



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

DEPARTMENT ORDER

IN THE MATTER OF

JGT2 REDEVELOPMENT LLC) LICENSE TRANSFER
ACQUISITION OF) SITE LOCATION OF DEVELOPMENT
PULP AND PAPER MILL) WASTEWATER DISCHARGE
JAY, FRANKLIN COUNTY) AIR EMISSIONS
L-001423-24-AP-T) SOLID WASTE
W000623-5N-U-T)
A-203-70-AE-T) APPROVAL
A-718-70-G-T)
S-006247-WR-AS-T)
S-006247-WX-AT-T)
S-006247-WX-AU-T)
S-006247-WX-AV-T)
S-006247-WX-AW-T)
S-021161-WR-E-T)
S-022072-WR-E-T)
S-022190-WR-F-T)

Pursuant to the provisions of Maine's *Site Location of Development law* (Site Law), 38 M.R.S. §§ 481 to 489-E; *Waste Water Discharge laws*, 38 M.R.S. §§ 413 to 415; *Stormwater Management law*, 38 M.R.S. § 420-D; *Protection and Improvement of Air laws*, 38 M.R.S. §§ 581 to 610-D; the *Maine Hazardous Waste, Septage, and Solid Waste Management Act*, 38 M.R.S. §§ 1301 through 1319-Y; rules promulgated pursuant to these laws and the *Rule Concerning the Processing of Applications and Other Administrative Matters*, 06-096 C.M.R. ch. 2 (2018), the Maine Department of Environmental Protection (Department) has considered the application of JGT2 Redevelopment LLC (JGT2) with its supportive data, agency review comments, and other related materials on file and FINDS THE FOLLOWING FACTS:

1. APPLICATION SUMMARY

A. Application. The Applicant, JGT2, submitted an application to the Department for the transfer of all active Site Location of Development, Wastewater Discharge, Air Emissions, and Solid Waste licenses, as defined in 06-096 C.M.R. ch. 2 § (1)(L), and all applications pending, held, or submitted by Pixelle Androscoggin, LLC (Pixelle) relating to the site of the existing pulp and paper mill located at 300 Riley Road, and the facilities thereon in Jay, Maine (the Property). The Property also includes certain parcels of land in Old Town and Canton, Maine. The Department accepted Applicant's license transfer application as complete for processing on October 19, 2023. A schedule of licenses and applications that are the subject of the application and this Department Order, is set forth in Appendix A of this Order. The intent of this Order is to transfer all active licenses and applications that apply to the Property. Any active Department license concerning the Property not specifically listed in this Order is incorporated herein.

B. The Transaction. On June 11, 2023, New Mill Capital Holdings and Infinity Asset Solutions (parent companies of JGT2) entered into a Letter of Intent with Pixelle, wherein the parties agreed upon the terms pursuant to which Applicant would acquire the Property and related assets. New Mill Capital Holdings and Infinity Asset Solutions structured the acquisition so that the wholly owned joint venture, JGT2, will take title to the Property and related assets at closing.

C. Project History. The Jay Mill began operations in 1965 as an integrated pulp and paper mill located adjacent to the Androscoggin River in Jay, Maine. The pulp and paper making operation was shut down in March 2023, and is being decommissioned.

Licensed air emissions originating at the Property when operating resulted primarily from the pulp and paper making process and a natural gas cogeneration facility on the property, which were licensed separately. The pulp and paper making operation has been shut down and is being decommissioned. JGT2 plans to restart the cogeneration facility.

The Property has an on-site wastewater treatment plant, with two primary clarifiers, aeration lagoons and two secondary clarifiers. Licensed wastewater discharges originating at the Jay Mill when operating resulted primarily from the pulp and paper making process. Since the shutdown of the pulp and paper making operations the treatment plant continues to be used to treat leachate from the on-site landfills, stormwater runoff, and sanitary wastewater.

The Property includes one active, operational landfill (“Expansion Landfill” - Maine DEP Permit #S-022072-WD-A-N, permitted for up to 25.6 acres – 21.3 acres of which is located over the one inactive landfill that has been partially closed (#S-006247-WD-N-R, 52 acres); and two closed landfills (Dry Dump - Maine DEP Closure Permit #S-021161-WN-A-N, 4 acres, and the Cornelio Landfill ~20 acres). JGT2 plans to use the active landfill for disposal of materials generated during the redevelopment of the Property, as approved by the Department.

