

**BEFORE THE ADMINISTRATOR
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

IN THE MATTER OF:)
)
LDEQ Title V Air Operating Permit)
No. 1680-00097-V2)
) Permit No. 1680-00097-V2
)
For LaSalle BioEnergy, LLC)
)
Issued by the Louisiana Department of)
Environmental Quality)

**PETITION TO OBJECT TO THE TITLE V OPERATING PERMIT FOR
LASALLE BIOENERGY’S URANIA, LOUISIANA WOOD PELLET MILL**

Pursuant to section 505(b)(2) of the Clean Air Act, 42 U.S.C. § 7661d(b)(2), and 40 C.F.R. § 70.8(d), Louisiana Environmental Action Network, the Delta Chapter of the Sierra Club, Dogwood Alliance, Partnership for Policy Integrity, Natural Resources Defense Council, Our Children’s Earth, and Environmental Integrity Project (“Petitioners”) hereby respectfully petition the Administrator of the U.S. Environmental Protection Agency (“EPA”) to object to the above-referenced Title V permit (“the permit”) issued by the Louisiana Department of Environmental Quality (“LDEQ”) for the LaSalle BioEnergy, LLC wood pellet mill located at 4915 Highway 125, Urania, LaSalle Parish, Louisiana.

LDEQ forwarded this permit to EPA for its 45-day review period on June 27, 2018, prior to the start of the public comment period on the draft permit, which ran from June 29, 2018 to August 7, 2018. Petitioners submitted timely comments on the draft permit on August 7, 2018,¹ and promptly received confirmation from LDEQ’s Public Participation Group that it had received the comments.² For reasons that are not clear, LDEQ’s permitting staff issued the Title V permit on August 27, 2018 without considering or acknowledging Petitioners’ comments and apparently without forwarding these comments to EPA. It appears that LDEQ’s permitting division was unaware of the comments, and, in fact, the Air Permit Briefing Sheet which accompanied the final permit incorrectly states that “no comments were received.”³ LDEQ has acknowledged this was an error on their part.⁴ Because LDEQ issued the final Title V permit without considering or responding to significant public comments, EPA must object to the permit. The final permit also contains numerous substantive deficiencies that LDEQ did not address which also require EPA to object, as set forth below.

¹ Petitioners’ August 7, 2018 comments are attached (Attachment A).

² See E-mail from Tommie Milam, LDEQ, to Patrick Anderson, August 8, 2018. (Attachment B).

³ LDEQ Air Permit Briefing Sheet for Permit No. 1680-00097-V2, at 5.

⁴ Phone Conversation between LDEQ Permit Writer Dr. Qingming Zhang and Patrick Anderson, counsel for Petitioners, September 7, 2018. (Dr. Zhang explained generally that he had not seen the comments in his email).

BACKGROUND

I. PETITIONERS

- a. **Louisiana Environmental Action Network (LEAN):** LEAN is a non-profit corporation organized under the laws of the State of Louisiana. Its purpose is to preserve and protect the state's land, air, water, and other natural resources, and to protect its members and other residents of the state from threats of pollution. One way LEAN works to protect the environment and the health of state residents is to comment on and challenge air permits issued by LDEQ that do not conform to the law.
- b. **Delta Chapter of the Sierra Club:** The Delta Chapter of the Sierra Club is the Louisiana chapter of the Sierra Club and includes more than 3,000 members statewide. The mission of the Sierra Club is to explore, enjoy and protect the wild and beautiful places of the Earth; to practice and promote the responsible use of the Earth's ecosystems and resources; to educate and enlist people to protect and restore the quality of the natural and human environment; and to use all lawful means to carry out these objectives.
- c. **Environmental Integrity Project (EIP):** EIP is a non-profit, non-partisan watchdog organization that advocates for effective enforcement of environmental laws. EIP has three goals: (1) to illustrate through objective facts and figures how the failure to enforce and implement environmental laws increases pollution and harms public health; (2) to hold federal and state agencies, as well as individual corporations accountable for failing to enforce or comply with environmental laws; and (3) to help communities obtain protections guaranteed by environmental laws.
- d. **The Dogwood Alliance:** Dogwood Alliance mobilizes diverse voices to protect Southern forests and communities from destructive industrial logging. Dogwood Alliance opposes industrial wood pellet facilities for their negative impacts on our forests, environment, and communities. The production of wood pellets creates fine particulates and other air pollutants that have been linked to respiratory illness, heart disease, and cancer.
- e. **Natural Resources Defense Council (NRDC):** NRDC is a national, non-profit, environmental organization that works to safeguard the earth—its people, its plants and animals, and the natural systems on which all life depends. We combine the power of more than three million members and online activists with the expertise of some 500 scientists, lawyers, and policy advocates across the globe to ensure the rights of all people to the air, the water, and the wild.
- f. **Partnership for Policy Integrity (PFPI):** PFPI is a non-profit corporation that provides scientific and legal support so that citizen groups, environmental organizations, and policymakers can better understand energy development impacts on air quality, ecosystems, and the climate.
- g. **Our Children's Earth:** Our Children's Earth Foundation advocates on behalf of children, who are most vulnerable to pollution, to enable them to breathe clean air and use clean water. OCE educates the public about health problems caused by pollution in their neighborhoods, and empowers affected communities to take

action to reduce pollution. Throughout its history, OCE has successfully challenged and exposed governmental agencies that fail to meet their responsibility to protect and serve the public. This pro-transparency work reflects our commitment to educate communities about environmental issues, to investigate noncompliant and negligent polluters, and to enforce environmental laws and regulations.

