



STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION

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COMMISSIONER

Memorandum

Date: June 8, 2010
To: Patrick Woodcock – Senator Snowe’s Office
From: Jim Brooks – Director, Bureau of Air Quality
RE: Maine Air Emission Sources Subject to the Tailoring Rule and American Power Act

I’ve enclosed within this document a list of sources the Department believes may be subject to the newly proposed Tailoring Rule and the American Power Act. The following bullets are points and observations I made concerning the Tailoring Rule based on our previous phone discussions.

- Although the Tailoring Rule identifies the categories of air emission sources that will be subject to the new rule; this does not mean those sources will be immediately required to meet new Greenhouse Gas (GHG) emission control requirements.
- Overall, the EPA Tailoring Rule is designed to limit or ‘tailor’ the rule to the largest emitters of greenhouse gas emissions. In Step 1 of the rule (effective January 2, 2010), existing major sources (Title V sources), existing sources that undergo a major modification or new construction (subject to the PSD program will be subject to the rule. The seventy one Maine air emission sources listed on the spreadsheet below are comprised of sixty nine Title V air emission sources and two non-Title V sources.....they are Maine’s largest emitters of GHGs. Those two non-Title V sources were not previously subject to major source permitting requirements but have annual emissions exceeding the Step 2 threshold for applicability.
- Also, in Step 1 of the Tailoring Rule, these regulated sources are required to address certain requirements when they apply for, renew or revise their Title V licensing permit. These requirements include reporting, monitoring and record keeping requirements. GHG emission standards and Best Available Control Technology (BACT) analysis requirements are only applicable if an existing air emission source proposes a major modification to its facility, or a new major air emission source is proposed to be constructed, and then only when certain GHG emission thresholds and other permitting requirements are triggered. To put this in a Maine perspective, our air program generally receives less than five of these types of applications per year.
- In Step 2 and 3, the universe of applicable air emission sources subject to the rule is, or will be, expanded and defined. Again, from a Maine licensing perspective we do not expect to see much of an increase in these types of applications per year. Existing plant modifications or new sources that emit either 50,000, 75,000 or 100,000 tons of additional GHG emissions will be limited to the largest air emission sources in the state.
- Recently, EPA staff stated that the proposed BACT guidelines will be available for review later this summer.....the Department expects to see GHG emission control requirements that improve energy efficiency to play a significant role in their guidelines.
- During our last phone call, we talked about the lack of a biomass exemption in the Tailoring Rule. My staff and I reviewed the rule and associated documents, and concluded that this issue is less critical in this particular application of a technology-enhancing rule, especially when compared to a GHG cap and trade compliance requirement. In simple terms, the implementation of the Tailoring Rule over a long time will result in decreased GHG emissions from biomass per unit of product (energy, paper, lumber, etc.) produced, and as a result, ultimately leading to increased energy efficiency. Overall, this is consistent with the state’s long term view on energy use, forest conservation and sustainability.

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TAILORING RULE

EXISTING TITLE V INDUSTRIAL SOURCES SUBJECT TO THE TAILORING RULE

The initial list of Maine sources that might be subject to the Rule is any existing Title V permitted facility. These are the 69 facilities listed below.

