

BEFORE THE DEPARTMENT OF ENVIRONMENTAL QUALITY  
OF THE STATE OF OREGON

IN THE MATTER OF ) STIPULATED AGREEMENT AND  
Cascade Pacific Pulp, LLC ) FINAL ORDER  
Halsey Pulp Mill )  
 ) ORDER NO. 22-3501  
Permittee. )

Permittee, Cascade Pacific Pulp, LLC, and the Department of Environmental  
Quality (DEQ) hereby agree that:

WHEREAS:

1. Permittee, Cascade Pacific Pulp, LLC, operates a pulp mill located at 30480 American Drive in Halsey, Oregon (the Facility).
2. On March 2, 1998, DEQ issued Title V Operating Permit No. 22-3501-TV-01 (the Permit) to Permittee.
3. On June 30, 2020, DEQ renewed the Permit.
4. The Permit authorizes Permittee to discharge air contaminants associated with its operation of the Facility in conformance with the requirements, limitations, and conditions set forth in the Permit.
5. As of December 31, 2017, the Permit had the following plant site emissions limit (PSEL) for sulfur dioxide (SO<sub>2</sub>), particulate matter of ten microns or less (PM<sub>10</sub>), and nitrogen oxides (NO<sub>x</sub>), which constitute round II regional haze pollutants, *see* OAR 340-223-0020(2) at the Facility: 851 tons per year for SO<sub>2</sub>, 366 tons per year for PM<sub>10</sub> and 687 tons per year for NO<sub>x</sub>.
6. The Facility is located 80.4 kilometers from Three Sisters Wilderness, which is the nearest Class I Area, *see* OAR 340-200-0020(25), measured in a straight line from the Facility to the Class I Area.
7. Based on the definitions and the formula in OAR 340-223-0100(2) the Facility's Q value is 1,904; d value is 80.4, and ratio of Q divided by d is 23.7.

8. Because the Facility has a Title V operating permit and because the Facility has a Q/d value greater than 5.00, the Facility is subject to the requirements of round II of regional haze. *See* OAR 340-223-0100(1).

9. Rather than complying with OAR 340-223-0110(1), the Facility would like to enter into a Stipulated Agreement with DEQ for alternative compliance with round II of regional haze and would like to accept federally enforceable reductions of combined plant site emission limits of round II regional haze pollutants, remove fuel oil #6 as a fuel for Power Boiler #1 (PB1EU), and install a low NOx burner, which DEQ shall incorporate into a Final Order. See OAR 340-223-0110(2)(b)(C).

## I. AGREEMENT

1. DEQ issues this Stipulated Agreement and Final Order (SAFO) pursuant to OAR 340-223-0110(2)(b)(C), and it shall be effective upon the date fully executed.

2. The Facility is subject to round II of regional haze, according to OAR 340-223-0100(1).

3. The Permittee agrees to and will ensure compliance with the PSEL reductions, control install, and fuel limitations in Section II of this SAFO.

4. The PSEL reductions required by this SAFO shall not be banked, credited, or otherwise accessed by Permittee for use in future permitting actions, except Permittee may retain unassigned emissions not subject to reduction pursuant to OAR 340-222-0055(3)(c).

5. PSELs for this Facility shall not be increased above those established in this SAFO except as approved in accordance with applicable state and federal permitting regulations.

6. The Permittee shall calculate compliance with the PSELs in Section II of this SAFO according to the requirements of the Permit.

7. DEQ shall incorporate this SAFO and the conditions in Section II below into the Permit pursuant to 340-218-0200(1)(a)(A), if applicable, or upon permit renewal.

8. DEQ may submit this SAFO to the Environmental Protection Agency as part of the State Implementation Plan under the federal Clean Air Act.

1           9.       Permittee waives any and all rights and objections Permittee may have to the form,  
2 content, manner of service, and timeliness of this SAFO and to a contested case hearing and judicial  
3 review of the SAFO.

4           10.       In the event EPA does not accept DEQ's Round II Regional Haze State  
5 Implementation Plan (SIP) in any manner that impacts the final order, implementation of the Final  
6 Order shall be stayed until DEQ and the Permittee modify the Final Order in such a manner as to  
7 ensure compliance with the Round II Regional Haze SIP.

