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July 31, 2026

VIA E-MAIL

Ms. Jillian Alexander
Environmental Justice Project Coordinator
New Jersey Department of Environmental Protection
Office of the Commissioner
Office of Environmental Justice
401 East State Street, 7th Floor East Wing
Mail Code: 402
Trenton, New Jersey 08626

Re: Passaic Valley Sewerage Commission
Standby Power Generation Facility
Permit Activity Number: BOP210002
Semi-Annual Environmental Justice Compliance Report
Reporting Period: January 1, 2026 through June 30, 2026

Dear Ms. Alexander:

In accordance with the Passaic Valley Sewerage Commission's Air Pollution Control Permit Significant Modification (Permit Activity Number BOP210002, Program Interest Number 07349), enclosed please find PVSC's Semi-Annual Environmental Justice Compliance Report for the reporting period of January 1, 2026, through June 30, 2026.

The report will also be furnished to the Ironbound Community Corporation and posted to PVSC's website.

Should you have any questions, or require additional information, please call me at (973) 817-5980.

Sincerely,

PASSAIC VALLEY SEWERAGE COMMISSION

A handwritten signature in blue ink, appearing to read 'T. A. Laustsen', is centered below the commission name.

Thomas A. Laustsen PE, BCEE
Chief Operating Officer

c: Danny Wong, NJDEP
 Hazel Applewhite, Chief Executive Officer, ICC
 Gregory Tramontozzi, Esq., Executive Director, PVSC
 Craig Spencer, Plant Superintendent, PVSC
 Patricia Lopes, Dir. of Process Control Engineering and Regulatory Compliance, PVSC
 John Bolcar, PE, Chief Engineer, PVSC
 Michael D. Witt, Esq., General Counsel, PVSC

Semi-Annual Environmental Justice Compliance Report
PVSC Standby Power Generation Facility (SPGF)
Permit Activity Number: BOP210002
Program Interest Number: 07349
GR2 EJ Special Conditions
Reporting Period: January 1, 2026 through June 30, 2026

1. **Ref. No. 1 (Special Condition No. 1):** PVSC is authorized to operate the combustion gas turbines (CTGs) under the following conditions:
- a. Up to forty-eight (48) hours in advance of a storm event with notice to the Department (via 1-877-WARN DEP), the Ironbound Community Corporation, and through a public notice on PVSC's website.
 - i. "Storm event" is defined as: a storm determined by the New Jersey Office of Emergency Management as having the capability of disrupting power service to the facility.
 - ii. Maximum annual hours: 960 total (2 units x 10 storm events).
 - b. Emergency Operation where a power outage has occurred because of an emergency; or a voltage reduction issued by PJM and posted on the PJM internet website (www.pjm.com) under the "emergency procedures" menu with notice to the Department (via 1-877-WARN), the Ironbound Community Corporation, and through a public notice on PVSC's website.
 - i. An emergency is defined as any situation that arises from sudden and reasonably unforeseeable events beyond the control of an owner or operator of a facility, such as an unforeseen system capacity shortage caused by an act of God, that requires immediate corrective action to prevent system collapse or to restore normal operations at the facility. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- Hours of SPGF operation for storm events during reporting period: 0 hours.
- Hours of SPGF operation for non-storm emergency events during reporting period: 0 hours.
- Hours of SPGF operation for PJM voltage reduction request during reporting period: 0 hours.

Total hours of emergency operation during reporting period: 0 hours.