2. TRANSFER REQUIREMENTS. The following information regarding JGT2 was submitted in support of the transfer application:

- A. Title, Right and Interest.** A redacted copy of a Letter of Intent, executed by Pixelle and JGT2 and dated June 11, 2023, was submitted in support of the pending application. That agreement documents JGT2’s intent to purchase and Pixelle’s intent to sell the Property and related assets. Transfer of Department licenses will become effective upon the closure of the transaction and receipt by the Department of documentation of the transfer of title to the Property to JGT2.
- B. Financial Capacity.** The applicant has submitted an estimate of expenses to maintain compliance with Department licenses. The applicant intends to fund compliance efforts, in part, with proceeds from the sale of electricity generated by the cogeneration plant.

The applicant has also submitted documentation of assets that will be held by JGT2 upon closing of the proposed transaction.

JGT2 has opted to use two mechanisms to demonstrate financial assurance as authorized under 38 M.R.S. § 1310-Y. Pursuant to 38 M.R.S. § 1310-Y (1-A) (B) using the assets as provided in documentation described above, JGT2 has demonstrated that upon closing the ratio of the applicant's total liabilities to net worth will be less than 1.5. In addition, pursuant to 38 M.R.S. § 1310-Y (1)(C) the applicant has also agreed to fund an escrow account with \$5 million to cover, in part, expenses for the closure and post-closure monitoring and maintenance of the on-site landfills. This Escrow Agreement will reference and be signed by both JGT2 and the Department.

Drafts of these instruments were reviewed as part of the Department's application review and modified in response to that review. Final documents will be executed and issued when the transaction is closed. Transfer of Department licenses will become effective upon the closure of the transaction and receipt by the Department of the executed Escrow Agreement.

C. Technical Capacity. JGT2 is in the process of retaining key technical consultants and operational personnel to support the design, construction, operations, maintenance, closure, and post closure care of the facility. A list of technical personnel that are currently retained, and have been previously employed, by Pixelle is provided in Attachment F of the application. Pixelle currently employs six staff to maintain operations and oversee decommissioning activities at the facility. JGT2 notes that Langan can provide needed technical support in the event that key personnel are not readily retained until such time that local personnel can be employed. Langan is an international engineering and environmental consulting firm with over 1,600 employees that provides an integrated variety of consulting services in support of land development projects, corporate real estate portfolios, and the energy industry. The Department finds that JGT2 has provided adequate evidence of technical ability to design, construct, operate, maintain, close, and provide post-closure care of the facility in a manner consistent with state environmental regulations provided that, if JGT2 does not retain the consultants and operating personnel identified in the application, JGT2 will submit to the Department for review a revised list identifying any alternates, with their professional qualifications and corresponding roles, within 30 days of license transfer.

D. Solid Waste Facility Disclosure. JGT2 has provided a criminal and civil disclosure statement for the individual, Mr. Gregory Schain, who has managerial and executive authority for JGT2. JGT2 is a duly organized Delaware limited liability corporation company in good standing, with a date of incorporation of August 18, 2023. There are no related companies that hold more than a 5% equity interest in any company that collects, transports, treats, stores, or disposes of solid or hazardous wastes and do not have any criminal convictions or civil violations of environmental laws or rules administered by the State, other states, the United States, or another country in the last 5 years. Additionally, Mr. Schain has not entered into any administrative agreements or consent

decrees or had administrative orders directed at him for violations of environmental laws administered by the Department, the State, other states, the United States, or another country in the last 5 years. The Department finds that the JGT2 has filed complete disclosure statements in accordance with 06-096 C.M.R. ch. 400, § 12(A). Based on the disclosure statements submitted and the evaluation criteria contained in 06-096 C.M.R. ch. 400, § 12(B), the Department finds no basis for denying this Order.

- E. Air Emissions and Wastewater Discharges.** The Applicant certified that there would be no increase in air emissions or wastewater discharges beyond that provided for in the existing licenses, without prior written permission from the Department.

