

## DHEC ORDER JUNE 11<sup>th</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>05/21/21 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> <p>05/28/21 Update: On May 26, 2021, New-Indy launched a website dedicated to facilitating communication and transparency with local residents and regulatory agencies (<a href="http://www.newindycatawba.com">www.newindycatawba.com</a>). This website includes daily reports explaining the EPA’s independent hydrogen sulfide data collection as well as information about our mill. The website will also include any public notices required by DHEC’s May 7, 2021 order and New-Indy’s May 17, 2021 Public Notification Plan.</p> <p>New-Indy met with representatives of DHEC and with local businesses to learn more about community engagement boards in South Carolina. New-Indy is in the process of organizing a community engagement board in a manner consistent with the information provided by DHEC and the local businesses. Among other things, New-Indy has asked various state and local officials to help us produce a list of people who may have an interest in participating on such board. New-Indy expects to have the board organized and to commence outreach to potential members next week.</p> <p>06/04/21 Update: The web site has begun seeing a larger increase in site visits since Friday, May 28. This increased site traffic is being fed by references from multiple other sites such as Facebook, PRNewswire, and Recycling Today. In response to DHEC feedback on the website, New-Indy is working on various enhancements to the website’s contents.</p>

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			<p>New-Indy has compiled a complete list of potential community engagement board members from all officials. New-Indy finalized the comprehensive list of participants for the community engagement board and invitations to those participants are expected to start going out next week.</p> <p>06/11/21 Update: New-Indy has received final feedback from all officials on recommendations for the board members. The organizational documents for the community engagement board have been completed this week. Invitations for all board members have been written and will go out next week.</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>05/21/21 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> <p>05/28/21 Update: Additionally, guidance from both NCASI and ALS Lab specialists has led NICB to select the ALS Sulfur Liquid + HACH 6000 method for measuring Reduced Sulfur Compounds during the IPT testing. The IPT is being revised to reflect these two changes, and the revised plan shall be submitted to the Department the week of 5/31/21.</p>

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			<p>New-Indy has retained EBS to conduct a lithium tracer study in the ASB the week of 5/31/21 to determine specific sample point locations during the ASB methanol removal performance testing scheduled for July 7-11, 2021.</p> <p>06/4/21 Update: The ASB lithium tracer study is slightly delayed due to delivery issues.</p> <p>NICB received an EPA 114 Information request on 6/2/21 regarding the IPT and requesting additional Plan modifications. This EPA request has delayed completion of the final IPT to DHEC and is being thoroughly evaluated to ensure that NICB's IPT is effectively developed and documented. NICB's response to EPA is due 6/16/21, a copy of which shall also be provided to DHEC.</p> <p>Please be advised that due to a required operations maintenance outage scheduled for 6/16-18/21, the IPT dates have been delayed one week to 6/21/21 – 7/11/21.</p> <p>06/11/21 Update: As referenced on 6/4/21, NICB continues to compile information and develop responses to EPA's 114 information request regarding the IPT. New Indy has also received an additional set of questions from SC DHEC regarding process measurements and sampling &amp; testing protocols within the IPT. All responses will be compiled and submitted by the 6/16/21 deadline. Once New Indy's responses are submitted and the regulatory agency's requirements are satisfied, the revised IPT shall then be updated and re-submitted to DHEC.</p> <p>The condensate stripper was shutdown this week as scheduled for the removal of an in active piece of the stripper. The piece of equipment was shipped off site to have it reconditioned. Once that piece of equipment is returned to New-Indy we will take another short outage to install that piece of equipment.</p>

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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> <p>05/28/21 Update: Ongoing consults with NCASI have confirmed that New Indy correctly applied all emission factors utilized in the 2019 and 2020 Air permitting applications. This review also confirms that the emission factors utilized are the most up-to-date factors available for modeling New Indy’s Catawba operation. New Indy continues to rely on NCASI input and guidance to review and address operating conditions to minimize potential odor emissions.</p> <p>The final response to this item remains on target for submittal by the June 1, 2021 deadline.</p> <p>06/4/21 Update: On June 1, New-Indy submitted the final response to the Department. NCASI has confirmed that all calculations and emissions factors associated with the 2019 and 2020 air permitting applications were accurate. Using these factors, New-Indy is decreasing H2S emissions by 1.9</p>

