authorization. It is also the responsibility of the permittee to ensure that all activities conducted under this authorization are carried out with regard to the rights of third parties, and comply with other applicable legislation that may be in force.

This decision may be appealed to the Environmental Appeal Board in accordance with Part 8 of the Environmental Management Act. An appeal must be delivered within 30 days from the date that notice of this decision is given. For further information, please contact the Environmental Appeal Board at (250) 387-3464.

APR 11 2008

Administration of this permit will be carried out by staff from the regional office. Plans, data and reports pertinent to the permit are to be submitted to the Regional Manager, Environmental Protection, at the address shown on this letter.

Yours truly,



Steffanie Warriner
For Director, Environmental Management Act
Lower Mainland Region

Encl: Authorization Document

cc: Environment Canada
Dr. Sarah Barkowski, Catalyst Paper Corporation,
5775 Ash Avenue, Powell River, BC V8A 4R3



MINISTRY OF ENVIRONMENT

PERMIT 3149

Under the Provisions of the Environmental Management Act

Catalyst Paper Corporation and Catalyst Pulp Operations Limited doing business as Catalyst Paper, General Partnership 2nd Floor-3600 Lysander Lane Richmond, BC V7B 1C3

is authorized to discharge air contaminants to the air from a pulp and paper mill located at 5775 Ash Avenue, Powell River, British Columbia, subject to the terms and conditions listed below. Contravention of any of these conditions is a violation of the Environmental Management Act and may lead to prosecution.

This Permit supersedes and amends all previous versions of Permit 3149 issued under Part 2, Section 14 of the Environmental Management Act.

1 AUTHORIZED DISCHARGE

1.1 This section applies to the discharge of air contaminants from THE No. 19 WOOD RESIDUE BOILER STACK. The site reference number for this discharge is E225337.

1.1.1 The maximum authorized rate of discharge is 10,550 cubic metres per minute. The authorized discharge period is continuous.

1.1.2 The characteristics of the discharge shall be equivalent to or better than:

Table with 2 columns: Contaminant, Maximum Concentration. Rows include Particulate matter (excluding salt), Nitrogen oxides (NOx), and Opacity.

* Corrected to 8% Oxygen

Date issued: October 12, 1977
Date amended: April 11, 2008
(most recent)

Signature of Stefanie Warriner
Stefanie Warriner
for Director, Environmental Management Act
Lower Mainland Region
Permit Number: 3149

1.1.3 The materials authorized to be combusted in the boiler are limited to the following:

Wood residue,
Effluent treatment sludges,
Natural gas,

and, Subject to Section 2.10:

Oil-laden hog fuel,
Spent oil-laden absorbent pads, and
Activated charcoal

1.1.4 The authorized works are a bubbling fluidized bed wood residue boiler with an oversized furnace, a five-field electrostatic precipitator, exhaust gas recirculation, stack, and related appurtenances approximately located as shown on Site Plan A, dated April 2, 2008.

1.1.5 The location of the facilities from which the discharge originates and the point of discharge is L3088 (PID 015-890-333), L7212 (PID 004-781-821), L7213 (PID 004-781-856), L6071, Water L 6174, L6237A, L5922, L5923, L5924, L4071, L4072, L3437 (PID 015-875-121), L3090 (PID 015-890-325), L3091 (PID 015-890-317), Lot A2, Ref. Plan 490, DL 3091 (PID 015-890-309), Part of Block 43 (PID 002-554-682), Block 44 (PID 010-264-469), and Block 46 (PID 002-560-194) of DL 450, Plan 8096, New Westminster District.

1.2 This section applies to the discharge of air contaminants from THE No. 18 STANDBY POWER BOILER STACK. The site reference number for this discharge is E101669.

1.2.1 The maximum authorized rate of discharge is 4,235 cubic metres per minute. The authorized discharge period is continuous.

1.2.2 The characteristics of the discharge shall be those of the combustion products of natural gas.


1.2.3 The authorized works are a stack, and related appurtenances approximately located as shown on Site Plan A, dated April 2, 2008.