BASED ON THE ABOVE FINDINGS OF FACT, and subject to the Conditions listed below, the Department makes the following CONCLUSIONS:

- 1. TITLE, RIGHT OR INTEREST.** While the Letter of Intent demonstrates sufficient intent by both parties to complete the transaction, upon closing of the transaction JGT2 must submit documentation demonstrating closing of the transaction such that title, right or interest is clear.
- 2. FINANCIAL CAPACITY & INTENT.** The combination of liabilities to net worth ratio (using the assets that will belong to JGT2 upon closing), and the agreed-upon draft Escrow Agreement, demonstrate the financial capacity and intent to comply with the conditions of all Department licenses, and pending applications associated with the Property, including but not limited to those licenses and applications listed in Appendix A, and to satisfy all applicable statutory and regulatory criteria, provided that an executed copy of the Escrow Agreement is submitted to the Department upon closing.
- 3. TECHNICAL CAPACITY & INTENT.** The key employees currently providing for environmental compliance at the property who are proposed to be retained by JGT2, and the environmental consultants that will be retained as needed, demonstrate the technical capacity and intent to comply with the conditions of all Department licenses and pending applications associated with the facilities described in this Order's findings, including but not limited to those licenses and applications listed in Appendix A, and to satisfy all applicable statutory and regulatory criteria. JGT2 has provided adequate evidence of technical ability to design, construct, operate, maintain, close, and provide post-closure care of the facility in a manner consistent with state environmental regulations provided that, if JGT2 does not successfully retain the consultants and operating personnel identified in the application JGT2 will submit to the Department for review a revised list identifying any alternates, with their professional qualifications and corresponding roles, within 30 days of license transfer. A lack of enforcement history with this applicant as documented in their civil and criminal disclosure further support this conclusion.

JGT2 REDEVELOPMENT LLC
ACQUISITION OF
PULP AND PAPER MILL

5 LICENSE TRANSFER
)
)
) APPROVAL

THEREFORE, the Department APPROVES the application of JGT2 Redevelopment LLC, SUBJECT TO THE FOLLOWING CONDITIONS and all applicable standards and regulations:

- 1. STANDARD CONDITIONS.** The Standard Conditions associated with all approvals that are the subject of this Order apply hereto.
- 2. TITLE, RIGHT & INTEREST.** Upon closing of the transaction described in Finding of Fact 1(B) of this Order, JGT2 and Pixelle shall provide signed documentation demonstrating completion of the transaction and transfer of the Property to JGT2.
- 3. SOLID WASTE FINANCIAL ASSURANCE.** Upon closing of the transaction described in Finding of Fact 1(B) of this Order, JGT2 shall provide the executed Escrow Agreement in the form as reviewed and approved by the Department in partial satisfaction of the financial assurance requirements described in Finding of Fact 2(B) and Conclusion 2 of this Order. In addition, if the sale of assets identified by JGT2 for purposes of the net worth calculation for financial assurance as described in Finding of Fact 2(B) of this Order causes the liabilities to net worth ratio to exceed 1.5 the Applicant shall submit an updated financial assurance proposal for approval by the Department.
- 4. TECHNICAL CAPACITY.** If JGT2 does not successfully retain the consultants and operating personnel identified in the application, JGT2 shall submit to the Department for review a revised list identifying any alternates with their professional qualifications, and corresponding roles within 30 days of license transfer.
- 5. EFFECTIVE DATE OF TRANSFER.** Transfer to JGT2 of all Department licenses and pending applications associated with the Property described in this Order, including but not limited to those listed in Appendix A, shall become effective when (a) JGT2 and Pixelle provide documentation to the Department that the transfer of ownership of the Property to JGT2 has been completed, and (b) JGT2 submits the executed Escrow Agreement to the Department.
- 6. EFFECT ON EXISTING ORDERS.** Unless specifically superseding a provision, nothing in this Order shall be construed to affect the findings, conclusions and conditions contained in the Orders listed in Appendix A.

JGT2 REDEVELOPMENT LLC
ACQUISITION OF
PULP AND PAPER MILL

6 LICENSE TRANSFER
)
)
APPROVAL

7. 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.