8           11.       This SAFO shall be binding on Permittee and its respective successors, agents, and  
9 assigns. The undersigned representative of Permittee certifies that he, she, or they are fully  
10 authorized to execute and bind Permittee to this SAFO. No change in ownership, corporate, or  
11 partnership status of Permittee, or change in the ownership of the properties or businesses affected  
12 by this SAFO shall in any way alter Permittee's obligation under this SAFO, unless otherwise  
13 approved in writing by DEQ through an amendment to this SAFO.

14           12.       If any event occurs that is beyond Permittee's reasonable control and that causes or  
15 may cause a delay or deviation in performance of the requirements of this SAFO, Permittee must  
16 immediately notify DEQ verbally of the cause of delay or deviation and its anticipated duration, the  
17 measures that Permittee has or will take to prevent or minimize the delay or deviation, and the  
18 timetable by which Permittee proposes to carry out such measures. Permittee shall confirm in  
19 writing this information within five (5) business days of the onset of the event. It is Permittee's  
20 responsibility in the written notification to demonstrate to DEQ's satisfaction that the delay or  
21 deviation has been or will be caused by circumstances beyond the control and despite due diligence  
22 of Permittee. If Permittee so demonstrates, DEQ may extend times of performance of related  
23 activities under this SAFO as appropriate. Circumstances or events beyond Permittee's control  
24 include, but are not limited to, extreme and unforeseen acts of nature, unforeseen strikes, work  
25 stoppages, work interference caused by pandemic, fires, explosion, riot, sabotage, or war. Increased  
26 cost of performance or a consultant's failure to provide timely reports are not considered  
27 circumstances beyond Permittee's control.

13. Facsimile or scanned signatures on this SAFO shall be treated the same as original signatures.

## II. FINAL ORDER

The DEQ hereby enters a final order requiring Permittee to comply with the following schedule and conditions:

1. Permittee agrees to not combust fuel oil #6 at any emission unit in the facility by June 30, 2024.
2. By January 31, 2022, Permittee shall conduct source testing for NOx at Power Boiler #1 (PB1EU).
  - a. The source test shall be conducted with a steam loading of 80% to 90% designed steam load and the nominal steam load.
  - b. Source testing shall adhere to DEQ Source Sampling Manual, Rev. 2018.
3. By December 31, 2022, the Permittee shall finalize the design of the low NOx burner to be installed on Power Boiler # 1 (PB1EU).
  - a. Permittee shall design the low NOx burner with an objective of achieving a 33% reduction in NOx emissions from Power Boiler #1 (PB1EU). The overall emission reduction with a low NOx burner and the elimination of burning #6 Fuel Oil is anticipated to be up to or greater than 39%, which will be determined by source testing as described in paragraph II.5 and II.6.
4. By December 31, 2023, Permittee shall construct and install the low NOx Burner in Power Boiler #1 (PB1EU).
5. By March 31, 2024, Permittee shall conduct source testing for NOx at Power Boiler #1 (PB1EU).
  - a. The source test shall be conducted with a steam loading of 80% to 90% designed steam load and the nominal steam load.
  - b. Source testing shall adhere to DEQ Source Sampling Manual, Rev. 2018.



6. By June 30, 2024, Permittee shall submit to DEQ a report that analyzes the data and information collected in source testing from Section II.5 of this agreement. The report shall include a proposal from Permittee on revised PSELs. Results from the post installation source test will be used to develop the Plant Site Emission Limit for #1 Power Boiler, which DEQ shall incorporate into the Permit pursuant to 340-218-0200(1)(a)(A), if applicable, or upon permit renewal.

Cascade Pacific Pulp, LLC (PERMITTEE)

8/9/21  
Date

Patrick R Rank  
Signature  
Patrick R. Rank  
Name (print)  
VP and GM  
Title (print)

DEPARTMENT OF ENVIRONMENTAL QUALITY and  
ENVIRONMENTAL QUALITY COMMISSION

8/9/2021  
Date

Ali Mirzakhali  
Ali Mirzakhali, Administrator  
Air Quality Division  
on behalf of DEQ pursuant to OAR 340-223-0110(2)