1.2.4 The location of the facilities from which the discharge originates and the point of discharge is the same as Section 1.1 above.

Date issued: October 12, 1977

Date amended: April 11, 2008

(most recent)


Steffanie Warriner
for Director, *Environmental Management Act*
Lower Mainland Region
Permit Number: 3149

1.3 This section applies to the discharge of air contaminants from a SULPHUR BURNER STACK. The site reference number for this discharge is E208433.

1.3.1 The maximum authorized rate of discharge is 50 cubic metres per minute. The authorized discharge period is continuous.

1.3.2 The characteristics of the discharge shall be equivalent to or better than:

Contaminant	Maximum Concentration
Sulphur Dioxide (SO ₂)	27 mg/m ³

1.3.3 The authorized works are a caustic absorber system, fan, stack, and related appurtenances approximately located as shown on Site Plan A, dated April 2, 2008.

1.3.4 The location of the facilities from which the discharge originates and the point of discharge is the same as Section 1.1 above.

1.4 This section applies to the discharge of air contaminants from MISCELLANEOUS WOOD RESIDUE CYCLONES. The site reference number for this discharge is E208510.

1.4.1 The maximum authorized rate of discharge is 750 cubic metres per minute. The authorized discharge period is continuous.

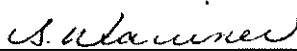
1.4.2 The characteristics of the discharge shall be equivalent to or better than:

Contaminant	Maximum Concentration
Particulate matter	120 mg/m ³

1.4.3 The authorized works are three wood residue cyclones, and related appurtenances approximately located as shown on Site Plan A, dated April 2, 2008.

1.4.4 The location of the facilities from which the discharge originates and the point of discharge is the same as Section 1.1 above.

Date issued: October 12, 1977
Date amended: April 11, 2008
(most recent)



Stefanie Warriner
for Director, *Environmental Management Act*
Lower Mainland Region
Permit Number: 3149

1.5 This section applies to the discharge of air contaminants from the EXHAUST STACKS OF MECHANICAL PULP MILLS, FIVE THERMO-MECHANICAL PULPING LINES, THREE LINES OF MECHANICAL PULP BRIGHTENING USING HYDROGEN PEROXIDE, PAPER MACHINES NUMBERED 9, 10, AND 11 AND MISCELLANEOUS VENTS AND EXHAUSTS. The site reference number for this discharge is E208511.

1.5.1 The maximum authorized rate of discharge is 115,000 cubic metres per minute. The authorized discharge period is continuous.

1.5.2 The characteristics of the discharge shall be steam vapour and fugitive particulate originating from:

- a. thermo-mechanical pulp manufacturing,
- b. paper drying,
- c. miscellaneous tank vents, including repulpers, and steam vents and
- d. ventilation of buildings.

1.5.3 The authorized works are vents, stacks, and related appurtenances approximately located as shown on Site Plan A, dated April 2, 2008.

1.5.4 The location of the facilities from which the discharge originates and the point of discharge is the same as Section 1.1 above.

1.6 All air and gaseous volumes specified in Subsections 1.1 to 1.5 above are at standard conditions. These conditions are:

Standard temperature = 293.15 K;
Standard pressure = 101.325 kPa;
Water Vapour Zero unless otherwise stated

2 GENERAL REQUIREMENTS

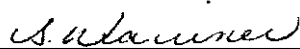
2.1 Process Modifications

The Regional Manager, Environmental Protection, shall be notified prior to implementing changes to any process that may adversely affect the quality and/or quantity of the discharge.

2.2 Bypasses

The discharge of contaminants which have bypassed the authorized treatment works is prohibited unless the prior approval of the Director is obtained and confirmed in writing.