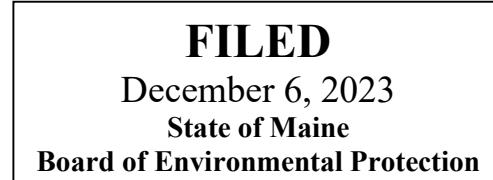
DONE AND DATED AT AUGUSTA, MAINE THIS 6th DAY OF DECEMBER, 2023.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: Melanie Loyzim
Melanie Loyzim, Commissioner

PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES

Date of initial receipt of application September 27, 2023
Date application accepted for processing October 19, 2023
Date filed with the Board of Environmental Protection



JGT2 REDEVELOPMENT LLC
ACQUISITION OF
PULP AND PAPER MILL

7 LICENSE TRANSFER
)
) APPROVAL

APPENDIX A:

AIR QUALITY ORDERS		
NUMBER	DESCRIPTION	APPROVED
AIR EMISSIONS LICENSES:		
A-203-77-1-M	Significant Modification to change the sulfur content allowed for use by the Water Treatment Main Furnace and Small Furnace from 0.3% to 0.5%.	11/1/2006
A-203-77-2-M	Minor Revision to modify the air delivery system and liquor guns on the #1 Recovery Boiler.	1/19/2007
A-203-77-4-A	To replace boiler tubes, oil burner igniters, and flame sensor system on #1 Recovery Boiler.	4/22/2008
A-203-77-3-A	BART determination.	10/31/2008
A-203-77-5-A	Minor Modification for changes to the mechanical groundwood operation.	1/6/2009
A-203-77-6-A	Chapter 115 Minor Modification to change the sulfur content of the fuel utilized in the Flash Dryer & the #4 Paper Machine.	7/15/2009
A-203-77-8-A	New Source Review Chapter 115 Minor Modification to install turbulator bars and stationary siphons to supply steam for additional drying capacity on the No. 4 Paper Machine.	11/24/2009
A-203-77-9-A	New Source Review Chapter 115 Minor Modification to convert the A Digester Chip Bin from fresh steam to flash steam and clean condensate flash steam, to install a new A-side flash tank, and to add clean condensate flash steam to the B Digester Chip Bin.	3/30/2010
A-203-77-10-M	New Source Review Chapter 115 Minor Revision to modify the No. 1 Recovery Boiler ESP's ash collection system and the boiler's old economizer hopper to better control the chloride level in the black liquor being fired in the boiler.	9/10/2010
A-203-77-11-M	Replacement BART determination.	11/2/2010
A-203-77-12-A	New Source Review Chapter 115 Minor Modification to replace the existing burner in the B Lime Kiln with a new, more fuel efficient burner in preparation to add natural gas as an optional fuel.	9/16/2011
A-203-77-13-A	Major modification to add natural gas firing capabilities to the A & B Lime Kilns, the RTO, the No. 3 PM infrared dryers and the No. 4 PM combustion sources.	1/19/2012
A-203-77-14-A	Minor modification of their air license related to the replacement of a section of the front wall of the No.1 Recovery Boiler.	3/12/2012
A-203-77-16-M	Ch. 115 minor revision to an NSR license, to clarify digester chip bins applicability and vent reporting requirements consistent with 40 CFR Part 63, Subpart S.	9/27/2012
A-203-77-17-A	Minor modification to change PM emission limits (gr/dscf) for the A and B Lime Kilns to more accurately account for all operating scenarios in the order to consistently meet limits at all times.	10/31/2012
A-203-77-19-A	Paper Machine #2 headbox upgrade.	2/8/2013
A-203-77-18-A	Minor modification to add natural gas as a licensed auxiliary fuel in RB1, RB2 and the WFI.	2/14/2013
A-203-77-20-A	To conduct like-kind replacement of economizers on RB1 and removal of requirement to operate thermal imaging bed camera for RB1	1/16/2015
A-203-77-21-A	Installation of new 1.05 MMBtu/hr space-heating furnace in the water treatment plant (to replace similar sized unit)	2/20/2015
A-203-70-G-R/A	Part 70 renewal	5/20/2015
A-203-70-V-A	To remove a conflicting requirement for paper machine VOC emissions documentation, to remove from the order of a requirement for water treatment plant furnaces which is specifically justified in the findings as not applicable	7/1/2015