2. **Ref. No. 2 (Special Condition No. 1, continued):** PVSC is authorized to operate the combustion gas turbines (CTGs) under the following conditions:

- c. Once per month for necessary testing and maintenance upon 48 hours' notice to the Department (via 1-877-WARN DEP), the Ironbound Community Corporation, and through a public notice on PVSC's website.
 - i. Testing and maintenance operations shall be conducted each month but are not authorized for a unit in months where that unit has already operated.
 - ii. Maximum annual hours: 288 (96 per unit)
 - iii. Maximum monthly hours: 24 (total)
 - iv. Maximum daily hours: 8 (per unit)
- d. Maximum total annual hours of CTG operation for storm event preparation and testing and maintenance are not to exceed 1,248 hours.
- e. CTG operation, including black start capability, under (a) and (b) above may only be commenced where options for utilization of onsite renewable energy sources (i.e., battery, solar or other future installations) have been exhausted. This does not apply to the operation of the CTGs during storm preparation mode. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- Dates of maintenance operations: none.
- Monthly hours of maintenance operation during reporting period: 0 hours.
- Daily hours of maintenance operation per unit during reporting period: 0 hours.

Total hours of maintenance operation for the calendar year to date: 0 hours

3. Total SPGF Run Hours to Date for Calendar Year: 0 hours.
(Emergency + Maintenance)

4. **Ref No. 3 (Special Condition No. 2):** Decommission Operations and Maintenance (O&M) Building Boilers #2 and #3 listed as U11 in PVSC's Title V Air Pollution Control Operating Permit by December 31, 2027, unless a written request is submitted to and approved, in writing, by the Department. PVSC shall provide proof of decommissioning to the Department, the Ironbound Community Corporation and through public notice on PVSC's website. If PVSC chooses to replace the equipment, the new equipment must be powered by a renewable energy source. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- PVSC provided comments to the 45% Design Review Set on January 4, 2026. PVSC met with its consultant on January 21, 2026, regarding the Design Review Set and general project progress.

- PVSC’s consultant submitted a 90% Design Review Set to PVSC for review on March 13, 2026.
 - PVSC reviewed the 90% Design Review Set and provided comments back to its consultant on April 15, 2026.
 - PVSC’s consultant submitted 100% Design Drawings and Specifications and a Project Report to the New Jersey Infrastructure Bank (NJIB) and the New Jersey Department of Community Affairs (DCA) on June 23, 2026, for review and approval.
 - Upcoming reporting period activities include responding to comments from the NJIB and the DCA.
5. **Ref. No. 4 (Special Condition No. 3):** Decommission the Head End Emergency Generator (600-kilowatt (kW) diesel engine generator) listed as U102 OS1 “CAT 600” in PVSC’s Title V Permit within 120 days of completing commissioning of the SPGF, unless a written request is submitted to and approved, in writing, by the Department. PVSC shall provide proof of decommissioning to the Department, the Ironbound Community Corporation, and through a public notice on PVSC’s website. If PVSC chooses to replace the equipment, the new equipment must be powered by a renewable energy source. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- Progress/completion of this item is dependent on the SPGF project being constructed and placed into operation. Due to the SPGF project being temporarily halted by court order, no activity is currently taking place with regard to this item.
6. **Ref. No. 5 (Special Condition No. 4):** Decommission two Oxygen Production Boilers designated as U5 Oxygen Production Boilers 1 & 2 in the Title V Permit by December 31, 2027, unless a written request to extend completion of the Oxygen Production Facility Replacement Project is submitted to and approved in writing by the Department. PVSC shall provide proof of decommissioning to the Department, the Ironbound Community Corporation and through a public notice on PVSC’s website. If PVSC chooses to replace the equipment, the new equipment must be powered by a renewable energy source. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- PVSC is in communication with two bidders to discuss the technical aspects of previously rejected bid proposals and contract requirements.
- Upcoming reporting period activities include negotiating and executing an agreement to procure with the equipment provider.

7. **Ref. No. 6 (Special Condition No. 5):** Decommission two Grit and Screening Boilers designated as U7 Grit and Screening Boilers 1 & 2 in the Title V Permit by December 31, 2025, unless a written request is submitted to and approved in writing by the Department. PVSC shall provide proof of decommissioning to the Department, the Ironbound Community Corporation and through a public notice on PVSC's website. If PVSC chooses to replace the equipment, the new equipment must be powered by a renewable energy source. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- No further action required.

