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

DEPARTMENT ORDER

IN THE MATTER OF:

GREAT NORTHERN PAPER COMPANY, LLC;	)	**LICENSE**
GNP WEST, INC., GNP EAST, INC.,	)	**MINOR REVISIONS**
GNP HOLDINGS I, LLC, and	)	**Site Location;**
GNP MAINE HOLDINGS, LLC	)	**Solid Waste;**
PULP AND PAPER FACILITY	)	**Air; Wastewater**
IN EAST MILLINOCKET, MAINE	)	
A-405-70-J-M	)	
L-16637-20-T-M	)	
L-11700-L6-F-M	)	
L-19349-L6-D-M	)	
W-2228-5N-D-M	)	
S-21545-SB-H-M	)	
S-21092-SE-H-M	)	
S-21206-WH-D-M	)	

Pursuant to Maine's *Property Tax* laws, 36 M.R.S.A. § 656; *Sales and Use Tax* laws, 36 M.R.S.A. § 1760, *Water Pollution Control* laws, 38 M.R.S.A. § 413; *Site Location of Development* law, 38 M.R.S.A. § 481–490; *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,* §§ 1301–1319-Y; Maine Department of Environmental Protection (Maine DEP) regulations promulgated pursuant to these laws; and the Department's *Rules Concerning the Processing of Applications and Other Administrative Matters,* 06-096 CMR 2 (April 1, 2003), Maine DEP has considered the application of **Great Northern Paper Company, LLC ("GNP"), GNP West, Inc., GNP East, Inc., GNP Holding I, LLC, and GNP Maine Holdings, LLC** (collectively the "Applicants" or "GNP Companies") with its supportive data, agency review comments, and other related materials on file and FINDS THE FOLLOWING FACTS:

1. APPLICATION SUMMARY.

A. Application. The Applicants submitted an application on November 26, 2012[1] to Maine DEP to modify Department licenses to add GNP Maine Holdings, LLC as a co-licensee to the licenses associated with GNP and GNP East, Inc.'s pulp and paper facility in East Millinocket. In addition, the Applicants seek to add GNP Maine Holdings, LLC as a co-licensee to solid waste licenses concerning the utilization of wastes from the East Millinocket facility. A schedule of licenses and applications pertaining to this application is set forth in Appendix A.

[1] The application was amended on December 7, 2012 to reflect that GNP West, Inc. and GNP Holding I, LLC are applicants with respect to the minor revision application.

B. History.

(1) Transaction. GNP and GNP East, Inc. are co-licensees for Department licenses associated with the East Millinocket pulp and paper facility. GNP East, Inc. holds title to the East Millinocket mill site. As part of a New Market Tax Credit ("NMTC") financial transaction for the East Millinocket mill, the Applicants anticipate that GNP East, Inc. will sell most of the machinery and equipment that it owns at the mill to GNP Maine Holdings, LLC and GNP East, Inc. will lease the mill site to GNP Maine Holdings, LLC. GNP and GNP East, Inc. will remain co-licensees and GNP East, Inc. will continue to hold title to the site. The Applicants represent that the employees that are currently operating the East Millinocket mill will continue to operate the facility and there are expected to be no change in operations after the NMTC transaction occurs. Furthermore, the Applicants represent that there will be no change in wastewater volume, characteristics, or treatment, nor any increase in air emissions, either in quantity or type.

(2) Company Structure. GNP owns 100% of GNP East, Inc. GNP Maine Holdings, LLC is 99% owned by GNP and 1% owned by CSC Group Holdings. GNP and CSC Group Holdings are affiliates of Cate Street Capital, Inc. GNP East, Inc. and GNP Maine Holdings, LLC are sister companies, and both are managed and controlled by GNP.

(3) Operations.

The East Millinocket Mill is an integrated pulp and paper mill located adjacent to the West Branch of the Penobscot River. The pulp mill has produced approximately 600 tons per day of mechanical pulp using groundwood pulping techniques. This pulp is supplemented by purchased kraft and CTMP pulp. Most recent operations found the mill producing approximately 230,000 tons of paper on an annual basis.

Licensed air emission units at the East Millinocket mill include primarily a groundwood pulp mill, recycle facility, paper mill, and mill ancillary support equipment including 2 oil-fired boilers, one (1) multi-fuel boiler burning wood, bark, paper cores and other fuels from waste biomass and primary clarifier sludge from the Millinocket and East Millinocket mills, recycled plant sludge, railroad ties and telephone poles, and other ancillary support equipment. These boilers are used to generate steam and electricity for the mills.

Licensed wastewater discharges originating at the East Millinocket mill results primarily from pulp and papermaking processes. The mill utilizes an on-site activated sludge wastewater treatment plant located on the mill site, with primary clarifiers, aeration basins, and secondary clarifiers, to minimize direct pollutant discharges to the river.

Solid wastes generated by the mills are burned as described above, land applied for agricultural or silvicultural purposes, sold for commercial purposes or disposed in a licensed landfill.