JGT2 REDEVELOPMENT LLC
ACQUISITION OF
PULP AND PAPER MILL

8 LICENSE TRANSFER
)
) APPROVAL

AIR QUALITY ORDERS		
NUMBER	DESCRIPTION	APPROVED
A-203-70-W-A	To update stack testing requirements to reflect operating changes made to the mill (several units to idle indefinitely)	6/30/2017
A-203-77-22-A	NSR to modify No. 3 paper machine to allow production of diversified paper products and to replace screen tubes in recovery boiler 1	5/15/2018
A-203-77-23-M	Upgrade of two refiner motors in no 4 paper machine stock prep area to support production of new specialty papers without having to reduce operating speed of the paper machine	7/16/2018
A-203-77-24-M	Minor Revision to include salt cake mix tank in license	1/4/2019
A-203-77-25-A	Various mechanical, piping, electrical and control system mods to the stock prep system and No. 5 Paper machine to optimize productivity of specialty paper grades	4/11/2019
A-203-77-26-A	Minor modification to paper machine number 4 to upgrade Duo-former vacuum transfer box and replace existing vacuum pump with larger vacuum pump	8/1/2019
A-203-70-AB-A	Significant modification to update stack testing and continuous emission monitoring requirements for idled operations	12/18/2020
A-203-77-27-A	Installation of a 1.5 MMBtu/hr propane-fired heater	10/18/2021
A-203-77-28-M	Removal of pulping equipment from license	12/16/2021
A-203-70-U-A	Requesting approval of an alternative standard for the RTO control requirements of Subpart S via Equiv.-by-permit.	On Hold
A-203-70-X-A	To incorporate NSR 22 into part 70 license	Pending
A-203-70-Y-A	To incorporate NSR 24 into part 70 license.	Pending
A-203-70-Z-R	Renewal	Pending
A-203-70-AA-A	To incorporate NSR #25 into Part 70 license.	Pending
A-203-70-AC-A	Incorporation of Subpart D requirements that Recovery Boiler #2 will become subject to with increased natural gas firing.	Pending
A-203-70-AD-A	Incorporation of NSR #27 into Title V license.	Pending
A-203-77-15-A	The proposed project will convert the A Digester process to Lo-Solids cooking technology and implement associated equipment upgrades to support an increase in pulp production.	On Hold
A-203-77-29-A	Modification to Recovery Boiler #2 to add additional natural gas burners.	On Hold
A-718-70-A-S	Phase II Acid Rain Permit	11/12/1998
A-718-78-A-N	Chapter 156 CO2 Budget Trading Program, CO2 Budget Source license application.	1/15/2009
A-718-77-1-A	Minor modification to license oil firing in three cogen turbines simultaneously.	5/13/2013
A-718-77-2-A	To install a water injection system on their combustion turbine 01 to increase the electrical generating capacity during warmer months.	3/2/2018
A-718-70-F-R/A	Title V renewal app with a request for sig license mod to change the limiting interval between quarterly CEMS audits from a minimum of 60 days to a proposed minimum of 30 days.	6/14/2021

JGT2 REDEVELOPMENT LLC
ACQUISITION OF
PULP AND PAPER MILL

9 LICENSE TRANSFER
)
) APPROVAL

WATER QUALITY ORDERS		
NUMBER	DESCRIPTION	APPROVED
WASTE DISCHARGE LICENSE:		
W000623-5N-P-R [ME 0001937]	Waste Water Discharge License	12/4/2017
W000623-5N-Q-M	Modification	1/21/2020
W000623-5N-R-M	Modification	3/22/2023
W000623-5N-T-R	Renewal	pending
W000623-5N-S-M	Modification	pending
MER05B790	Stormwater	3/7/2017
MER50B790	Stormwater Renewal	pending

