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VIA EMAIL – Laura.Paye@maine.gov

June 17, 2026

Laura Paye
Hydropower Coordinator
Maine Department of Environmental Protection
17 State House Station
Augusta, Maine 04333

Re: Maine Department of Environmental Protection (the “Department”) Consolidated Petition for Release from Dam Ownership related to Silver Lake, Alamoosook Lake, and Toddy Pond, 38 M.R.S. §§ 901, et. seq. (the “Petition”)

Dear Ms. Paye:

As requested by the Department in its December 19, 2025 correspondence, Bucksport Mill LLC (“Bucksport Mill” or “Petitioner”) hereby supplements its October 10, 2025 Consultation Report and its December 8, 2025 correspondence (“December 8 Response”) through this response letter (the “Supplemental Response”). This Supplemental Response describes Petitioner’s progress, since December 2025, toward finalizing the transfer of key elements of Bucksport Mill’s fresh water supply system, which in its entirety is comprised of three impoundments, associated dams, and related infrastructure that historically served the now-defunct Bucksport Mill pulp and paper manufacturing facility (the “Water Supply System”). Petitioner continues to negotiate separate transactions through which the Upstream Water Supply System will be split into three parts, each owned and maintained by separate entities (the “Contemplated Transfers”). We anticipate the town of Bucksport (“Bucksport”) will be the transferee of Silver Lake and Dam, the Alamoosook Lake Watershed Management District (“Alamoosook Lake District”) will be the transferee of Alamoosook Lake and Dam, and the Toddy Pond Watershed Management District (the “Toddy Pond District” and, together with Alamoosook Lake District, the “Watershed Districts”) will be the transferee of Toddy Pond and Dam.

The future ownership of the filter house and associated piping utilized by BuckGen to draw water from Silver Lake (the “Downstream Infrastructure”) is subject to continued negotiation between Petitioner and BuckGen. While BuckGen has expressed willingness to help facilitate the Contemplated Transfers by taking ownership of the Downstream Infrastructure, it recently proposed terms that indicate BuckGen perceives significant risk in doing so. Therefore, to achieve BuckGen’s consent to the Contemplated Transfers (which requires documentation to reasonably satisfy BuckGen that its rights and obligations will continue uninterrupted), Petitioner has proposed retaining the Downstream Infrastructure and continuing to maintain it in accordance with the existing terms of the Easement. Bucksport Mill has also agreed to fund immediate repairs required to bring the Downstream Infrastructure up to Baseline Operating Standards and intends that the Contemplated Transfers will require the transferees to assume appropriate operation and maintenance obligations on the three dams.

Petitioner is hopeful that the documentation surrounding the Contemplated Transfers will be sufficiently complete by the end of July 2026 (to allow time for the associated municipal processes to finalize) and therefore respectfully requests that the Department extend the consultation period until at least August 3, 2026, by which date Petitioner will provide an additional written update.

The Watershed Districts

On March 11, 2026, the Watershed Districts provided Petitioner with a draft term sheet, which terms are largely acceptable to Bucksport Mill, including the monetary terms requested by the Watershed Districts. Petitioner and the Watershed Districts have had several calls and meetings to exchange information related to the real estate interests being transferred, and parties are in advanced stages of drafting transaction documents.

The Town of Bucksport

On May 8, 2026, Bucksport provided Petitioner with a draft term sheet, which Parties discussed by telephone conference on May 14, 2026. Parties have been exchanging emails regarding the terms of the transfer of Silver Lake and Dam to the Town of Bucksport. On June 4, 2026, Bucksport and Petitioner participated in a conference of counsel and appear to be largely aligned on general terms for a proposed transaction. On June 16, 2026, Bucksport and Bucksport Mill participated in a conference of counsel, and Bucksport Mill has accepted the monetary terms outlined in Bucksport’s term sheet. Parties are in the process of preparing draft transaction documents for negotiation, which Bucksport would like finalized by the end of July so that the proposal can be placed on the November ballot.

Bucksport Generation’s Consent to Transfer

As explained in our December 8 Response, BuckGen’s consent is a prerequisite to executing the Contemplated Transfers with Bucksport and the Watershed Districts, and Petitioner has been diligently seeking the terms under which BuckGen will provide such consent.

As the Department is aware, pursuant to the terms of a 2019 easement granted to BuckGen (the “Easement”), any sale of the Water Supply System is subject to BuckGen’s *reasonable satisfaction* that its rights and obligations under the Easement will continue uninterrupted. Petitioner is also

required to obtain BuckGen's consent by virtue of a 2019 Facility Sharing Agreement, which requires that BuckGen's "*consent shall not be unreasonably withheld, delayed or conditioned.*"

For the sake of good order, Petitioner summarizes its efforts to solicit the terms of BuckGen's consent:

- January 29, 2026 – Petitioner provides BuckGen with registers describing past and future maintenance expenditures for the Water Supply System, including recommendations made in MEMA inspection reports, the independent engineering reports, and capital expenditure reports prepared by Haley Ward (which reports are part of the administrative record)
- February 3, 2026 – Petitioner follows up asking for a meeting with BuckGen to discuss the maintenance registers
- February 10, 2026 – BuckGen responds asking Bucksport Mill to add additional items from those reports to the maintenance registers
- February 12, 2026 – Bucksport Mill responds with updated maintenance registers
- February 13-18, 2026 – Bucksport Mill and BuckGen attempt to schedule a meeting for February 20, 2026.
- February 20, 2026 – BuckGen informs Bucksport Mill it is still reviewing the maintenance registers and will be unable to meet until early March.
- March 5, 2026 – BuckGen and Bucksport Mill meet to discuss the maintenance registers. BuckGen indicates it will provide a draft term sheet for negotiation in the near term.
- March 12, 2026 – Bucksport Mill follows up seeking an update on the term sheet.
- March 13, 2026 – BuckGen responds that it will be able to provide a term sheet on March 17 or 18 and have a call to discuss it on March 19.
- March 18, 2026 – BuckGen apologizes for the continued delay. After initially aiming to circulate the term sheet "within the hour" BuckGen changes course and states that it is "unable to circulate terms today. I anticipate that we may have a delay of approximately 10 days."
- April 8, 2026 – Bucksport Mill requests status update.
- April 16, 2026 – BuckGen responds stating that they hope to circulate terms the week of April 20 for discussion the week of April 27.
- April 27, 2026 – BuckGen emails requesting information about the status of permits for the Mill property that BuckGen may take ownership of and Petitioner responds on April 29, 2026. Continued correspondence on permits is ongoing.
- May 19, 2026 – BuckGen requests Bucksport Mill enter into an NDA "in preparation for circulation of a term sheet." Following negotiation, NDA is fully executed on May 29, 2026.
- June 1, 2026 – BuckGen circulates its draft term sheet (the "June 1 Term Sheet").

Since the receipt of the June 1 Term Sheet, Bucksport Mill and BuckGen have been engaged in discussions as follows:

- June 8, 2026 – Bucksport Mill and BuckGen meet to discuss the June 1 Term Sheet.
- June 12, 2026 – Bucksport Mill and BuckGen have brief conference of counsel to clarify some items contained in the June 1 Term Sheet.
- June 16, 2026 – Bucksport Mill provides written response to the June 1 Term Sheet.

- June 17, 2026 – Bucksport Mill and BuckGen participate in a conference call to discuss BuckGen’s consent to the Contemplated Transfers.

Bucksport Mill and BuckGen had a productive call this morning about the terms of BuckGen’s consent, and dynamic bilateral negotiations will continue in earnest.

The Downstream Infrastructure

The June 1 Term Sheet contained several conditions, some of which appear unrelated to BuckGen’s existing rights and obligations under the Easement. With full acknowledgment that such conditions result from BuckGen’s perception of increased risk, Petitioner currently believes an appropriate solution is for Bucksport Mill to simply maintain ownership of the Downstream Infrastructure to ensure that BuckGen’s rights and obligations continue in a manner that warrants consent under the Easement. Reaching agreement on the future ownership of, and maintenance obligations on, the Downstream Infrastructure is essential to obtaining BuckGen’s consent. Bucksport Mill and BuckGen have agreed to continue discussions regarding the future of the Downstream Infrastructure.

The Refill Piping

As set forth in the Easement and the indenture with Maine Water Company (the “Indenture”) (both of which are part of the administrative record), there is historic infrastructure that was designed to pump water from Alamoosook Lake and transport it to Silver Lake in the event the water level at Silver Lake falls below 124’ above sea level (the “Refill Piping”). To Petitioner’s knowledge, the Refill Piping has not been used since at least the 1970s and is not necessary to satisfy the water needs of either BuckGen or Maine Water Company. This is even more likely given that neither Bucksport Mill nor Whole Oceans are current users of water from Silver Lake. The Petitioner therefore believes the Refill Piping is likely not necessary for the continued operations of Maine Water Company or BuckGen. While both of those parties participated in a discussion to this effect several months ago, Petitioner has reached out to Maine Water Company to seek confirmation that they have no use for the Refill Piping and are scheduling a call for next week. Based on the June 1 Term Sheet and ongoing conversations, we understand that BuckGen does not intend to use the Refill Piping. We are therefore hopeful that all Parties will agree that the dormant Refill Piping system is not necessary to ensure adequate water supply for users of the Water Supply System.

It is Bucksport Mill’s intent to ensure that the current rights and obligations under the Easement and Indenture are transferred in such a way that satisfies the current and future needs of BuckGen and Maine Water Company *vis a vis* the Water Supply System. Petitioner has proposed a path forward where Bucksport and the Watershed Districts assume ownership of, and appropriate maintenance obligations on, the three dams. Petitioner and BuckGen have made significant progress toward a solution where BuckGen’s rights will be preserved in a way that meets their needs. Following continued discussions with Bucksport, BuckGen, and Maine Water Company, Petitioner remains confident that BuckGen’s consent should be forthcoming, which will allow parties to finalize language on the necessary agreements in the next several weeks.

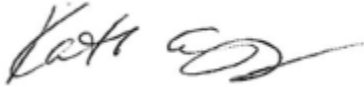
Bucksport Mill thanks the Department and all participating parties for their attention throughout this Petition process and looks forward to finalizing the Contemplated Transfers as described

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above. Given the progress made and continued optimism regarding the Contemplated Transfers, Bucksport Mill respectfully requests an extension of the consultation period until August 3, 2026, by which date Petitioner will provide an update to the Department.

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Kath Joy", with a stylized flourish at the end.

Katherine Joyce