2. LICENSING CRITERIA.

The following information was considered regarding the Applicants' minor revision application:

A. **Full Name and Address.** The full name and address of proposed co-licensee GNP Maine Holdings, LLC is:

GNP Maine Holdings, LLC
One Cate Street
Portsmouth, NH 03801

B. **Title, Right, or Interest.** In support of their application, the Applicants submitted a proposed Facility Lease Agreement for the East Millinocket mill facility which is anticipated to be executed between GNP East, Inc., as landlord, and GNP Maine Holdings, LLC, as tenant.

C. **Minor Revision Definition.** The Department's rule, 06-096 CMR 2(1)(L), states that: "'Minor Revision' means any proposal to modify a license previously granted by the Department, where the modification significantly decreases or eliminates an environmental impact, does not significantly expand the project, does not change the nature of the project or does not modify any Department findings with respect to any licensing criteria. This term may be further defined by the Board through bureau specific rules."

BASED ON THE ABOVE FINDINGS OF FACT, the Maine DEP makes the following CONCLUSIONS:

1. The revisions in operation proposed in the application do not expand or change the nature of the project and do not modify any Department findings with respect to any license criteria. Therefore, the application qualifies as a minor revision under 06-096 CMR 2(1)(L).

2. The changes proposed by the applicants will protect waters of the State and ambient air prevent hazards to health or welfare or nuisance creation, and not result in pollutant release increases provided that all conditions included in the Orders affected by this Order remain in effect.

THEREFORE, the Maine DEP APPROVES the above noted application of the GNP Companies to add GNP Maine Holdings, LLC as a co-licensee for the Maine DEP licenses related to the

DEPARTMENT ORDER
IN THE MATER OF:

Addition of GNP Maine Holdings, LLC as co-licensee for East Millinocket mill facility and solid waste licenses.	))	**License Minor Revision**

East Millinocket mill facility and solid waste orders identified in Appendix A SUBJECT TO THE FOLLOWING:

1. **Standard Conditions.** The Standard Conditions associated with all approvals that are the subject of this Order apply hereto.

2. **Effective Date.** The addition of GNP Maine Holdings, LLC as co-licensee only becomes effective when the Facility Lease Agreement between GNP East, LLC and GNP Maine Holdings, LLC is effectuated. Within 30 days after executing the Facility Lease Agreement, the Applicants shall provide Maine DEP with a fully-executed copy of the Facility Lease Agreement.

3. **Other Findings.** All other Findings of Fact, Conclusions and Conditions, not modified by this Order, remain as set forth in the relevant Orders.

4. **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.

DONE AND DATED AT AUGUSTA, MAINE THIS 10TH DAY OF DECEMBER 2012.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: John F. Silvestri, Deputy Commissioner
for Patricia W. Aho, Commissioner

PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES

Date of Initial receipt of application: November 26, 2012

Date application accepted for processing: November 26, 2012

Date filed with the Board of Environmental Protection _____

Filed
DEC 10 2012
State of Maine
Board of Environmental Protection

APPENDIX A
PERMITS TO WHICH GNP MAINE HOLDINGS, LLC TO BE ADDED

EAST MILLINOCKET FACILITIES

AIR EMISSION ORDERS

NUMBER	DESCRIPTION	DECISION DATE
006-109ME03	PSD	05/01/79
A-405-70-A-I	NEW: Initial Part 70 license for papermill	11/13/02
A-405-70-B-M	REVISION: Allows temporary increase in fuel sulfur content	02/03/03
A-405-70-D-M	REVISION: Extend time period for allowing 2% in EB1 and EB2	05/22/03
A-405-70-E-A	AMENDMENT: Allow firing of waste oil	04/27/04
A-405-70-F-A	AMENDMENT: Define startup exemption	02/23/07
A-405-77-1-M	REVISION: Install cyclone as part of sludge handling system	12/14/09

AIR EMISSION APPLICATIONS

NUMBER	DESCRIPTION	DECISION DATE
A-405-70-G-R	RENEWAL: Application	(pending)

AIR FACILITY TAX EXEMPTION CERTIFICATIONS

NUMBER	DESCRIPTION	DECISION DATE
	NEW: E. Millinocket – Emission Control Systems	09/09/81
375 and 276	NEW: Bark Boiler – Pollution Control Equipment and Ash Handling System	03/05/85
A-405-75- I-X	NEW: Low NO_X Burners, Guns & Controls Installed In 94, 95, 97	03/12/98