LAND DEVELOPMENT ORDERS		
NUMBER	DESCRIPTION	APPROVED
SITE LOCATION OF DEVELOPMENT LICENSES:		
L-1423	Approval of Mill Expansion	10/23/74
L-1423	Amendments to Mill Expansion Approval	12/4/74
L-1423-24-C-A	Amendment:	12/9/1992
L-1423-24-D-M	Modification: Androscoggin Mill Oil Tank	10/21/1991
L-1423-24-E-M	Modification:	12/20/1991
L-1423-24-F-M	Modification: Centralized Repulper/Acid Sewer Line	6/1/1992
L-1423-24-G-M	Modification: Addition to P.M. #5 Calendar Stack/Pavement of #6 Oil & Black Liquor Storage Moats	7/31/1992
L-1423-24-H-M	Modification: Construction Paving/Chip Retaining Wall	7/31/1992
L-1423-24-I-M	Modification: Pavement Project	6/28/1993
L-1423-24-J-M	Modification: Woodyard Improvement Project	8/13/1993
L-1423-24-K-M	Modification: Mill Improvement Projects	11/12/1993
L-1423-24-L-A	Amendment: New Log Storage & Paving Areas	10/27/1994
L-1423-24-M-M	Modification: Tractor Trailer Parking	3/15/1995
L-1423-24-N-M	Modification: Calcium carbonate plant	8/30/95
L-1423-24-O-M	Modification: Mill Changes and Woodyard Expansion	11/17/1995
L-1423-24-P-M	Modification: Contractor Staging and Parking Area	12/7/1995
L-1423-24-Q-M	Modification: Woodyard Improvements	4/9/1996
L-1423-24-S-M	Modification: Changes to Woodyard/Mill	1/8/1997
L-1423-24-U-M	Modification: Woodyard Paving	3/4/1998
L-1423-24-V-A	Amendment: Warehouse & Storage Capacity Increases	3/4/1998
L-1423-24-W-T	Transfer	5/14/1998
L-1423-24-Y-A	Amendment: Changes to Woodyard/Mill	10/22/1998
L-1423-24-Z-M	Modification: Gas Pipeline to Powerplant	10/28/1998
L-1423-24-AA-M	Modification: Equipment Staging Area	4/19/2000
L-1423-24-AB-M	Modification: Ashcrete Building Construction	7/24/2000

JGT2 REDEVELOPMENT LLC
ACQUISITION OF
PULP AND PAPER MILL

10 LICENSE TRANSFER

)
) APPROVAL

LAND DEVELOPMENT ORDERS		
NUMBER	DESCRIPTION	APPROVED
L-1423-24-AD-M	Modification: Sludge Reclaim, Trash Compaction, and Propane Vaporizer	1/24/2001
L-1423-24-AE-C	Condition Compliance, Condition 4	4/10/2001
L-1423-24-AF-M	Modification: Riley Substation	10/9/2002
L-1423-24-AG-M	Modification: Seasonal Wood Storage	1/8/2004
L-1423-23-AO-B	Proposed site improvements and all construction activities since 2003	11/22/2010
L-3554-26-A-A	Parking Lot, Jay Plaza	5/8/1996
L-15680-L6-A-N	Rip-rap in spill basin area	9/2/88
L-15680-L6-B-N	Rip-rap stream diversion	9/14/88
L-15680-L6-C-C	Condition Compliance	11/3/88

SOLID WASTE ORDERS		
NUMBER	DESCRIPTION	APPROVED
SOLID WASTE LICENSES:		
S-006247-WD-I-M	Acceptance Of Construction/Demolition Debris	7/23/1992
S-006247-WD-N-R	Special Waste Landfill Renewal	9/21/1999
S-006247-WD-W-M	Minor Revision To Special Waste Landfill	5/19/1999
S-006247-WD-AB-A	Resubmittal Landfill Wedge Amendment	6/6/2000
S-006247-WU-AP-N	On-Going Special Waste Disposal Coating Solids 500 Cubic Yards/Year	3/21/2011
S-006247-WU-AO-N	On-Going Special Waste Disposal From Regenerative Thermal Oxidizer	3/17/2011
S-006247-WU-AQ-N	On-Going Special Waste Disposal Bleach Plant Scrubber Saddles	3/17/2011
S-006247-WU-AL-N	On-Going Special Waste Disposal Rust & Scale from Natural Gas Plant	5/5/2008
S-021161-WN-A-N	Closing Plan-Dry Dump	8/10/1993
S-021161-WN-C-M	Dry Dump Closure Minor Revision	8/26/2002
S-022072-WD-A-N	East Side Landfill Expansion	4/28/2003
S-022190-WO-A-N	Landfill Closing Plan	6/25/2004
S-022190-WD-C-M	Stormwater Redirect From Stabilized Portions Of Closed Landfill	8/3/2007