Date issued: October 12, 1977
Date amended: April 11, 2008
(most recent)



Steffanie Warriner
for Director, *Environmental Management Act*
Lower Mainland Region
Permit Number: 3149

2.3 Maintenance of Works and Emergency Procedures

The Permittee shall inspect the authorized works regularly and maintain them in good working order. In the event of an emergency or condition beyond the control of the Permittee which prevents effective operation of the authorized works or leads to unauthorized discharge, the Permittee shall comply with all applicable statutory requirements, immediately notify the Regional Manager, Environmental Protection, and take appropriate remedial action for the prevention or mitigation of pollution. The Director may reduce or suspend operations to protect the environment until the authorized works have been restored and/or corrective steps have been taken to prevent unauthorized discharges.

2.4 Fugitive Particulate Emission

The Permittee shall control fugitive particulate emissions generated from the property. Should the Director have reasonable grounds to believe that fugitive particulate emissions cause pollution outside the property boundary, the Permittee shall undertake additional measures and/or curtail operations to control the emissions.

2.5 Additional Treatment

If the Permittee is not meeting the emission characteristics specified in this Permit or if the Permittee is causing an adverse impact on the ambient air quality, the Director may amend the Permit to require the installation of additional treatment works or the implementation of other measures necessary to meet Permit conditions or to lessen the impact on the ambient air quality.

2.6 Emission Quality Limits

Based on the results of the monitoring program and/or other information, the Director may, for the protection of the environment, amend the Permit to specify additional emission quality limits and the sampling methods or frequencies the limits are based on.

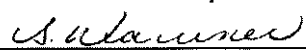
2.7 Combustion Residues and Waste from the Air Pollution Control Facilities

All combustion residues, including bottom ash from the power boiler, and waste from the air control pollution control facilities, such as fly ash from the electrostatic precipitator of the power boiler, shall be disposed of to a site and in a manner approved by the Director.

2.8 Source Sampling Facilities

Sampling ports shall be provided with nearby electrical and pneumatic outlets and, where required, approved access ladders and adequately sized platforms, for the discharges covered by Section 1 to enable Environmental Protection personnel to monitor these emissions.

Date issued: October 12, 1977
Date amended: April 11, 2008
(most recent)



Steffanie Warriner
for Director, *Environmental Management Act*
Lower Mainland Region
Permit Number: 3149

2.9 Natural Gas Emergency Systems Testing

The Permittee may discharge natural gas once per year in conjunction with testing the mill's natural gas emergency shutdown system. Each annual discharge shall be limited to fifteen minutes and the volume of natural gas discharged shall not exceed 1 100 cubic metres. The Permittee shall notify the Regional Manager, Environmental Protection, at least 7 days prior to conducting the test.

2.10 Wood Residue Boiler

The Permittee shall maximize the usage of acceptable quality low salt content wood residue in the wood residue boiler from land clearing operations and the like.

A combined maximum of 100 cubic metres per year of oil-laden hog fuel, spent oil-laden absorbent pads and activated charcoal, if generated within the mill site, may be incinerated in the wood residue boiler. The date, time, duration of combustion and maximum NOx and Opacity readings shall be recorded each time any of these materials are incinerated and the report submitted to the Regional Manager, Environmental Protection. If the Permittee wishes to burn different materials, or materials in excess of 100 cubic metres per year, the approval of the Director must be requested and obtained in writing.

2.11 Ambient Particulate and TRS Response Plan

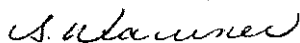
The permittee shall maintain ambient Total Reduced Sulphur (TRS) and PM10 particulate response plans detailing measures to be taken, including how emissions will be reduced, to prevent unacceptable impacts on local air quality. Any changes to the plans shall be submitted to the Regional Manager, Environmental Protection, for review. The Permittee shall maintain a log of each TRS and/or particulate alarm from the ambient monitoring stations and a description of the responses to each alarm. The log shall include a description of any complaints received by the company during the month.

3 MONITORING AND REPORTING REQUIREMENTS

3.1 Sampling Locations and Techniques

All sampling locations, techniques and equipment require the consent of the Director prior to use. Sampling and monitoring data, which also should include rate of discharge measurements, shall be accompanied by process data relevant to the operation of the source of the emissions and to the performance of the pollution abatement equipment involved in the testing.

