



STATE OF MAINE
 DEPARTMENT OF ENVIRONMENTAL PROTECTION
 17 STATE HOUSE STATION AUGUSTA, MAINE 04333-0017

DEPARTMENT ORDER

IN THE MATTER OF:

ND OTM LLC)	LICENSE TRANSFER
Acquisition of)	
OLD TOWN FUEL AND FIBER MILL)	Air Emission
Old Town, Penobscot County)	Site Location of Development
A-180-70-L-T)	Solid Waste
L-000766-26-G-T)	Wastewater Discharge
L-001997-26-G-T)	
L-003989-26-F-T)	
L-004019-26-G-T)	
L-13297-25-U-T)	
S-021513-SX-J-T)	
S-021513-SX-K-T)	
S-022214-WX-O-T)	
W-002226-5N-R-T)	

Pursuant to Maine’s *Water Pollution Control* laws, 38 M.R.S.A. §§ 411–424-B; *Site Location of Development* laws, 38 M.R.S.A. §§ 481–489-E; *Protection and Improvement of Air* laws, 38 M.R.S.A. §§ 581–610-D; and the *Maine Hazardous Waste, Septage and Solid Waste Management Act*, 38 M.R.S.A. §§ 1301–1319-Y, rules promulgated pursuant to these laws and the Department’s *Rules Concerning the Processing of Applications and Other Administrative Matters*, 06-096 CMR 2 (effective October 19, 2015), the Maine Department of Environmental Protection (Maine DEP) has considered the application of ND OTM LLC with its supportive data, agency review comments, and other related materials on file and FINDS THE FOLLOWING FACTS:

1. APPLICATION SUMMARY

On October 19, 2019, ND OTM LLC, (ND OTM) submitted an application to the Maine DEP for the transfer of all active Maine DEP *licenses*, as defined in 06-096 CMR 2(1)(L), any modifications, condition compliance orders, all other approvals, and all applications pending, held, or submitted by MFGR LLC (MFGR) relating to the Old Town Fuel and Fiber Mill in Old Town, Maine (the Mill).

Maine DEP accepted ND OTM’s license transfer application as complete for processing on October 19, 2019. A schedule of permits and applications that are the subject of the application, and this Department Order, is set forth in Appendix A. The intent of this Order is to transfer any and all Maine DEP licenses, permits, certificates, registrations, applications,

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and decisions concerning the Mill. Any license, permit, certification, registration, application, or decision not specifically listed in this Order is incorporated herein.

In February, 2018, OTM Holdings, LLC, submitted an application for the transfer of Maine DEP licenses for the Mill. That transfer application was withdrawn concurrent with the submission of the present ND OTM application.

2. TRANSFER REQUIREMENTS

The following information regarding ND OTM was submitted in support of the transfer application:

- A. **Full Name and Address.** The full name and address of the applicant is: ND OTM LLC, 35 Hartford Street, Rumford, Maine 04276.
- B. **Title, Right, or Interest.** ND OTM submitted a copy of an Asset Purchase Agreement, between ND Paper Inc and OTM Holdings, LLC, and Powerhouse Holdings, LLC, dated October 4, 2018, and an Assignment and Assumption Agreement between ND Paper Inc. and ND OTM LLC, dated October 18, 2018. Based on the foregoing, ND OTM has provided sufficient evidence of title, right, or interest in the Mill to allow the transfer to ND OTM of the licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto, condition compliance orders, and pending applications concerning the Mill, subject to the conditions set forth below.
- C. **Financial Capacity and Intent.** ND OTM submitted an estimate of the anticipated environmental compliance costs for the Mill. ND OTM also submitted annual reports from Nine Dragons Paper (Holdings) Limited, and a statement from Nine Dragons Paper (Holdings) Limited stating that they commit to fund on behalf of ND OTM any and all environmental operating costs relating to the Old Town Mill. Based on the foregoing, ND OTM has demonstrated sufficient financial capacity and intent to assure compliance with all Maine DEP licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto; condition compliance orders, pending applications, as well as any statutory and regulatory criteria applicable to the Mill, subject to the conditions set forth below.
- D. **Technical Capacity and Intent.** ND OTM has identified key employees who will be responsible for environmental compliance at the Mill. Resumes for these management employees were included in the application. Based on the foregoing, ND OTM has demonstrated that it has the technical capacity and intent to comply with all Maine DEP licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto, condition compliance orders, pending applications, and any statutory and regulatory criteria applicable to the Mill, subject to the conditions set forth below.
- E. **Solid Waste Facility Disclosure.** The disclosure statement provided by ND OTM in accordance with the Department's Solid Waste Management Rules, *General Provisions*, 06-096 CMR 400(12) indicates that the corporation and parent corporation and the directors and operator, have no record of any criminal violations, or civil violations, consent decrees, administrative orders or agreements, or other ongoing court proceeding

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or administrative enforcement action concerning environmental laws or regulations in the last five years.

