

## DHEC ORDER MAY 21<sup>st</sup> STATUS UPDATE

| Paragraph of Order | Requirement  | Agency Due Date | Status   |
|--------------------|--|-----------------|--|
| 1                  | New-Indy must provide public notice of activities that may increase odors.   | 5/17            | <p>Plan submitted to DHEC 5/17.</p> <p>Update: New-Indy is building a website to provide updates to the public on activities the mill is taking to address odor concerns. The website display formats, graphics, and user interfaces are being designed to provide easy access to clearly understandable facts and data in a professional manner.</p>  |
| 2                  | Update and submit to DHEC a Notification of Intent for returning the stripper to operation   | 5/17            | <p>Plan submitted to DHEC 5/17.</p> <p>Update: After implementing an aggressive schedule to ensure the Condensate Stripper was returned to service in a safe, clean, and reliable operating condition, it began processing foul condensate on May 3 and has continued to operate without interruption.</p> <p>With the stripper in service, the IPT was revised accordingly to reflect a combined use of the condensate stripper and the hard pipe arrangement for methanol destruction. The revised IPT was submitted to Michael Shroup of DHEC on May 17, 2021.</p> <p>The New-Indy project team continues to explore the Reduced Sulfur Compound test methods for use during the IPT.</p> |
| 3                  | New-Indy is required to evaluate all potential sources of odors on-site with NCASI, with focus on how the conversion from bleached to brown paper impacts emissions. | 6/1             | <p>NCASI staff continues to work closely with New-Indy to evaluate all potential odor sources and associated methods to minimize odorous emissions.</p> <p>A key focal point in this effort is to re-evaluate the predicted environmental impact of converting from bleached to high kappa unbleached products. Although widely accepted industry standards were used for initial predictions, using a combination of newly available information from NCASI and the data from planned stack testing will position New-Indy to establish a more site-specific prediction for environmental capabilities (as opposed to more generic industry standards).</p>                                 |

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|                    |   |                 | The final response to this item remains on target for submittal by the June 1, 2021 deadline.  |
| 4                  | New-Indy is required to develop a QAPP to monitor H2S onsite and offsite.                                     | 6/1             | Our consultant (TRC) continues compiling the QAPP for fence line monitoring per the EPA Emergency Order requirements. TRC is also compiling a proposed monitoring plan for off-site monitoring which shall be generally consistent with the current effort implemented by EPA with their community monitors.<br><br>This work remains on schedule for completion prior to the June 1 deadline.   |
| 5                  | New-Indy is required to develop a plan to test the stacks and vents to determine if emissions have increased. | 6/1             | New-Indy has retained consultants to develop an enhanced stack testing plan and protocol. The scope of testing will be broader than that proposed by EPA and DHEC so that the resultant air dispersion modeling is representative of actual manufacturing conditions with the reconfigured operation.<br><br>Developing this enhanced protocol is a direct result of New-Indy's commitment to aggressively and responsibly address the environmental concerns communicated by the local community and both government agencies. New-Indy seeks to generate air dispersion modeling results that accurately reflect the Catawba mill's actual manufacturing conditions.<br><br>This effort remains on target for plan submittal by the June 1, 2021 deadline. |
| 5                  | New-Indy must commence that test with DHEC personnel to observe.  | 6/15            | New-Indy will provide the required notice to DHEC so they have the opportunity to observe the testing. After much discussion and schedule review with the stack testing contractor, testing cannot begin until the week of June 21, 2021, but the DHEC required testing will be completed by the June 30 deadline.   |

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| 5                  | Test the stacks and vents to determine if emissions have increased.   | 6/30            | <p>As mentioned above, New-Indy seeks stack test results that are truly representative of Catawba’s current operating performance. Accordingly, stack testing will be performed on additional stack vents which have not been required by EPA or DHEC.</p> <p>DHEC required testing is scheduled for completion by the June 30 deadline. All additional stack testing outside of the original order is scheduled for completion by July 2, 2021.</p>   |
| 5                  | New-Indy must conduct a facility wide air dispersion analysis.  | 7/15            | <p>As mentioned in earlier discussion points, New-Indy is working closely with NCASI and consultants to complete a truly representative air dispersion modeling analysis. This enhanced modeling will not only be consistent with pre-conversion modeling efforts when the mill was producing bleached pulp and paper products, it will also provide the most accurate comparative before/after analysis.</p> <p>New-Indy continues to target completion by the July 15 deadline.</p>  |
| 6                  | Develop a corrective action plan for results of the evaluation of potential sources of H2S at the mill (order 3), which will become an “enforceable part of this Order” upon DHEC approval. | 6/15            | <p>Corrective actions are critically important to resolve performance gaps or deficiencies, and New-Indy is committed to both defining what deficiencies may exist and then resolving those issues in a timely and responsible manner. New-Indy and their consultants are actively working to develop a truly effective Corrective Action Plan to address all identifiable performance deficiencies, and this will be an increasingly progressive effort which will become more detailed and effective as additional data becomes available.</p> <p>For example, revalidating historically used emission factors and completed additional stack tests will both provide data from which the Catawba operation can be more accurately characterized.</p> <p>That said, the final version of this plan will be completed after the above activities are completed and air dispersion modeling results are available.</p> |

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|                    |   |                               | In the meantime, all currently identifiable corrective actions and their implementation will be included in the preliminary plan which will be submitted by the June 15 deadline.  |
| 7                  | Develop a CAP for the wastewater treatment plant.                                   | 6/15                          | <p>The corrective action plan for the wastewater treatment plant will be drafted once the results of the analysis of the potential sources of odors has been completed. NCASI is currently investigating modeling of H<sub>2</sub>S using their H<sub>2</sub>S modeling simulator.</p> <p>New-Indy is closely monitoring the WWTP operation and performance. Environmental Business Specialists LLC (EBS) and TRC have been retained to perform diagnostic analyses of the wastewater plant on a once/2-week cycle. The next visit is scheduled for May 25, 2021. Initial reviews have shown that ASB microbes are “alive and well” and that the ASB is performing as it should.</p> <p>SFC concluded their efforts in ASB solids removal activities and aerator repairs on May 19, 2021 with notable success. The amount of surface crust has been reduced and a total of 39 aerators are now in service. Discussions are underway with other contractors to develop the strategy for continued crust removal.</p> <p>This CAP requirement remains on schedule for submittal by the June 15 deadline.</p> |
| 8                  | Submit a weekly report each Friday to Renee regarding implementation of this order. | Start 5/14, weekly thereafter | New-Indy is submitting this weekly report today and will continue to do so weekly. These reports will include all pertinent accomplishments from week-to-week. New-Indy will continue to work diligently to comply with DHEC expectations in a meaningful and effective manner.  |