



STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION

PAUL R. LEPAGE
GOVERNOR

PATRICIA W. AHO
COMMISSIONER

November 15, 2011

Mike Footer
Mill Manager
Old Town Fuel & Fiber
Red Shield Acquisition, LLC
P.O. Box 564
24 Portland Street
Old Town, ME 04468-0564

RE: Red Shield Acquisition's Consent Agreement

Dear Mr. Footer:

Enclosed please find the revised draft Administrative Consent Agreement for Old Town Fuel and Fiber for violations relating to Air Emissions License A-180-70-A-I for the time period of the fourth quarter of 2010 through the third quarter of 2011.

If you have any questions regarding the draft agreement please feel free to contact me at the Augusta address below, by email at Kurt.Tidd@maine.gov or by telephone at 287-9064.

Sincerely,

Kurt Tidd PE.
Senior Environmental Engineer

CERTIFIED MAIL # 7009 0820 0000 8042 8158

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AUGUSTA, MAINE 04333-0017
(207) 287-7688 FAX: (207) 287-7826
RAY BLDG., HOSPITAL ST.

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312 CANCO ROAD
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STATE OF MAINE
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IN THE MATTER OF:

RED SHIELD ACQUISITION LLC
d/b/a OLD TOWN FUEL & FIBER
PENOBSCOT COUNTY
OLD TOWN, MAINE
2011-034-A
ADMINISTRATIVE CONSENT
AGREEMENT
(38 M.R.S.A. § 347-A)

This Agreement by and among Red Shield Acquisition LLC d/b/a Old Town Fuel & Fiber ("Red Shield") the Maine Department of Environmental Protection ("Department") and the Maine Office of the Attorney General is entered into pursuant to the laws concerning the Department's Organization and Powers, 38 M.R.S.A. § 347-A(1).

The parties agree as follows:

- 1. Red Shield is a foreign limited liability company which is organized and exists under the laws of the State of Delaware and is registered to do business in Maine. Red Shield is licensed to operate a pulp manufacturing facility and a biomass fired electric power generating facility under the standard and specific conditions of Department issued Title V Air Emission License A-180-70-A-I and amendments.
2. The violations described herein took place at the Red Shield pulp manufacturing and wood fired electrical generating facility located in Old Town, Maine identified in paragraph one (1).
3. During times relevant to this Agreement, Red Shield was subject to Provisions of Maine's Protection and Improvement of Air laws ("Air Act"), 38 M.R.S.A. § 581-610-C the Department's rules for Source Surveillance 06-096 CMR 117, Total Reduced Sulfur Control from Kraft Pulp Mills, 06-096 CMR 124, and Title V Air Emission License A-180-70-A-I signed December 2, 2009.
4. Throughout the period of time addressed in this Agreement, Red Shield was subject to Air Emission License A-180-70-A-I condition (15)(I) which states in relevant part;

A-180-70-A-I (15)(I)

(15) Biomass Boiler and Turbine

I. Opacity Limit/Cold Startups

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RED SHIELD ACQUISITION LLC) ADMINISTRATIVE CONSENT
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PENOBSCOT COUNTY) (38 M.R.S.A. § 347-A)
OLD TOWN, MAINE)
2011-034-A 2

Visible emissions from the biomass boiler shall not exceed 20% opacity on a 6 (six)-minute average except for one 6-minute period per hour of not more than 27% opacity. This opacity standard shall apply at all times, except during periods of cold startups as defined below. [40 CFR Part 60, Subpart Db]

5. Excess Emission and Quarterly reports submitted by Red Shield to the Department for the fourth quarter of 2010 through the third quarter of 2011 describe the following incidents of excess opacity (6 minute block averages) from the Biomass Boiler in violation of the requirements stated in paragraph four (4) above:

<u>Year</u>	<u>6 Minute Block Averages</u>
2010 (10/1-12/31)	7
2011 (1/1-9/30)	57

6. Throughout the period of time addressed in this Agreement, Red Shield was subject to Air Emission License A-180-70-A-I condition (15)(H) which states in relevant part;

A-180-70-A-I (15)(H)

(15) Biomass Boiler and Turbine

H. Emission Limits

Emissions from the Biomass Boiler shall not exceed the following:

CO 0.35 lb/MMBtu 30 day rolling Ave.¹

1. There is a clerical error in the License. Prior to the period of the time addressed by this Agreement the facility had been granted an Emissions Limit of 0.9 lb/MMBtu when firing green wood. The License a-180-70-A-I indicates that this limit was valid until "October 1, 2020", however the correct date should have been October 1, 2010. The License immediately prior to the Title V License, A-180-71-BA-A, established an October 1, 2010 expiration for 0.9 emissions limit. In addition, the application for the 0.9 emissions limit in License A-180-71-BA-A requested an expiration date of October 1, 2010. Red Shield has reported exceedances of the 0.35 emissions limit as violations subsequent to October 1, 2010 consistent with the fact that the 2020 date was a clerical error.

