

**DEPARTMENT ORDER
IN THE MATER OF:**

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

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.

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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

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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

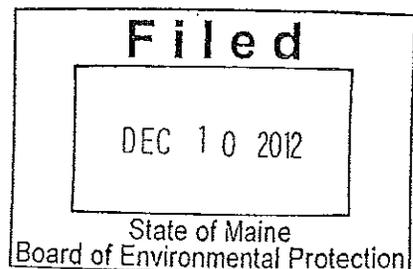
By: John J. Silvestri, Deputy Commissioner
for Patricia W. Aho, Commissioner

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 _____



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	CC: #2 – Condition Compliance for Condition 2 of 8/31/89 Order	09/06/89
L-16637-20-B-C		
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 – Leachate 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



DEP INFORMATION SHEET

Appealing a Department Licensing Decision

Dated: March 2012

Contact: (207) 287-2811

SUMMARY

There are two methods available to an aggrieved person seeking to appeal a licensing decision made by the Department of Environmental Protection's ("DEP") Commissioner: (1) in an administrative process before the Board of Environmental Protection ("Board"); or (2) in a judicial process before Maine's Superior Court. An aggrieved person seeking review of a licensing decision over which the Board had original jurisdiction may seek judicial review in Maine's Superior Court.

A judicial appeal of final action by the Commissioner or the Board regarding an application for an expedited wind energy development (35-A M.R.S.A. § 3451(4)) or a general permit for an offshore wind energy demonstration project (38 M.R.S.A. § 480-IIH(1)) or a general permit for a tidal energy demonstration project (38 M.R.S.A. § 636-A) must be taken to the Supreme Judicial Court sitting as the Law Court.

This INFORMATION SHEET, in conjunction with a review of the statutory and regulatory provisions referred to herein, can help a person to understand his or her rights and obligations in filing an administrative or judicial appeal.

I. ADMINISTRATIVE APPEALS TO THE BOARD

LEGAL REFERENCES

The laws concerning the DEP's *Organization and Powers*, 38 M.R.S.A. §§ 341-D(4) & 346, the *Maine Administrative Procedure Act*, 5 M.R.S.A. § 11001, and the DEP's *Rules Concerning the Processing of Applications and Other Administrative Matters* ("Chapter 2"), 06-096 CMR 2 (April 1, 2003).

HOW LONG YOU HAVE TO SUBMIT AN APPEAL TO THE BOARD

The Board must receive a written appeal within 30 days of the date on which the Commissioner's decision was filed with the Board. Appeals filed after 30 calendar days of the date on which the Commissioner's decision was filed with the Board will be rejected.

HOW TO SUBMIT AN APPEAL TO THE BOARD

Signed original appeal documents must be sent to: Chair, Board of Environmental Protection, c/o Department of Environmental Protection, 17 State House Station, Augusta, ME 04333-0017; faxes are acceptable for purposes of meeting the deadline when followed by the Board's receipt of mailed original documents within five (5) working days. Receipt on a particular day must be by 5:00 PM at DEP's offices in Augusta; materials received after 5:00 PM are not considered received until the following day. The person appealing a licensing decision must also send the DEP's Commissioner a copy of the appeal documents and if the person appealing is not the applicant in the license proceeding at issue the applicant must also be sent a copy of the appeal documents. All of the information listed in the next section must be submitted at the time the appeal is filed. Only the extraordinary circumstances described at the end of that section will justify evidence not in the DEP's record at the time of decision being added to the record for consideration by the Board as part of an appeal.