Facility Name	Location
SAPPI - SOMERSET	SKOWHEGAN
NEWPAGE PAPER CORP	RUMFORD
VERSO PAPER - ANDROSCOGGIN	JAY
DOMTAR MAINE CORP	BAILEYVILLE
VERSO PAPER - BUCKSPORT	BUCKSPORT
WESTBROOK ENERGY CENTER	WESTBROOK
LINCOLN PAPER AND TISSUE, LLC	LINCOLN
MAINE INDEPENDENCE STATION	VEAZIE
S D WARREN CO - WESTBROOK	WESTBROOK
BORALEX STRATTON ENERGY INC	STRATTON
RED SHIELD ENVIRONMENTAL, LLC	OLD TOWN
BORALEX ASHLAND	ASHLAND MAINE
DRAGON PRODUCTS CO - THOMASTON	THOMASTON
BORALEX FORT FAIRFIELD LP	FORT FAIRFIELD
KATAHDIN PAPER CO - EAST MILL	EAST MILLINOCKET
BORALEX LIVERMORE FALLS	LIVERMORE FALLS
FPL ENERGY WYMAN LLC	YARMOUTH
PENOBSCOT ENERGY RECOVERY CO	ORRINGTON
WORCESTER ENERGY PARTNERS INC	DEBLOIS
VERSO PAPER COGENERATION FACILITY	JAY
RUMFORD POWER	RUMFORD
MAINE ENERGY RECOVERY CO	BIDDEFORD
GREENVILLE STEAM CO	GREENVILLE JCT
INDECK WEST ENFIELD ENERGY CENTER	WEST ENFIELD
KATAHDIN PAPER CO - MILLINOCKET MILL	MILLINOCKET
INDECK JONESBORO ENERGY CENTER	JONESBORO
MADISON PAPER INDUSTRIES	MADISON
HUBER ENGINEERED WOODS LLC - EASTON	EASTON
ECOMAINE (RWS)	PORTLAND
WAUSAU PAPER OTIS MILL	JAY
PINE TREE LANDFILL	HAMPDEN
LOUISIANA-PACIFIC CORP - NEW LIMERICK	NEW LIMERICK
PORTSMOUTH NAVAL SHIPYARD	KITTERY
FMC BIOPOLYMER	ROCKLAND
MCCAIN FOODS USA INC - EASTON	EASTON
UNIVERSITY OF MAINE ORONO	ORONO
HUHTAMAKI FOODSERVICE INC	WATERVILLE
FRASER TIMBER LIMITED - ASHLAND	ASHLAND
ROBBINS LUMBER INC	SEARSMONT
MID MAINE WASTE ACTION CORP	AUBURN
FRASER TIMBER LIMITED - MASARDIS	MASARDIS
HANCOCK LUMBER CO INC - BETHEL	BETHEL



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TAILORING RULE

EXISTING TITLE V INDUSTRIAL SOURCES SUBJECT TO THE TAILORING RULE (CONT.)

Facility Name	Location
IRVING FOREST PRODUCTS - DIXFIELD	DIXFIELD
BATH IRON WORKS - BATH FACILITY	BATH
JUNIPER RIDGE LANDFILL	OLD TOWN
MARITIMES & NORTHEAST PIPELINE-BAILEYVIL	BAILEYVILLE
PIONEER PLASTICS CORP	AUBURN
NAVAL COMPUTER & TELECOMM DET - CUTLER	CUTLER
IRVING FOREST PRODUCTS - PINKHAM SAWMILL	ASHLAND
MAINE WOODS CO	PORTAGE
CYRO INDUSTRIES / DEGUSSA	SANFORD
FRASER PAPERS INC	MADAWASKA
KNIGHT-CELOTEX LLC (FORMERLY MASONITE)	LISBON FALLS
MCCAIN FOODS USA INC - TATERMEAL	PRESQUE ISLE
PRIME TANNING CO - HARTLAND	HARTLAND
MOOSE RIVER LUMBER CO INC	MOOSE RIVER
DINGLEY PRESS	LISBON
EXXONMOBIL OIL PORTLAND TERMINAL	SOUTH PORTLAND
HINCKLEY CO - SOUTHWEST HARBOR	SOUTHWEST HARBOR
TARDY-CONNORS GROUP, LLC	MONSON
NORTH END COMPOSITES	ROCKLAND
TALARIA CO LLC DBA HINCKLEY CO-TRENTON	TRENTON
SABRE CORP	RAYMOND
CITGO PETROLEUM - SOUTH PORTLAND	SOUTH PORTLAND
WPS NEW ENGLAND GENERATION INC - CARIBOU	CARIBOU
BORALEX SHERMAN LLC	SHERMAN STATION
PORTLAND PIPE LINE CORP	SOUTH PORTLAND
IRVING TANNING CO	HARTLAND
WASTE MANAGEMENT DISPOSAL SERVICES OF MAINE INC	NORRIDGEWOCK

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TAILORING RULE

LIST OF INDUSTRIAL SOURCES THAT MAY BE SUBJECT TO REGULATION UNDER THE EPA TAILORING RULE NOT REGULATED UNDER TITLE V

These two sources were not previously subject to major source permitting requirements but have annual emissions exceeding the Step Two threshold for applicability in the Tailoring Rule.

NOTE: These sources emit SF6 which has a high global warming potential.

