BEFORE THE DEPARTMENT OF ENVIRONMENTAL QUALITY

OF THE STATE OF OREGON

IN THE MATTER OF BIOMASS ONE, L.P. Permittee.	))))	STIPULATED AGREEMENT AND FINAL ORDER ORDER NO. 15-0159

Permittee, Biomass One, L.P., and the Department of Environmental Quality (DEQ) hereby agree that:

WHEREAS:

1. Permittee operates a biomass power plant located at 2350 Ave G in White City, Oregon (the Facility).

2. On February 28, 1996, DEQ issued Title V Operating Permit No. 15-0159-TV-01 (the Permit) to Permittee.

3. On May 12, 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 (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: 469 tons per year for NOx, 31 tons per year for PM10 and 39 tons per year for SO2.

6. The Facility is located 56.4 kilometers from Mountain Lakes 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 539; d value is 56.4, and ratio of Q divided by d is 9.6.

8. 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).

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 and performance limits 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 emission reductions schedule 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.

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 340-218-200(1)(a)(A), as 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 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. By July 31, 2022, Permittee shall install CEMS to measure the emissions of NOx from North Boiler and South Boiler. Permittee shall install the CEMS according to the following installation, quality control, and quality assurance requirements:
   a. By September 31, 2022, Permittee shall demonstrate proper installation of the CEMS following EPA Procedure 1 (see 40 CFR 60, Appendix F, Procedure 1), Performance Specification 2 (see 40 CFR 60, Appendix F, Performance Specification 2), and DEQ Continuous Monitoring Manual, Rev. 2015.
   b. By December 31, 2022, Permittee shall submit data collected during demonstrations required under Section II.1.a to DEQ for review and certification of the CEMS.
   c. Upon DEQ's approval of the CEMS certification, Permittee shall use data collected from the CEMS to minimize NOx operations to the extent practicable.
   d. Permittee shall collect and record all data from the NOx CEMS and make that data available to DEQ upon request.
2. Within 180 days after installation of the NOx CEMS in Section II.1, Permittee shall submit to DEQ a NOx optimization plan that describes Permittee's plan to use the CEMS data to operate in a way that minimizes NOx emissions. Permittee will implement the NOx optimization plan at all times after submitting it to DEQ.
3. If Permittee is able to finalize a new power purchase agreement (PPA), Permittee shall notify DEQ in writing within 14 calendar days. Or, if no new PPA is signed, Permittee shall cease operation by January 1, 2027 and request cancellation of their Title V operating permit.
4. If a new PPA is signed, then no later than 180 days after notifying DEQ of the new PPA, the Permittee shall submit a complete application for installation of NOx reduction technology that includes selective catalytic reduction (SCR) on the North

Boiler and South Boiler or demonstrates SCR is technically infeasible or presents other unacceptable energy or non-air quality impacts. If SCR is technically infeasible or presents such other unacceptable impacts, the Permittee will propose the best available, technically feasible, and achievable NOx reduction option for DEQ's review and approval. DEQ will notify Permittee and provide Permittee with a reasonable opportunity to comment before approving a NOx reduction option in response to Permittee's application under this Section II.4.

5. Permittee shall complete installation of the controls approved by DEQ in Section II.4 within 18 months after receiving the necessary approvals from DEQ. After installation of the identified controls, Permittee will operate using those controls at all times.

BIOMASS ONE, L.P. (PERMITTEE)

8/9/2021
Date

Gregory R Blair
Signature

Gregory R Blair
Name (print)

President, National Public Energy, Inc., its Managing General Partner
Title (print)

DEPARTMENT OF ENVIRONMENTAL QUALITY and
ENVIRONMENTAL QUALITY COMMISSION

8/9/2021
Date

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