8. **Ref. No. 7 (Special Condition No. 6):** Install additional air pollution control equipment to the four Sludge Heat Treatment ("Zimpro") Boilers listed as U20 in the Title V Permit by December 31, 2027, unless a written extension request is submitted to and approved by the Department. PVSC shall apply to the Department to install and operate State-of-the-Art air pollution control devices, including, but not limited to, selective catalytic reduction (SCR) and oxidation catalyst (OC) systems by June 30, 2026, unless a written extension request is submitted to and approved, in writing, by the Department. If PVSC chooses to replace any of the four boilers, the new units must be powered by a renewable energy source. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- PVSC's consultant developed a design envelope of inlet gas temperature into the SCRs was determined.
- PVSC's consultant performed site investigation and developed two alternative SCR installation arrangements (differing locations).
- PVSC's consultant developed a draft equipment procurement contract (RFQ/P) for the Emission Control System. The RFQ/P describes vendor selection criteria and includes the equipment contract that would be executed consisting of Terms & Conditions, Performance Guarantees, Agreement, and Technical Specifications among other required forms. Technical Specifications are for the following equipment: SCR, Oxidation Catalyst, Ammonia Feed System, CFD Modeling, structural steel, and control system.
- PVSC's consultant is currently working on the 90% Design Drawings and Specifications Review Set and plans on submitting to PVSC for review by July 31, 2026.
- On June 1, 2026, PVSC submitted to NJDEP a request for a 60-day extension for the submittal of the Title V Air Permit modification application for this project.

- On June 3, 2026, NJDEP granted the requested extension. The new deadline for submitting the Title V Air Permit modification application to install and operate State-of-the-Art air pollution control devices on the Zimpro boilers is now **August 29, 2026**
- Upcoming reporting period activities include finalization of a single recommended installation location as the basis of design to develop detailed bid documents.

9. **Ref. No. 8 (Special Condition No. 7):** Install the maximum feasible and no less than five (5) MW of solar panels at the PVSC Facility by December 31, 2026, unless a written extension request is submitted to and approved by the Department. By or before June 30, 2025, PVSC shall submit to the Department a feasibility study analyzing the maximum feasible solar capacity and proposing an installation schedule for the Facility. The feasibility study shall be distributed to the Ironbound Community Corporation and through public notice on PVSC's website. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- 1.419 MW of solar installation has been completed on site on different roofs (Vehicle Maintenance, Warehouse, Oxygen Production, OEM Building, Old Centrifuge Building, Thickener Building, Administration Building, and a segment of floodwall connected to the Laboratory Building).
- On August 8, 2025, PVSC signed a Power Purchase Agreement (PPA) with CenterPoint Properties ("Centerpoint") to install nearly 2 MW of solar at 49 Rutherford Street. Solar generated from CenterPoint would be directly connected to behind PVSCs meter. In November 2025, CenterPoint engineers performed a site visit to investigate the point of interconnection at PVSCs electrical switchgear. On February 25, 2026, CenterPoint attempted to cancel performance of the PPA, citing economic reasons. PVSC renegotiated the PPA new agreement was executed on April 16, 2026. CenterPoint is moving forward with their design, has visited the site and monthly meetings have been scheduled with CenterPoint.
- The design documents for the Final Clarifier Walkway Canopy Solar (1.27 MW) were submitted to the DCA. The design was approved and the construction permits were obtained. Construction is ongoing. All of the columns for the north and south clarifier walkways have been installed. All of the solar panels have been installed on the south final clarifiers. 18 out of 98 sections of solar panels have been installed on the north final clarifiers walkways.
- PVSC executed a change order for solar panel installation on seven floodwall locations that will provide 1.192 MW of solar power. The contractor has submitted 90% design documents to PVSC for review. Design documents for installation on the floodwall in the vicinity of Sludge Heat Treatment were submitted to the DCA for review and comments are currently being addressed by the designer. Design documents will be resubmitted concurrently with the design documents for the remaining installation locations.