Date issued: October 12, 1977
Date amended: April 11, 2008
(most recent)



Steffanie Warriner
for Director, *Environmental Management Act*
Lower Mainland Region
Permit Number: 3149

3.2 Discharge Monitoring

Emission Source	Parameter	Frequency
No. 19 wood residue boiler stack (E225337)	Discharge rate	Semi-Annually
	Particulate matter*	Semi-Annually
	Nitrogen oxides (as NO2)	Continuous
	Opacity**	Continuous
	Dioxins & Furans	Annually
Sulphur burner (E208433)	Discharge rate	Annually
	Sulphur dioxide (SO2)	Annually
No. 18 standby boiler stack (E101699)	Discharge rate	***
	Sulphur dioxide (SO2)	***
	Nitrogen oxides (as NO2)	***

* The particulate matter collected during emission testing shall be analyzed for salt (NaCl) content.

** The continuous opacity monitor shall also be used to continuously monitor the particulate emissions via the establishment and maintenance of an opacity vs. particulate correlation.

*** As required by the Director.

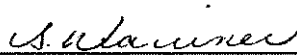
3.3 Operating Conditions - Power Boilers

The Permittee shall endeavour to conduct sampling under "actual operating conditions" that are as close as reasonably practical to the 90th percentile operating rate based on the previous ninety days of operation. The minimum "actual operating conditions" for sampling purposes is the 50th percentile operating rate based on the previous 90 days of operation. The Permittee shall document the actual operating conditions and report them to the Regional Manager, Environmental Protection, along with the 90th percentile and 50th percentile operating conditions. The operating conditions to be reported shall include the following:

Wood Residue Boiler:

Steam generated from wood residue (kg/sec),
Total steam generated (kg/sec),
Firing rate of effluent treatment sludge (t/d) for the day of sampling.

Date issued: October 12, 1977
Date amended: April 11, 2008
(most recent)



Stefanie Warriner
for Director, *Environmental Management Act*
Lower Mainland Region
Permit Number: 3149

3.4 Receiving Environment Monitoring

3.4.1 Ambient Air Monitoring

The Permittee shall monitor the following ambient parameters:

- a. continuous ambient TRS and NO_x concentrations in terms of hourly and daily averages;
- b. continuous ambient PM₁₀ and PM_{2.5} concentrations in terms of hourly and daily averages using continuous TEOM analyzers.

These parameters shall be monitored at the following stations approved by the Director.

Cranberry	NO _x , PM ₁₀ *, PM _{2.5} *
Wildwood	PM ₁₀ , PM _{2.5}
James Thompson Elementary School	PM ₁₀ **, PM _{2.5} **
Townsite (Lawn Bowling Club)	TRS *
Heliport Pad	TRS **

* Until the equipment is moved to the new location, i.e from Cranberry Lake to the James Thompson Elementary School and from the Lawn Bowling Club to the Helipad site.

** To be installed not later than July 1, 2008

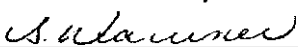
The above monitoring data shall be recorded on a data logger in a format compatible with the Ministry's computer system, and provisions shall be made for access by the Ministry on a real-time, dial-up basis. The data shall also be recorded on strip-charts, during auditing and calibration, to allow data validation and troubleshooting to take place.

Based on the results obtained and other information available to the Ministry, the Director may modify this monitoring program and/or specify additional parameters and/or locations to be monitored.

3.4.2 Discharges - Cyclones

Visual monitoring of the discharges authorized by Section 1.4 will be carried out by Environmental Management personnel as part of an ambient monitoring program for the entire mill operation. Based on these monitoring results, the permit may be amended to require source monitoring.

Date issued: October 12, 1977
Date amended: April 11, 2008
(most recent)



Steffanie Warriner
for Director, *Environmental Management Act*
Lower Mainland Region
Permit Number: 3149

3.4.3 Meteorological Monitoring

The Permittee shall maintain and operate a meteorological station at the mill site to collect data relating to wind speed, wind direction, temperature and relative humidity.