3. COMMENCEMENT OF OPERATIONS

When ND OTM purchased the Mill the facility was in cold shutdown. The applicant has met with Maine DEP staff and is actively engaged in a planning process for resumption of operations at the Mill. Resumption of operations will occur in a multi-phase start-up and shakedown sequence. In recognition of the applicant's demonstrated commitment to pursuing the restart of the mill, condition 4 of the Department Order dated April 27, 2016, transferring permits to MFGR, LLC. is withdrawn and is not applicable to ND OTM.

The permit for beneficial use of solid waste, fuel substitution, S-22214-WV-A-N, predates recent changes in the Department's Beneficial Use of Solid Wastes rule, 06-096 C.M.R. ch. 418 (July 8, 2018). Section 2(G) of the revised rule requires that existing licensed beneficial uses must request modification of their permits to incorporate new or amended provisions of the rule within 60 days of the effective date of the rule. The applicant has indicated that they have no immediate plans to use alternate fuels. Accordingly, the beneficial use permit is transferred subject to the condition that the applicant submit an application for permit modification to comply with the revised chapter 418, and receive approval, before utilizing any alternate fuels pursuant to the permit.

BASED ON THE ABOVE FINDINGS OF FACT, the Maine DEP CONCLUDES that ND OTM LLC has demonstrated title, right, or interest to the Facility as well as the technical and financial capacity and intent to comply with the conditions of all Maine DEP licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto, condition compliance orders and pending applications associated with the Facility described in this Order's findings, including without limitation those licenses and applications listed in Appendix A, and to satisfy all applicable statutory and regulatory criteria, subject to the conditions set forth below.

THEREFORE the Maine DEP APPROVES the application of ND OTM LLC, SUBJECT TO THE FOLLOWING CONDITIONS and all applicable standards:

1. EFFECT ON EXISTING ORDERS. All other Findings of Fact, Conclusions, and Conditions associated with all approvals that are the subject of this Order remain as approved and are incorporated herein.
2. SEVERABILITY. The invalidity or unenforceability of any provision, or part thereof, of this License shall not affect the remainder of the provision or any other provisions. This License shall be construed and enforced in all respects as if such invalid or unenforceable provision or part thereof had been omitted.

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3. Prior to the use of any alternate fuels pursuant to beneficial use permit # S-22214-WV-A-N, the applicant must submit an application for permit modification and obtain approval from the Department for any modifications necessary to comply with the current requirements of the Department's Beneficial Use of Solid Wastes rule, 06-096 C.M.R. ch. 418 (July 8, 2018).

DONE AND DATED AT AUGUSTA, MAINE THIS 19th DAY OF DECEMBER, 2018.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

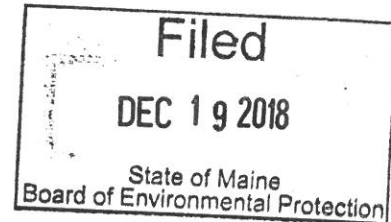
By: Melanie Loyzim
Melanie Loyzim, Acting Commissioner

PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES

Date of initial receipt of application: October 19, 2018

Date application accepted for processing: October 19, 2018

Date filed with the Board of Environmental Protection:



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APPENDIX A: CURRENT LICENSES AND APPLICATIONS

AIR EMISSION ORDERS

NUMBER	DESCRIPTION	EFFECTIVE
A-180-75-G-N	Tax Exemption Cert.: Smelt Tank Scrubber	1/14/91
A-180-75-H-N	Tax Exemption Cert.: Electrostatic Precipitator	1/14/91
A-180-75-I-N	Tax Exemption Cert.: Non-Condensable Gas System	3/25/91
A-180-75-J-N	Tax Exemption Cert.: Hardwood digester cold blow cooler	3/25/91
A-180-75-N-N	Tax Exemption Cert.: Cl/CIO2 scrubber	3/24/93
A-180-75-S-N	Tax Exemption Cert.: Boiler Air Pollution Control equipment	3/31/97
A-180-75-W-X	Tax Exemption Cert.: Upgrades to Non-Condensable Gas System	2/8/99
A-180-70- A-I	Part 70 Initial Air Emission License	12/2/09
A-180-70-B-A	Part 70 Amendment: Lime Kiln stack test time extension	9/22/10
A-180-77-2-A	NSR: burn natural gas in Recovery Furnace	1/29/10
A-180-70-C-A	Part 70 Amendment: Incorporate burn natural gas in Recovery Furnace	11/29/11
A-180-70-D-A	Part 70 Amendment: Incorporate Biomass Boiler CO	10/12/12
A-180-70-G-A	Part 70 Amendment: Adjust stack testing submittal	12/29/2014
A-180-70-H-A	Part 70 Amendment: Clarify stack testing deadlines	6/15/15
A-180-77-4-A	NSR: Biomass Boiler CO	10/12/12
A-180-77-5-A	NSR: Biorefinery	3/19/13
A-180-77-6-A	NSR: water intake diesel, remove Riley Boiler	7/26/13
A-180-77-8-A	NSR: Allow #2 fuel oil as a continuous use fuel in Boiler 5 rather than just for startup	6/17/15
A-180-70-E-R/A	Part 70 Air Emission License renewal application pending (EFIS appl ID: 563397)	Filed 5/28/14
	Part 70 Amendment application pending: Incorporate water intake diesel, remove Riley Boiler (EFIS appl. ID: 563717)	Filed 6/25/14
	NSR pending: Add natural gas to Boiler 5 and extension of compliance deadline for Biomass Boiler CO limit (EFIS appl. ID: 567400)	Filed 9/24/15
	Part 70 Amendment application pending: Incorporation of NSR amendment to add natural gas to Boiler 5 and extend compliance deadline for Biomass Boiler CO limit. (EFIS appl. ID: 567401)	Filed 9/24/15