- PVSC approved of a resolution to move forward with the ground mounted solar installation that will provide 1.749 MW of solar power. Ground mounted solar will be installed on the south side of the property on the Nutley berm. Design documents are currently being prepared.

10. Ref. No. 9 (Special Condition No. 8): Install the maximum feasible and no less than five (5) MW of battery storage capacity at the PVSC Facility by December 31, 2026, unless a written request is submitted to and approved, in writing, by the Department. By or before June 30, 2025, PVSC shall submit to the Department a feasibility study analyzing the maximum feasible battery storage capacity and proposing an installation schedule for the Facility. The feasibility study shall be distributed to the Ironbound Community Corporation and through a public notice on PVSC's website. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- PVSC met with PSE&G to discuss the interconnection application for the battery energy storage system (BESS).
- PVSC retained a consultant to oversee construction and installation of a 5 MW, 2-hour BESS.
- PVSC confirmed with the NJIB to perform the BESS work under a change order to the existing project installing solar throughout the site.
- NJDEP must review 100% design documents before PVSC will be authorized to procure equipment which is anticipated to be August/September 2026.
- On March 12, 2026, PVSC's consultant submitted a Basis of Design Report with 30% design documents and an updated Project Report. The Project Report was uploaded to the H2O Loans website for NJDEP/NJIB review.
- PVSC obtained a cost proposal for the BESS equipment.
- On July 2, 2026, PVSC's consultant submitted a 90% Design to PVSC, which is currently under review.
- Upcoming reporting period activities include the consultant issuing a recommendation for the type of BESS to be procured, preparation of the necessary NJDEP permits including a Tidal Flood Hazard Land Use Permit, continued meetings with the consultant and the supplier and installer of the BESS, and procurement contract for long lead items equipment (BESS batteries, transformers, switchgear).

11. Ref. No. 10 (Special Condition No. 9): PVSC shall initiate the transition of the CTGs from natural gas to green hydrogen or another technically feasible renewable fuel source within 120 days of commissioning the SPGF, unless a written request is submitted to and approved, in writing, by the Department. By and before June 30, 2025, PVSC shall submit to the Department a feasibility study analyzing the transition options and proposing a transition schedule for the Facility. The feasibility study shall be distributed to the Ironbound Community Corporation and through a public notice on PVSC’s website. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- As reported previously, on June 30, 2025, PVSC submitted a feasibility study to NJDEP and ICC entitled “Transition to Hydrogen Fueled Combustion Turbines Feasibility Study,” dated June 30, 2025, to NJDEP on June 30, 2025, which identifies four scenarios and concludes that only 5% green hydrogen cofiring during an 8-hour monthly event derived from 5MW of solar power could be confidently implemented within 120 days of commissioning the SPGF.
- Upcoming reporting activities include the continued evaluation of feasibility to transition the turbines to green hydrogen, including the availability of green hydrogen and the feasibility to generate and store green hydrogen onsite.

12. Ref. No. 11 (Special Condition No. 10): PVSC shall submit a semi-annual Environmental Justice Compliance Report (Report) to the Department on January 31 and July 31 of each year. The report shall address each Special Condition and include (a) restatement of the condition, (b) summary of PVSC’s efforts to fulfill the condition, (c) a detailed explanation of the compliance activities undertaken during the preceding six-month reporting period, and (d) a description of compliance activities anticipated in the forthcoming six-month reporting period. PVSC shall distribute each Report to the Ironbound Community Corporation and through a public notice on PVSC’s website. The semi-annual reporting will be deemed complete once all Special Conditions have been met. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- This semi-annual Environmental Justice Compliance Report, dated July 31, 2026, was submitted to the Department, the Ironbound Community Corporation, and through a public notice on PVSC’s website.

13. Ref. No. 12 (Special Condition No. 11): Failure to comply with any Special Condition shall be deemed an ongoing violation of PVSC’s Title V Permit that constitutes grounds for revocation of authority to operate the SPGF. [N.J.S.A. 13:1D-160(d)]

Activities Undertaken:

- All conditions are being addressed as discussed above.