BEFORE THE DEPARTMENT OF ENVIRONMENTAL QUALITY

OF THE STATE OF OREGON

IN THE MATTER OF Cascade Tissue Group – Oregon, a division of Cascades Holding US Inc. Permittee.	))))	STIPULATED AGREEMENT AND FINAL ORDER ORDER NO. 05-1849

Permittee, Cascade Tissue Group – Oregon, a division of Cascades Holding US Inc., and the Department of Environmental Quality (DEQ) hereby agree that:

WHEREAS:

1. Permittee operates a paper mill located at 1300 Kaster Road, Saint Helens, Oregon (the Facility).

2. On July 1, 1996, DEQ issued Title V Operating Permit No. 05-1849-TV-02 (the Permit) to Permittee.

3. On April 6, 2018, 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 (SO2), particulate matter of ten microns or less (PM10), and nitrogen oxides (NOx), which constitute round II regional haze pollutants, *see* OAR 340-223-0020(2) at the Facility: 3400 tons per year for SO2, 738 tons per year for PM10 and 1449 tons per year for NOx.

6. Upon renewal, issued April 6, 2018, the Permit was modified to reduce the PSELs to 39 tons per year for SO2, 14 tons per year for PM10 and 103 tons per year for NOx, and the Permit included condition 23, which documented the following unassigned emissions: 3322 tons for SO2, 739 tons for PM 10, and 1386 tons for NOx.

7. The Facility is located 87.7 kilometers from Mount Hood Wilderness Area, 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.

8. Based on the definitions and the formula in OAR 340-223-0100(2) the Facility's Q value is 5587; d value is 87.7, and ratio of Q divided by d is 63.71.

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

10. 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 remove and forfeit banked unassigned emissions, and accept the PSELs in effect on April 6, 2018 in their Title V operating permit as compliance with round II of regional haze, which DEQ shall incorporate into a Final Order. *See* OAR 340-223-0110(2)(b)(A).

I. AGREEMENT

1. DEQ issues this Stipulated Agreement and Final Order (SAFO) pursuant to OAR 340-223-0110(2)(b)(A), 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 schedule in Section II of this SAFO.

4. The PSEL and unassigned emissions reductions required by this SAFO shall not be banked, credited, or otherwise accessed by Permittee for use in future permitting actions.

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 OAR 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.

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

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

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

12. If any unforeseen event occurs that is beyond Permittee's reasonable control and that causes or may cause a delay or deviation in performance of the requirements of this SAFO, Permittee must immediately notify DEQ verbally of the cause of delay or deviation and its anticipated duration, the measures that Permittee has or will take to prevent or minimize the delay or deviation, and the timetable by which Permittee proposes to carry out such measures. Permittee shall confirm in writing this information within five (5) business days of the onset of the event. It is Permittee's responsibility in the written notification to demonstrate to DEQ's satisfaction that the delay or deviation has been or will be caused by circumstances beyond the control and despite due diligence of Permittee. If Permittee so demonstrates, DEQ may extend times of performance of related activities under this SAFO as appropriate. Circumstances or events beyond Permittee's

control include, but are not limited to, extreme and unforeseen acts of nature, unforeseen strikes, work stoppages, fires, explosion, riot, sabotage, or war. Increased cost of performance or a consultant's failure to provide timely reports are not considered 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. The Permittee shall comply with the PSELs according to the following schedule:
   a. On August 1, 2022, the Permittee's PSELs for the following pollutants are:
      i. 39 tons per year for SO2, 14 tons per year for PM10 and 103 tons per year for NOx.
2. Unassigned emissions for SO2, PM10, and NOx will be set to 0.

Cascade Tissue Group - Oregon (PERMITTEE)

8/18/2021
Date

Signature

Jonathan Boucharel
Name (print)

Plant Manager
Title (print)

DEPARTMENT OF ENVIRONMENTAL QUALITY and
ENVIRONMENTAL QUALITY COMMISSION

8/18/2021
Date

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