3.5 Monitoring Procedures

3.5.1 Analytical Procedures

Analyses are to be carried out in accordance with procedures described in the most recent edition of the "British Columbia Laboratory Methods Manual for the Analysis of Water, Wastewater, Sediment, Biological Materials and Discrete Ambient Air Samples", or by suitable alternative procedures as authorized by the Director.

A copy of the above manual may be purchased from the Queen's Printer Publication Centre, P. O. Box 9452, Stn. Prov. Govt. Victoria, British Columbia, V8W 9V7 (1-800-663-6105 or (250) 387-6409). The manual is also available for review at all Environmental Protection offices.

3.5.2 Source Testing Procedures

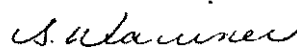
Sampling is to be carried out in accordance with the procedures described in the most recent edition of the "British Columbia Field Sampling Manual for Continuous Monitoring and the Collection of Air, Air-Emission, Water, Wastewater, Soil, Sediment, and Biological Samples" or by suitable alternative procedures as authorized by the Director.

A copy of the above manual may be purchased from the Queen's Printer Publications Centre, P. O. Box 9452, Stn. Prov. Gov't. Victoria, British Columbia, V8W 9V7 (1-800-663-6105 or (250) 387-6409). A copy of the manual is also available for inspection at all Environmental Protection offices.

3.5.3 Quality Assurance

All analyses of samples shall be conducted by a laboratory acceptable to the Director. At the request of the Director, the permittee shall provide the laboratory quality assurance data, associated field blanks and duplicate analysis results along with the submission of data required under Section 3 of this permit.

Date issued: October 12, 1977
Date amended: April 11, 2008
(most recent)



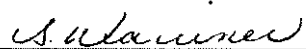
Steffanie Warriner
for Director, *Environmental Management Act*
Lower Mainland Region
Permit Number: 3149

3.6 Reporting

Maintain data of analyses, flow measurements and information relating to materials incinerated in #19 wood residue boiler for inspection, and submit the data, suitably tabulated, to the Regional Manager, Environmental Protection, for the previous quarter. The quarterly data submission shall also include quarterly calibration reports from the #19 wood residue boiler NOx Continuous Emissions Monitor. All reports shall be submitted within 31 days of the end of the relevant reporting period.