WHAT YOUR APPEAL PAPERWORK MUST CONTAIN

Appeal materials must contain the following information at the time submitted:

1. *Aggrieved Status.* The appeal must explain how the person filing the appeal has standing to maintain an appeal. This requires an explanation of how the person filing the appeal may suffer a particularized injury as a result of the Commissioner's decision.
2. *The findings, conclusions or conditions objected to or believed to be in error.* Specific references and facts regarding the appellant's issues with the decision must be provided in the notice of appeal.
3. *The basis of the objections or challenge.* If possible, specific regulations, statutes or other facts should be referenced. This may include citing omissions of relevant requirements, and errors believed to have been made in interpretations, conclusions, and relevant requirements.
4. *The remedy sought.* This can range from reversal of the Commissioner's decision on the license or permit to changes in specific permit conditions.
5. *All the matters to be contested.* The Board will limit its consideration to those arguments specifically raised in the written notice of appeal.
6. *Request for hearing.* The Board will hear presentations on appeals at its regularly scheduled meetings, unless a public hearing on the appeal is requested and granted. A request for public hearing on an appeal must be filed as part of the notice of appeal.
7. *New or additional evidence to be offered.* The Board may allow new or additional evidence, referred to as supplemental evidence, to be considered by the Board in an appeal only when the evidence is relevant and material and that the person seeking to add information to the record can show due diligence in bringing the evidence to the DEP's attention at the earliest possible time in the licensing process or that the evidence itself is newly discovered and could not have been presented earlier in the process. Specific requirements for additional evidence are found in Chapter 2.

OTHER CONSIDERATIONS IN APPEALING A DECISION TO THE BOARD

1. *Be familiar with all relevant material in the DEP record.* A license application file is public information, subject to any applicable statutory exceptions, made easily accessible by DEP. Upon request, the DEP will make the material available during normal working hours, provide space to review the file, and provide opportunity for photocopying materials. There is a charge for copies or copying services.
2. *Be familiar with the regulations and laws under which the application was processed, and the procedural rules governing your appeal.* DEP staff will provide this information on request and answer questions regarding applicable requirements.
3. *The filing of an appeal does not operate as a stay to any decision.* If a license has been granted and it has been appealed the license normally remains in effect pending the processing of the appeal. A license holder may proceed with a project pending the outcome of an appeal but the license holder runs the risk of the decision being reversed or modified as a result of the appeal.

WHAT TO EXPECT ONCE YOU FILE A TIMELY APPEAL WITH THE BOARD

The Board will formally acknowledge receipt of an appeal, including the name of the DEP project manager assigned to the specific appeal. The notice of appeal, any materials accepted by the Board Chair as supplementary evidence, and any materials submitted in response to the appeal will be sent to Board members with a recommendation from DEP staff. Persons filing appeals and interested persons are notified in advance of the date set for Board consideration of an appeal or request for public hearing. With or without holding a public hearing, the Board may affirm, amend, or reverse a Commissioner decision or remand the matter to the Commissioner for further proceedings. The Board will notify the appellant, a license holder, and interested persons of its decision.

II. JUDICIAL APPEALS

Maine law generally allows aggrieved persons to appeal final Commissioner or Board licensing decisions to Maine's Superior Court, see 38 M.R.S.A. § 346(1); 06-096 CMR 2; 5 M.R.S.A. § 11001; & M.R. Civ. P 80C. A party's appeal must be filed with the Superior Court within 30 days of receipt of notice of the Board's or the Commissioner's decision. For any other person, an appeal must be filed within 40 days of the date the decision was rendered. Failure to file a timely appeal will result in the Board's or the Commissioner's decision becoming final.

An appeal to court of a license decision regarding an expedited wind energy development, a general permit for an offshore wind energy demonstration project, or a general permit for a tidal energy demonstration project may only be taken directly to the Maine Supreme Judicial Court. See 38 M.R.S.A. § 346(4).

Maine's Administrative Procedure Act, DEP statutes governing a particular matter, and the Maine Rules of Civil Procedure must be consulted for the substantive and procedural details applicable to judicial appeals.

ADDITIONAL INFORMATION

If you have questions or need additional information on the appeal process, for administrative appeals contact the Board's Executive Analyst at (207) 287-2452 or for judicial appeals contact the court clerk's office in which your appeal will be filed.

Note: The DEP provides this INFORMATION SHEET for general guidance only; it is not intended for use as a legal reference. Maine law governs an appellant's rights.