LAND DEVELOPMENT ORDERS

NUMBER	DESCRIPTION	DECISION DATE
24-0796-19170	Primary Wastewater Treatment Plant – East Millinocket	05/18/73
26-0796-19170	NEW: Secondary Treatment Plant	03/26/75
L-11700-30-B-R	RENEWAL: East Millinocket—Maintenance Dredging	06/20/86
L-00796-20-B-M	Industrial Expansion – East Millinocket (Post-70 improvements)	08/31/89
L-00796-20-C-C L-16637-20-B-C	CC: #2 – Condition Compliance for Condition 2 of 8/31/89 Order	09/06/89
L-16637-20-C-C	CC: #3	
L-16637-20-A-N	NEW: Industrial Modernization (Corrected Order) and after-the-fact (post-70)	12/20/89
L-16637-20-A-N	INDUSTRIAL EXPANSION (Corrected Order #2)	4/24/90
L-16637-20-G-N	NEW: Recycling/De-Inking Plant	12/10/90
L-16637-20-E-C	Cc: #11- Groundwater Monitoring Plan for East Millinocket	05/28/91
L-16637-20-H-M	REVISION: Modification-Riprap Stream Bank (Spencer Brook)	05/29/91
L-16637-L6-F-N	NEW: Concrete Containment Wall	11/07/91
L-16637-20-F-M	REVISION: Construct a Concrete Wall	11/27/91
L-16637-16-F-N	NEW:	11/27/91
L-16637-20-I-M	Recycling De-Inking - Corrected Order – Slight Modification in Size of De-inking Building	02/28/92
L-16637-20-J-M	REVISION: Modification Effluent Pipeline	02/12/92

NUMBER	DESCRIPTION	DECISION DATE
L-16637-20-K-C	CC: #11, Groundwater Monitoring – Satisfaction of Condition 11	10/06/92
L-16637-20-I-M	REVISION: Minor Modification To Recycling/Deinking Plant	10/14/92
L-16637-20-L-M	REVISION: Paper Mill Modification, Impervious Area Expansion	09/17/93
L-796-20-M-M	REVISION: Expansion of Outdoor Biomass Storage (corrected 1/25/94) (East Millinocket)	01/03/94
L-16637-20-M-M	REVISION: Temporarily Consolidate Mechanical Pumping Processes	04/05/94
L-19349-L6-A-N	NEW: Drainage Improvements Adjacent to West Branch of Penobscot River	05/14/97
L-16637-20-N-M	REVISION: Construct Two Electrical Rooms On 5/6 Paper Machine Bldg	07/23/98
L-16637-20-P-M	REVISION: Adds two electrical rooms	07/23/98
L-16637-20-D-A	AMENDMENT: TMP plant change	12/22/98

WASTEWATER DISCHARGE ORDERS

NUMBER	DESCRIPTION	DECISION DATE
W-2228-44-A-R	RENEWAL: Industrial Major/ Renewal	03/28/90
ME0000175	401 Water Quality Certificate	10/03/90
W-2228-44-B-M	REVISION: Modification – Whole Eff. Toxicity	12/06/90
W-2228-68-A-N	NEW: NPDES Water Quality Certification	09/27/95
W-2228-68-C-N	NEW: 401 Water Quality Certification	07/01/99
W-2228-5N-B-R	RENEWAL: 60 Mgd Industrial Process & Cooling	05/24/11

WATER FACILITY TAX EXEMPTION CERTIFICATIONS

NUMBER	DESCRIPTION	DECISION DATE
W-7786-64-A-N	NEW:	01/22/75
	NEW: Interceptor System	01/22/75
149	NEW: Secondary Treatment	10/14/76
150	NEW: Water Use Reduction	10/14/76
434	NEW: PCB Transformer Containment Structures	05/06/85
428	NEW: Dolby III – Leacheate Collection Structures	03/30/87
W-7787-64-A-N	NEW:	03/31/93
W-7788-64-A-N	NEW:	03/31/93
W-7845-64-A-N	NEW: Screw presses and associated equipment	11/21/94
W-7844-64-A-N	NEW: Chemical spill containment	03/29/95

SOLID WASTE ORDERS

NUMBER	DESCRIPTION	DECISION DATE
S-21092-SE-B-R	RENEWAL: Woodash landspreading	
S-21092-SE-C-A	AMENDMENT: Wood Ash Land Application Resumption	05/30/01
S-21092-SE-E-A	Wood Ash Utilizing Program License Amendment – Allows Land Application of Bioash (Combo Sludge and Clean Wood)	01/07/05
S-21092-SE-F-C	Compliance with Special Conditions 2, 4, 5 and 7 of Order # S-21092-SE-E-A	04/22/10
S-21206-WF-A-N	Biomass Fuel Storage Area	03/01/94
S-21206-WH-B-M	Enlarge Biomass Fuel Storage Area	04/23/01
S-21545-SB-A-N	NEW: Millinocket-Program Approval To Landspread Sludge Fiber (Both Mills)	08/22/95
S-21545-SB-B-M	REVISION: Millinocket-Change In Analytical Freq & Allow 180 Day Field Stacking	04/21/96

NUMBER	DESCRIPTION	DECISION DATE
S-21545-SB-C-M	REVISION:Millinocket-Minor Revision To Allow A 365 Day Stacking Period Of West Operation WWTP	12/16/96
S-21545-SB-D-A	AMENDMENT: Millinocket-Short Paper Fiber Utilization Prog – Transition To Ch 419	05/30/01