NATIONAL SEMICONDUCTOR CORP	SOUTH PORTLAND
FAIRCHILD SEMICONDUCTOR CORP	SOUTH PORTLAND

NOTES:

°The Rule will take effect in two steps. Step One will be effective from January 2 to June 30, 2011, and will apply to all existing Title V sources in Maine. It will require each facility to monitor and report total greenhouse gas emissions, as already required by Maine statute (Chapter 137). In addition, facilities that undertake either new construction or modifications may be subject to BACT (Best Available Control Technology) requirements. This will depend on increases in criteria pollutants and total greenhouse gas emissions from the facility.

°Step Two will be effective from July 1, 2011, to June 30, 2013. During this phase, facilities may become subject to BACT based solely on their total greenhouse gas emissions, including those from biomass, regardless of emissions of other pollutants. In addition, different emissions thresholds apply for new construction (100,000 US tons CO2e per year) and modifications of existing facilities that increase GHG's more than (75,000 US tons CO2e per year).

°In Step Three EPA has committed to reviewing the Rule, and to consider lowering the applicability threshold for sources subject to the Rule to 50,000 US tons CO2e per year. This lower threshold would not be in force before April 30, 2016.

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AMERICAN POWER ACT

The American Power Act (APA) is concerned with controlling greenhouse gas emissions from all sectors of the economy. To do so, it defines several categories as 'covered entities' that will be required to varying degrees to measure, report, and obtain permits to emit greenhouse gases. The list below identifies Maine businesses that are likely to be classified as covered entities under the Act, based on historic reported emissions.

INDUSTRIAL SOURCES THAT MAY BE COVERED ENTITIES UNDER APA

The Industrial Sources are those stationary facilities that have reported total greenhouse gas emissions of 25,000 or more metric tons of CO₂e, including emissions from biomass combustion. For certain industrial sectors (e.g., cement production), all facilities are covered entities regardless of the amount of emissions.

Facility Name	Location
SAPPI - SOMERSET	SKOWHEGAN
NEWPAGE PAPER CORP	RUMFORD
VERSO PAPER - ANDROSCOGGIN	JAY
DOMTAR MAINE CORP	BAILEYVILLE
VERSO PAPER - BUCKSPORT	BUCKSPORT
WESTBROOK ENERGY CENTER	WESTBROOK
LINCOLN PAPER AND TISSUE, LLC	LINCOLN
MAINE INDEPENDENCE STATION	VEAZIE
S D WARREN CO - WESTBROOK	WESTBROOK
BORALEX STRATTON ENERGY INC	STRATTON
RED SHIELD ENVIRONMENTAL, LLC	OLD TOWN
BORALEX ASHLAND	ASHLAND MAINE
DRAGON PRODUCTS CO - THOMASTON	THOMASTON
BORALEX FORT FAIRFIELD LP	FORT FAIRFIELD
KATAHDIN PAPER CO - EAST MILL	EAST MILLINOCKET
BORALEX LIVERMORE FALLS	LIVERMORE FALLS
FPL ENERGY WYMAN LLC	YARMOUTH
PENOBSCOT ENERGY RECOVERY CO	ORRINGTON
WORCESTER ENERGY PARTNERS INC	DEBLOIS
VERSO PAPER COGENERATION FACILITY	JAY
RUMFORD POWER	RUMFORD
MAINE ENERGY RECOVERY CO	BIDDEFORD
GREENVILLE STEAM CO	GREENVILLE JCT
INDECK WEST ENFIELD ENERGY CENTER	WEST ENFIELD
KATAHDIN PAPER CO - MILLINOCKET MILL	MILLINOCKET
INDECK JONESBORO ENERGY CENTER	JONESBORO
MADISON PAPER INDUSTRIES	MADISON
FAIRCHILD SEMICONDUCTOR CORP	SOUTH PORTLAND
HUBER ENGINEERED WOODS LLC - EASTON	EASTON
ECOMAINE (RWS)	PORTLAND
WAUSAU PAPER OTIS MILL	JAY
CROSSROADS LANDFILL	NORRIDGEWOCK
PINE TREE LANDFILL	HAMPDEN
LOUISIANA-PACIFIC CORP - NEW LIMERICK	NEW LIMERICK
PORTSMOUTH NAVAL SHIPYARD	KITTERY



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AMERICAN POWER ACT

INDUSTRIAL SOURCES THAT MAY BE COVERED ENTITIES UNDER APA (cont.)

