

**Via Electronic Mail Only**

Jeff Crawford  
State of Maine  
Department of Environmental Protection  
Department Proposed Rulemaking  
17 State House Station  
Augusta, ME 04333

RE: Draft Petition by the Maine Department of Environmental  
Protection to Remove Certain Areas from the Ozone  
Transport Region

Dear Mr. Crawford:

These comments are submitted in response to and support of the Maine Department of Environmental Protection Department's (the "Department") draft petition (the "Petition") to the United States Environmental Protection Agency (the "EPA") to remove certain areas within the State from the Ozone Transport Region ("OTR"). OTM Holdings, LLC, ("OTM") is a joint venture comprised of Maine-based companies committed to the revitalization of Maine's forest-based industry. In early 2018, OTM purchased the former Old Town pulp mill complex (the "Mill") hoping to redevelop the site into a wood-fiber-based complex comprised of multiple tenants. The Mill's redevelopment has been hindered by the OTR regulations.

Critical to the Mill's redevelopment, is OTM's ability to use and regularly rely on the 16-megawatt, \$27 million dollar biomass boiler located on the premises. The initial purpose and hope for the boiler was that, by burning wood by-products and construction and demolition debris that otherwise bound for a landfill, the complex would become energy self-sufficient and be able to sell excess renewable energy to the local power grid. However, boiler operations require burning fuel, and the combustion of any fuel, even biomass, necessitates the release of nitrogen oxide ("NO<sub>x</sub>"). OTM's use of the boiler has been severely limited due to the restrictive nature of the OTR regulations on NO<sub>x</sub> emissions. Additionally, Lowest Achievable Emission Rate ("LAER") controls make further investment into the boiler impractical. Should the Petition be granted and the OTR regulations lifted, OTM is confident that under the State's Best Available Control Technology Standards, it can maximize the use of the boiler while adhering to high environmental standards.

In addition to limiting OTM's use and production of sensible renewable energy, OTR regulations restrict pulp production and other wood-fiber based activities at the Mill. As the Department is aware, steam-production is a necessity for the operation of pulp mills. But steam is only produced by burning fuel, and as noted above, such combustion unavoidably involves the release of NO<sub>x</sub>. Furthermore, LAER imposes strict standards on the release of volatile organic

compounds (“VOC”), which occur naturally in wood products—and thus are released in the production of pulp.

The OTR regulations leave OTM with two options that restrict its ability to be competitive in the international wood products market. OTM can either (1) limit pulp production and other wood-fiber activities so that much of the Mills’ manufacturing potential remains untapped, or (2) purchase emissions offsets that are very scarce and prohibitively expensive. This lack of a financially viable option contributed to the closure of OTM’s predecessor, Expera Old Town, LLC (“Expera”). Expera was considering converting the Mill to process softwood instead of hardwood, but acquiring offsets for this project contributed to management’s decision to instead permanently close the facility. One hundred eighty employees were laid off as a result of the closure.

The OTR regulations imposed on Maine’s wood-processing facilities has put OTM, and similarly situated Maine-based companies, at a competitive disadvantage against out-of-state wood-fiber based complexes. Locally, the regulations have impeded OTM’s goal to revitalize the Old Town Mill and provide jobs and renewable power the surrounding community.

Thank you for your consideration of these comments. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'George Gervais', with a long horizontal line extending to the right.

George Gervais  
OTM Holdings, LLC

cc: Mr. Everett Deschanes  
Mr. Jean-Paul Carrier