RED SHIELD ACQUISITION LLC) **ADMINISTRATIVE CONSENT**
d/b/a OLD TOWN FUEL & FIBER) **AGREEMENT**
PENOBSCOT COUNTY) **(38 M.R.S.A. § 347-A)**
OLD TOWN, MAINE)
2011-034-A) **3**

7. Excess Emission and Quarterly reports submitted by Red Shield to the Department for the fourth quarter of 2010 through the third quarter of 2011 describe the following incidents of excess CO emissions (30 day rolling average) from the Biomass Boiler in violation of the requirements stated in paragraph six (6) above:

<u>Year</u>	<u>Days</u>
2010 (10/1-12/31)	57
2011 (1/1-10/16/11)	273

8. Throughout the period of time addressed in this Agreement, Red Shield was subject to Air Emission License A-180-70-A-I condition (14)(F) which states in relevant part;

A-180-70-A-I (14)(F)

(14) #5 Power Boiler

F. Red Shield shall operate the #5 Boiler such that the visible emissions from the stack do not exceed 20% opacity on a six (6) minute block average basis, except for no more than one 6 minute block average per hour of not more than 27% opacity. [40 CFR Part 60, Subpart Db]

9. Excess Emission and Quarterly reports submitted by Red Shield to the Department for the fourth quarter of 2010 through the third quarter of 2011 describe the following incidents of excess opacity (6 minute block averages) from the #5 Boiler in violation of the requirements stated in paragraph eight (8) above:

<u>Year</u>	<u>6 Minute Block Averages</u>
2010 (10/1-12/31)	37
2011 (1/1-9/30)	18

10. Throughout the period of time addressed in this Agreement, Red Shield was subject to Air Emission License A-180-70-A-I condition (25)(C) which states in relevant part;

(25) Lime Kiln

RED SHIELD ACQUISITION LLC) **ADMINISTRATIVE CONSENT**
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PENOBSCOT COUNTY) **(38 M.R.S.A. § 347-A)**
OLD TOWN, MAINE)
2011-034-A 4

C. The Lime Kiln shall be the primary incinerator for the LVHC gases (NCGs) generated by the pulp mill, with #5 Power Boiler and the Biomass Boiler as back-up. Primary shall be defined as greater than 80% of the total incineration time on an annual basis. If a kiln failure occurs, Red Shield shall incinerate the LVHC gases in #5 Power Boiler or the Biomass Boiler. Records shall be maintained to document compliance with the 80% LVHC gas incineration time in the Lime Kiln. [06-096 CMR 124, TRS]

11. The 2010 Annual Title V Compliance Certification submitted by Red Shield to the Department documents that Red Shield incinerated LVHC gases less than 80% of the time in calendar year 2010 in violation of the condition stated in paragraph ten (10) above.
12. By the conduct described in paragraphs four (4) through eleven (11) Red Shield violated Air Emission License A-180-70-A-I.
13. Department Staff notified Red Shield by a Notice of Violation (NOV) sent on March 21, 2011 of the Air Emission violations described in paragraphs four (4) through eleven (11).
14. For the purposes of this Agreement, Red Shield agrees that it received proper notice of all violations identified herein pursuant to 38 M.R.S.A. § 347-A(1)(B).
15. This Agreement shall become effective only if it is approved by the Commissioner and the Office of the Attorney General.
16. To resolve the violations described in this Agreement, Red Shield agrees to Pay to the Treasurer, State of Maine, immediately upon signature of this Consent Agreement a civil monetary penalty of four hundred and ninety six thousand, six hundred and fifty eight dollars (\$496,658.00).
17. The Department and the Office of the Attorney General grant a release of their causes of action against Red Shield for the specific violations listed in paragraphs four (4) through eleven (11) of this Agreement on the express condition that all actions listed in Paragraph Sixteen (16) of this Agreement are completed in accordance with the express terms and conditions of this Agreement. The release shall not become effective until all requirements of this Agreement are satisfied.
18. Non-compliance with this Agreement voids the release set forth in paragraph seventeen (17) of this Agreement and may lead to an enforcement action pursuant to 38 M.R.S.A. § 347-A(1)(A), 347-A(5), or 348, as well as pursuit of other remedies.

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OLD TOWN, MAINE)
2011-034-A 5

19. Actions taken pursuant to this Agreement shall be completed in accordance with the requirements of all local, state and federal laws, including but not limited to licensing requirements.

20. The provisions of this Agreement shall apply to, and be binding on, the parties, their officers, agents, servants, employees, successors, and assigns, and upon those persons in active concert or participation with them who receive actual notice of this Agreement.

IN WITNESS HEREOF the parties hereto have executed this Agreement of five (5) pages.

RED SHIELD ACQUISITION LLC

BY: _____
Title DATE

MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

BY: _____
Patricia W. Aho, Commissioner DATE

MAINE OFFICE OF THE ATTORNEY GENERAL

BY: _____
Gerald D. Reid, Assistant Attorney General DATE