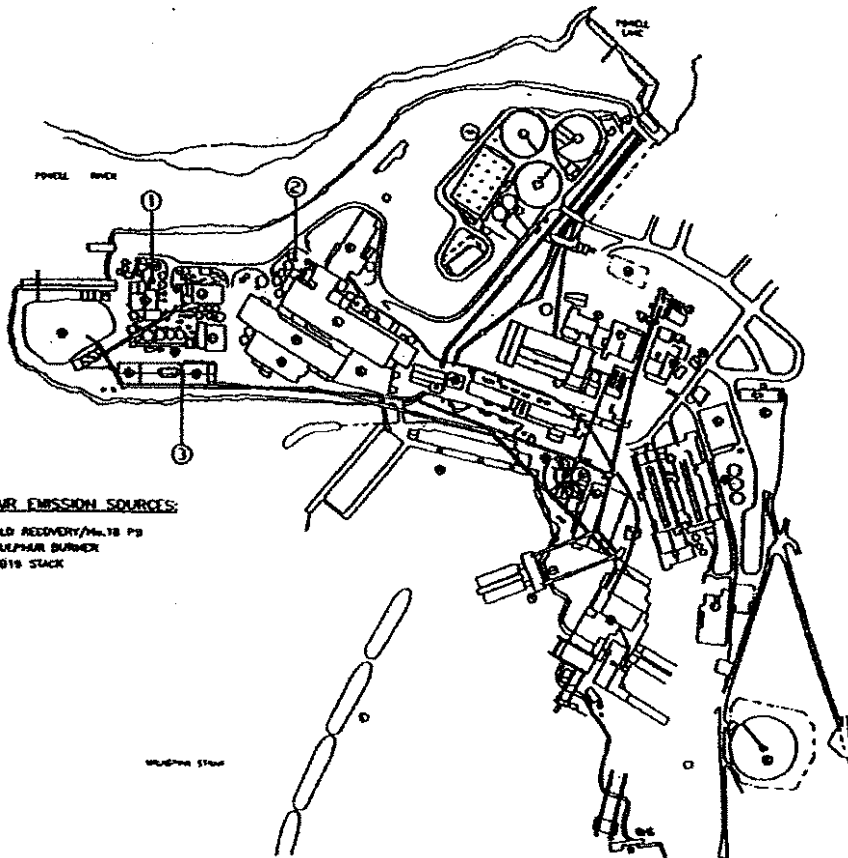
Date issued: October 12, 1977

Date amended: April 11, 2008
(most recent)



Steffanie Warriner
for Director, *Environmental Management Act*
Lower Mainland Region
Permit Number: 3149

SITE PLAN A



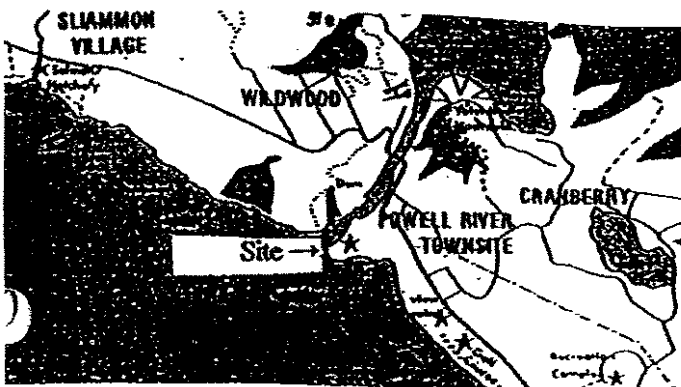
AIR EMISSION SOURCES:

- ① OLD RECOVERY/No. 18 PB
- ② SULFUR BURNER
- ③ P019 STACK

LEGEND:

- ① SECURITY/FIRST AID OFFICE
- ② No. 1 STEAM PLANT (REMOVED)
- ③ No. 5-8 PAPER MACHINES
- ④ WOODROOM
- ⑤ FLOATING BACKWATER
- ⑥ OP3
- ⑦ MAINTENANCE COMPLEX
- ⑧ WASTE AREA
- ⑨ PULP MACHINE (REMOVED)
- ⑩ CRAFT MILL
- ⑪ CMA-CFB MILL
- ⑫ No. 9-10 PAPER MACHINES
- ⑬ No. 11 PAPER MACHINE
- ⑭ No. 4 WAREHOUSE
- ⑮ LABORATORY
- ⑯ PMP/COMP. CTLY. BLDGS.
- ⑰ GS-GENERATOR
- ⑱ EFFLUENT CLARIFIER
- ⑲ MILL STORES
- ⑳ No. 1 OIL BUNK FARM
- ㉑ No. 2 OIL BUNK FARM
- ㉒ PMP MILL
- ㉓ PMP SUBSTATION
- ㉔ No. 2 STEAM PLANT
- ㉕ CMP OFFLOADING STATION
- ㉖ ADMINISTRATION BUILDING
- ㉗ SECONDARY TREATMENT
- ㉘ CMP PILE (REMOVED)
- ㉙ HOT LAMP MACHINE
- ㉚ LIME OIL
- ㉛ POWER BOILER 10
- ㉜ WETSHALL WASTE S-DPS
- ㉝ HOC STORAGE/RECLAIM
- ㉞ FISH HATCHERY
- ㉟ PEB STORAGE SITE
- ⓫ PREDICATOR
- ⓬ PMP OFFICES

Location Map



Scale: 1: 3,050

Permit 3149

Date: April 2, 2008