

Who We Are

Our Katahdin is a volunteer driven nonprofit organization working to promote community and economic development in the Katahdin region. Our Katahdin acquired the Millinocket Mill site in January 2017 and is working in collaboration with the Town of Millinocket on redevelopment of the 1,400 acre site.

Millinocket is a town of approximately 4,200 people located in northern Penobscot County, Maine at the gateway to the Katahdin region. Established in 1901, the Town enjoyed a century of prosperity brought by Great Northern Paper – at its peak, one of the world's largest paper making mills. The town's population peaked in the 1960s at nearly 8,000 people with most working adults employed by local paper mills. In the wake of the collapse of the paper making industry and the closure of all the region's paper mills beginning in 2008, Our Katahdin is focused on collaboratives with the area towns and new businesses in rebuilding and diversifying its economy through manufacturing, tourism, and the digital economy by pulling together ideas, people and money to move the region forward.

Our Katahdin is actively engaged with its local community to revitalize the forest economy by utilizing the area's unrivaled wood basket to produce high-value forest products. One of our primary initiatives is to work with the local community and bring them together with investors to redevelop the 1,400-acre former mill site.

We have had some significant interest and early successes and plans are underway to develop several wood based renewable energy projects, which include high value forest product manufacturing, woody biomass to renewable fuel conversion, and power generation. These projects will help revitalize the Town of Millinocket and the Katahdin area by bringing high paying jobs back to the region. These businesses will be environmentally conscious and will revitalize the region's forest products industry and our manufacturing base with modern high value sustainable business investments.

We support the Maine Department of Environmental Protection's (DEP) common sense approach to maintaining membership in the Ozone Transport Region (OTR) for several southern Maine Towns and Acadia, while releasing those other regions of the State needing to apply good science around newer technologies in the way that they rebuild their manufacturing and economic

base from the particulars of the OTR. This will maintain Maine's voice with the Ozone Transport Committee (OTC) and give us (Maine) a "seat at the table". At the same time, it will indeed honor good science and allow for the continued redevelopment of Maine's historic, sustainable and renewable forest products industry.

We are quite concerned after evaluating the science and economics relevant to our region and the Nation that, without this change, Our Katahdin will struggle to attract and develop forest products businesses as Maine's Clean Air Act regulations are currently significantly more restrictive than other competing wood basket states.

Rule History

The EPA has established ambient air quality standards for ozone. Ozone is not directly emitted from air pollution emitting sources so emissions of ozone precursor pollutants (i.e., nitrogen oxides (NOx) and volatile organic compounds (VOCs)) are regulated to reduce ambient concentrations of ozone.

The OTC was created to develop regional control strategies within the designated OTR. Our understanding is that the OTC implements non-attainment provisions within the designated OTR areas, notably non-attainment New Source Review permitting standards for new Major Sources and Major Modifications at existing sources. These non-attainment requirements include application of Lowest Achievable Emission Rate (LAER) control technology requirements and purchasing emission Offsets.

Maine was initially included in the OTR due to non-attainment with ozone standards over a quarter of a century ago. Our Katahdin understands that Maine has been in attainment with ozone standards since about 2008 and has been granted various waivers from the OTR's non-attainment requirements. These waivers allowed sources in northern Maine areas to apply attainment level Clean Air Act requirements and waived them from non-attainment requirements. We further understand that the waivers have recently expired. Without further relief, there will be clear and onerous requirements imposed on our region's businesses with no pressure relief valve. It is clear now that the time has come to support MDEP's petition based on sound science and compelling data.

Our Katahdin Supports Maine DEP's Petition to Reassign OTR Participation for Parts of Maine

Removal of Central, Northern and Eastern Maine from the OTR would allow for application of Federal and State attainment level Clean Air Act standards

similar to most other wood basket States. This will require application of Best Available Control Technology (BACT) and air dispersion modeling for new Major sources and Major modifications to assure that we maintain our attainment designation. These requirements ensure that appropriate protective standards are applied to major development projects. OTR designated regions require the application of non-attainment standards which are very prescriptive and do not allow for practical application of good science and can inadvertently create negative impacts to the environment as documented in Maine's petition for re-designation.

Maintaining OTR participation and the corresponding application of LAER to control VOCs in many instances prescribes fuel intensive controls that generate many combustion pollutants which have more detrimental effects than the more balanced BACT requirements that can consider all environmental and economic impacts. Allowing Maine DEP to re-designate portions of its State will allow DEP to apply more holistic common-sense approaches through application of BACT that will both balance the full suite of environmental factors and ultimately result in further air quality improvements for Maine.

In contrast, application of LAER to control new major source of VOC is singularly focused on the non-attainment pollutant of concern (VOCs for instance) and does not take into consideration ancillary environmental impacts of selected pollution controls such as increases to greenhouse gases, particulate matter, or Nitrogen Oxides (NOx) emissions. All of these pollutants may have more significant impact on the local environment in Maine than the targeted pollutant prescribed by LAER. For instance, Our Katahdin understands that the mixing of VOCs, NOx, and sunlight create ozone and that in Maine NOx is the limiting (or absent) factor in this reaction. Thus, requiring fuel intensive controls to control VOCs may have the net unintended effect of increasing NOx levels and thus ozone formation in Maine rather than reducing it. Natural forest systems generate VOCs; it makes no sense to control VOCs outside the presence of the chemical processes associated with larger NOx volumes that lead to significant ozone levels.

The OTR regulatory requirements create a barrier to investment in Maine without practical environmental gains, which means that Maine's forest products industry are subject to more stringent air quality regulations than other competing wood industry states. These requirements deter much-needed new investments in our region, (including currently recovering distressed areas like Millinocket) without any benefit to the State's air quality. Much of the emissions



generated by Maine's forest products industry are VOC emissions. As stated in Maine DEP's draft petition, "Maine's annual VOC point source emissions for 2014 were 3,042 tons, while Maine's 2014 biogenic VOC emissions were 436,878 tons. Consequently, Maine's point source VOC emissions are approximately 0.7% of Maine's natural VOC emissions. Therefore, any emissions reductions from within the State that could possibly be realized because of being in the OTR are rendered inconsequential in comparison to the naturally occurring VOC emissions from Maine's forests."

Our Katahdin is in it for the long term and is dedicated to supporting the recreation economy as well as the forest economy so the health of our local environment is imperative to our mission. We believe that this resignation petition is essential to both helping us attract and maintain environmentally responsible manufacturing in Millinocket as well as continuing to build on the environmental air quality gains that the State has achieved over the last few decades. Common sense multi-pollutant control technology evaluations through application of BACT will help our State focus its resources on achieving the best outcome for Maine. We have had early successes in our ongoing efforts to attract several wood product manufacturing mills, biomass power plants, and woody biomass to fuel investors. The success of Maine DEP's petition is imperative to the successful development of the 1400-acre mill property. We applaud DEP's forward-thinking plan to maintain membership in the OTR for several southern Maine Towns and Acadia while releasing the other regions from the program. This will maintain Maine's "voice" with the Ozone Transport Committee while honoring good science.

Thank you for this opportunity to provide comments on this important petition and very timely effort for our State.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Michael Osborne', is written over a horizontal line.

Michael Osborne

Vice President

Our Katahdin