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			<p>tons/year by running the foul condensate stripper (compared to historic bleached operation with the foul condensate stripper in service).</p> <p>06/11/21 Update: New Indy has determined that the wastewater treatment plant's post-aeration basin may be an occasional contributor to onsite elevated hydrogen sulfide readings. In response, the basin has been covered with a tarp and placed under slight negative pressure by a fan which pushes the air volume through an activated carbon filter unit. This system received DHEC approval prior to initiation on June 8, 2021.</p> <p>Preliminary operating data (only two days) suggests that the carbon filter unit is a potentially effective solution. Additional operating time is required to define the long term effectiveness, but New Indy will continue its operation as a temporary method. Meanwhile, New Indy is also consulting with other outside resources to explore potential best practices approach to this kind of situation on a longer term basis.</p>
4	New-Indy is required to develop a QAPP to monitor H2S onsite and offsite.	6/1	<p>New Indy's 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.</p> <p>05/28/21 Update: The Onsite specific QAPP has been completed, and the offsite QAPP is being finalized. New Indy conducted a preliminary review meeting with DHEC on May 27, 2021 to discuss New Indy's plan and DHEC expectations for offsite monitoring. The suggestions made by DHEC during this meeting are being incorporated into the initial Draft plan for submission by the June 1 deadline.</p> <p>06/04/21 Update: New-Indy submitted a revised onsite monitoring QAPP to the Department on June 1, 2021. New-Indy received EPA approval for its</p>

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			<p>Final Remedial Plan on 05/28/2021, and this approval notification included some additional comments and guidance regarding the Onsite QAPP which had been submitted to them earlier that same week. The comments and guidance were incorporated into a final revision, and the final Onsite QAPP was then submitted to the Department on June 1, 2021.</p> <p>New-Indy initiated a conference call with the Department on May 25 to preliminarily review the offsite monitoring QAPP. The call was scheduled and held on May 27, which was very productive. New-Indy’s consultant then incorporated DHEC input into a further revision of the Offsite QAPP, and the final version was submitted to the Department on June 1, 2021.</p> <p>06/11/21 Update: Both onsite and offsite QAPP documents are being revised to address input from both EPA and DHEC. Once the feedback from both agencies is addressed within the documents, the final versions of each document shall be supplied to each agency.</p>
5	New-Indy is required to develop a plan to test the stacks and vents to determine if emissions have increased.	6/1	<p>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.</p> <p>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.</p>

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			<p>05/28/21 Update: The site-specific test plan is drafted and under review. Testing is scheduled for the weeks of June 21, 2021 and June 28, 2021. This plan will be submitted to the Department on 6/1/2021.</p> <p>06/04/21 Update: New-Indy submitted the Stack Test Plan to the Department on June 1, 2021. New Indy received additional questions on June 3, and completed a very productive and informative site visit with DHEC staff to review details associated with their questions. New-Indy expects to receive additional questions during the week of June 7, and will respond accordingly.</p> <p>06/11/21 Update: On 6/10/21, NICB responded to the DHEC questions regarding the stack test plan which was submitted by the 06/01 deadline. DHEC staff has subsequently provided additional input with additional testing requirements on the Combination Boilers, the Pulp Dryer Vent and the 6 Dryer Vents on PM3. Satisfying the new stipulations will require New Indy to make engineered modifications to the PM3 and Dryer vent ducts.</p> <p>Despite New-Indy's best efforts, the testing company is unable to start the test program until June 21, but such company has assured us that the full test will be complete on or before the date for such requirement set forth in the order.</p>
5	New-Indy must commence that test with DHEC personnel to observe.	6/15	<p>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.</p> <p>05/28/21 Update: New-Indy will provide the required notice and opportunity for DHEC personnel to observe the planned testing. As noted above, the testing schedule will be 6/21/21 – 7/2/21.</p>