FMC BIOPOLYMER	ROCKLAND
MCCAIN FOODS USA INC - EASTON	EASTON
UNIVERSITY OF MAINE ORONO	ORONO
HUHTAMAKI FOODSERVICE INC	WATERVILLE
FRASER TIMBER LIMITED - ASHLAND	ASHLAND
ROBBINS LUMBER INC	SEARSMONT
MID MAINE WASTE ACTION CORP	AUBURN
FRASER TIMBER LIMITED - MASARDIS	MASARDIS
HANCOCK LUMBER CO INC - BETHEL	BETHEL
IRVING FOREST PRODUCTS - DIXFIELD	DIXFIELD
BATH IRON WORKS - BATH FACILITY	BATH
NATIONAL SEMICONDUCTOR CORP	SOUTH PORTLAND
JUNIPER RIDGE LANDFILL	OLD TOWN
MARITIMES & NORTHEAST PIPELINE-BAILEYVIL	BAILEYVILLE
PIONEER PLASTICS CORP	AUBURN

ELECTRICITY SOURCES THAT MAY BE COVERED ENTITIES UNDER APA

The Electricity Sources are those facilities that are fired by any amount of fossil fuel and serve a generator that produces electricity for sale. However, some small co-generating facilities in Maine that meet this broad definition may not be covered entities under exemption provisions of the APA.

EASTERN MAINE MEDICAL CENTER	BANGOR
NAVAL COMPUTER & TELECOMM DET - CUTLER	CUTLER
LAVALLEY LUMBER CO LLC	SANFORD
CENTRAL MAINE POWER COMPANY	AUGUSTA
MAINE MEDICAL CENTER	PORTLAND
PERMA TREAT CORP	MATTAWAMKEAG
SOUTHERN MAINE MEDICAL CENTER	BIDDEFORD
FPL ENERGY CAPE LLC	SOUTH PORTLAND
BANGOR HYDRO-ELECTRIC CO - BAR HARBOR	BAR HARBOR
MCI (VERIZON BUSINESS)	ANDOVER
BANGOR HYDRO-ELECTRIC CO - MEDWAY	MEDWAY
WPS NEW ENGLAND GENERATION INC - CARIBOU	CARIBOU
BANGOR HYDRO-ELECTRIC CO - EASTPORT	EASTPORT
BORALEX SHERMAN LLC	SHERMAN STATION
WPS NEW ENGLAND GENERATION INC - PRESQUE	PRESQUE ISLE



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REFINED PRODUCT PROVIDERS THAT MAY BE COVERED ENTITIES UNDER APA

The Refined Product Providers are bulk storage and transmission facilities. They are classified as covered entities based on the greenhouse gas emissions that would result from the combustion of the product for which they are responsible.

SPRAGUE ENERGY - SEARSPORT TERMINAL	SEARSPORT
GLOBAL COMPANIES LLC	SOUTH PORTLAND
SPRAGUE ENERGY	SOUTH PORTLAND
EXXONMOBIL OIL PORTLAND TERMINAL	SOUTH PORTLAND
CITGO PETROLEUM - SOUTH PORTLAND	SOUTH PORTLAND
GULF OIL LIMITED PARTNERSHIP	SOUTH PORTLAND
EXXONMOBIL OIL BANGOR TERMINAL	BANGOR
PORTLAND PIPE LINE CORP	SOUTH PORTLAND
IRVING OIL CORP	SEARSPORT
WEBBER TANKS, INC	BUCKSPORT
GULF OIL LIMITED PARTNERSHIP	HAMPDEN
COLD BROOK ENERGY	HAMPDEN

NATURAL GAS PROVIDERS THAT MAY BE COVERED ENTITIES UNDER APA

The Natural Gas Providers are local distribution companies with deliveries of 460 million cubic feet or more of gas. For purposes of compliance, the Natural Gas Providers are not responsible for emissions from gas delivered to other covered entities.

NORTHERN UTILITIES INC (ME)	PORTLAND
MAINE NATURAL GAS	BRUNSWICK
BANGOR GAS CO LLC	BANGOR

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