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LAND DEVELOPMENT ORDERS

NUMBER	DESCRIPTION	EFFECTIVE
26-766-19480	Approves construction of the facility's wastewater treatment plant	5/4/73
26-1997-19480	Approves addition of a softwood digester	3/26/75
26-1997-19480	Approves addition of chlorine dioxide and black liquor storage tanks	7/23/75
26-1997-19480	Approves expansion of the chip storage area	6/23/76
64-3989-19480	Approves addition of a maintenance garage and parking area	10/26/77
64-3989-19480	Maintenance garage condition removal	12/28/77
26-4019-19480	Approves addition of tissue machine #2	11/9/77
L-13297-25-A-N	Approves addition of a tissue warehouse	5/5/86
L-13297-25-B-M	Approves addition of a new air emission stack and precipitator	8/4/87
L-13297-25-C-A	Approves addition of two 10,000 gallon black liquor tanks	7/24/91
L-13297-25-D-A	Approves addition of a hazardous waste storage building	10/25/89
L-13297-25-E-A	Approves addition of the broke pulper building	11/21/91
L-13297-25-F-A	Approves alterations to bring Greatworks Site into compliance	9/13/93
L-13297-25-G-C	Approves addition of weak black liquor containment	7/18/94
L-13297-20-H-M	Approves a number of site alterations occurring between 1992 & 1999	2/8/99
L-13297-20-J-B	Approves updates to the woodyard	5/5/03
L-13297-20-L-B	Approves biomass boiler siting and installation	3/29/05
L-13297-20-P-M	MR/water intake structure	2/26/14
L-13297-L6-Q-N	Install cobble fill in breach in tailrace dike	2/26/14

SOLID WASTE MANAGEMENT ORDERS

NUMBER	DESCRIPTION	EFFECTIVE
S-21513-SG-A-N	Program approval for lime mud utilization (as amended)	2/7/96
S-21513-SG-B-M	Lime mud utilization, minor modification	9/26/02
S-21513-SE-D-N	Woodash utilization program	1/18/12
S-22214-WV-A-N	Beneficial use of solid waste – fuel substitution	8/8/2005
S-22214-WV-B-C	Compliance with condition #2	12/1/06
S-22214-WV-D-M	Minor modification-Chapter 418	6/27/07

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NUMBER	DESCRIPTION	EFFECTIVE
S-22214-WV-E-M	Minor modification-revised operations manual	1/31/09
S-22214-WV-F-M	Modification: burn pallets, crates	1/31/09

WASTEWATER DISCHARGE ORDERS

NUMBER	DESCRIPTION	EFFECTIVE
ME0002020/ W-2226-5N-H-R	Kraft pulp & paper mill wastewater discharges	5/19/11
ME0002020/ W-2226-5N-J-M	Merc Modification	2/6/12
ME0002020/ W-2226-5N-L-M	Modification-water quality based mass limit for total phosphorus	5/19/15
ME0002020/ W-2226-5N-M-M	Modification-batch discharge and modified sampling	2/2/16
ME0002020/ W-2226-5N-P-M	Minor Revision, monitoring frequency reductions	4/19/16
ME0002020/ W-2226-5N-O-R	Misc. transported waste, Renewal	10/12/16
ME0002020/ W-2226-5N-S-M	Industrial Modification, pending application	10/31/18 (Submitted)
W-7680-63-A-A	Tax exemption certification	3/22/91
W-7681-63-A-A	Tax exemption certification	3/22/91
W-7682-63-A-A	Tax exemption certification	3/22/91
W-7719-64-A-N	Tax exemption certification	3/22/91
W-7720-64-A-N	Tax exemption certification	3/22/91
W-7721-64-A-N	Tax exemption certification	3/22/91
W-7783-64-A-N	Tax exemption certification	4/1/93
W-7784-64-A-N	Tax exemption certification	3/31/93
W-7785-64-A-N	Tax exemption certification	3/31/93