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			<p>06/04/21 Update: Provided an informational tour of the paper machine and pulp dryer roof vents to DHEC staff to allow the Department to better evaluate the effectiveness of the testing protocol in meeting the objectives of this condition. New-Indy remains on track to perform the testing between 6/21/21 – 7/2/21.</p> <p>06/11/21 Update: Discussions have been held with the Source Evaluation Section to finalize the stack testing protocol. NICB remains on track to perform the testing between 6/21-30/2021. To ensure that NICB meets the 06/30/2021 deadline for test completion, NICB will be testing every day between those start and completion dates, including weekend days.</p>
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> <p>05/28/21 Update: No updates this week.</p> <p>06/04/21 Update: See comments above.</p> <p>06/11/21 Update: See comments above.</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>



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			<p>05/28/21 Update: New Indy has thoroughly reviewed this requirement with both NCASI and ALL4, both of whom are highly experienced with this type of air dispersion modeling.</p> <p>06/04/21 Update: New-Indy and its consultants are prepared to conduct the facility-wide air dispersion modeling upon the release of the analytical results of the stack, vent and condensate testing.</p> <p>06/11/21 Update: Once the stack testing is completed, the samples shall be analyzed and all test results submitted through standard QA checks and reviews. It is very important that the data quality be validated before being used in an air dispersion model. NICB shall initiate modeling 15 days after the completion of the stack test.</p>
6	Develop a corrective action plan for results of the evaluation of potential sources of H <sub>2</sub> S 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> <p>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.</p>

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			<p>05/28/21 Update: No updates this week.</p> <p>06/4/21 Update: New Indy continues to evaluate its operations daily to identify and resolve any potential issues. Inspections are ongoing to ensure that operations remain in good mechanical condition.</p> <p>06/11/21 Update: As referenced in Condition 3, NICB has implemented an air filtration system at the post-aeration basin as of June 8, 2021. Additional process and operating parameters continue to be evaluated on a daily and weekly basis by both NICB and Consultant personnel. Furthermore, NICB continues working closely with our consultants to develop a thoroughly robust corrective action plan as directed by the Order.</p>
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 H2S using their H2S 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>

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			<p>This CAP requirement remains on schedule for submittal by the June 15 deadline.</p> <p>05/28/21 Update: Removal of ASB surface solids is an ongoing activity. The EBS biweekly review of the ASB confirmed viable microbiology in the system. The sampling performed this week identified the presence of more complex micro-organisms in the ASB.</p> <p>06/04/21 Update: New-Indy had a very productive meeting with its consultant this week to continue draft plan development. As plan development continues, New-Indy has already identified new technology for continual monitoring the ASB’s health and performance. Implementing this new technology is already built into the Plan. New Indy remains on schedule for completion and submittal to the Department by 6/15/21.</p> <p>06/11/21 Update: NICB has already implemented multiple actions aimed at mitigating hydrogen sulfide generation in the wastewater treatment plant.</p> <ul style="list-style-type: none"> <li>- Two (2) surface aerators were approved by DHEC staff and installed in the #1 Holding Pond on 6/9/21.</li> <li>- Hydrogen Peroxide addition to the ASB influent was approved by DHEC and initiated on 6/9/21.</li> <li>- DHEC staff also approved the installation of 2 turbulator units in the ASB to improve mixing at the basin inlet.</li> <li>- Requests for approval for addition of chemicals to #1 Holding Pond were submitted on 6/10/21.</li> </ul> <p>ASB Surface Solids removal is continuing, and NICB continues to adapt removal techniques to ensure that high rates of progress are effectively maintained. As additional surface solids are removed from around the</p>

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			aerators, repairs are made and those units returned to service in a controlled and consistent manner.
8	Submit a weekly report each Friday to Renee regarding implementation of this order.	Start 5/14, weekly thereafter	<p>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.</p> <p>05/28/21 Update: Ongoing.</p> <p>06/04/21 Update: Ongoing.</p> <p>06/11/21 Update: Ongoing.</p>