II. PROCEDURAL AND FACTUAL BACKGROUND

This petition addresses LDEQ's renewal of Title V Permit No. 1680-00097 authorizing operation of the LaSalle BioEnergy wood pellet manufacturing plant. The Title V permit was set to expire on May 28, 2018 unless LaSalle BioEnergy applied to renew the permit at least six months prior to that date. LaSalle BioEnergy missed this deadline and instead submitted a renewal application on May 7, 2018.⁵ LaSalle BioEnergy therefore failed to submit a timely application to renew its Title V permit, and, as LDEQ acknowledges, that permit expired "at midnight on May 28, 2018."⁶

LDEQ released a draft version of the new Title V permit for public review and comment on June 29, 2018. Petitioners submitted timely comments on the draft permit on August 7, 2018 to LDEQ's Public Participation Group (this is the designated body for receiving public comment on draft Title V permits in Louisiana, as stated by the public notice for the draft permit).⁷ The following day, Public Participation Group staff confirmed receipt of Petitioners' comments by e-mail.⁸ Shortly thereafter, Petitioners' comments appeared on LDEQ's Electronic Document Management System (EDMS), dated August 7, 2018.⁹ Despite properly and timely submitting comments on the draft Title V permit, LDEQ's air permit division and the permit writer apparently were not aware of Petitioners' comments.¹⁰

LDEQ issued the final permit on August 27, 2018, without reading or responding to Petitioners' comments, nor did LDEQ issue any response to comments.

III. GENERAL TITLE V PERMIT REQUIREMENTS

To protect public health and the environment, the Clean Air Act prohibits stationary sources of air pollution from operating without or in violation of a valid permit, which must be designed to include and assure implementation and compliance with health-based emission standards and all other applicable requirements. 42 U.S.C. §§ 7661a, 7661c. To that end, Title V permits must include such conditions as necessary to assure compliance with all applicable requirements.

⁵ Air Permit Briefing Sheet, at 1.

⁶ *Id.*

⁷ LDEQ Public Notice for Permit No. 1680-00097-V2, June 29, 2018. (Attachment C).

⁸ Email from Tommie Milam, LDEQ, to Patrick Anderson, Powell Environmental Law, August 8, 2018. (Attachment B).

⁹ The EDMS website is available at: <http://edms.deq.louisiana.gov/app/doc/querydef.aspx>.

¹⁰ LDEQ did not respond to Petitioners comments before issuing the permit, and the "Air Permit Briefing Sheet" accompanying the final permit states that no comments were received. Additionally, the permit writer explained generally that he had not seen the comments in his e-mail, per a phone conversation between LDEQ Permit Writer Dr. Qingming Zhang and Patrick Anderson, counsel for petitioners, September 7, 2018.

40 C.F.R. § 70.6(a)(1); 42 U.S.C. § 7661c(a), (c). As defined, “applicable requirements” include all standards, emissions limits, and requirements of the Clean Air Act. 40 C.F.R. § 70.2. “The permit is crucial to implementation of the Act: it contains, in a single, comprehensive set of documents, all CAA requirements relevant to the particular polluting source.” *Virginia v. Browner*, 80 F.3d 869, 873 (4th Cir. 1996) (“purpose of Title V permit is to provide “a source-specific bible for Clean Air Act compliance”); *Sierra Club v. EPA*, 536 F.3d 673, 681, 674-75 (D.C. Cir. 2008) (“But Title V did more than require the compilation in a single document of existing applicable emission limits...It also mandated that each permit...shall set forth monitoring requirements to assure compliance with the permit terms and conditions.”). Thus, Title V requirements aim to “enable the source, States, EPA, and the public to understand better the requirements to which the source is subject, and whether the source is meeting those requirements.” *Operating Permit Program, Final Rule*, 57 Fed. Reg. 32,250, 32,251 (July 21, 1992).

Title V permits must include compliance certification, testing, monitoring, reporting, and recordkeeping requirements that sufficiently assure compliance with the terms and conditions of the permit. 42 U.S.C. § 7661c(c); 40 C.F.R. § 70.6(c)(1). In accordance with 40 C.F.R. § 70.7(a)(5), “the permitting authority shall provide a statement that sets for the legal and factual basis for the draft permit conditions.” This “statement of basis” must include, among other things, a reasoned explanation for why the selected monitoring, recordkeeping, and reporting requirements are sufficient to assure the facility’s compliance with each applicable requirement.¹¹

Title V regulations include several procedural requirements to ensure that members of the public have a meaningful opportunity to review and comment on a draft permit. A Title V permit may not be issued unless all of the public participation requirements set forth in 70.7(h) are satisfied. 40 C.F.R. § 70.7(a)(1)(ii). Among other things, the issuing state authority must maintain a mailing list of interested persons and use it to provide notice of the public review period and the public hearing. 40 C.F.R. § 70.7(h)(1). Furthermore, the permitting authority must offer a draft of the permit for public review and comment, and provide at least 30 days for public comment and notice of any public hearing at least 30 days in advance of the hearing. 40 C.F.R. § 70.2, § 70.7(h)(4); *see also* 42 U.S.C. § 7661a(b)(6). Following public review, the permitting authority is to prepare a proposed permit in light of its consideration of public comments, and send the permit that it proposes to issue to EPA for a 45-day review period. 42 U.S.C. § 7661d(a), (b)(1); 40 C.F.R. § 70.8(a), (c); *see also* 40 C.F.R. § 70.2 (defining “proposed permit” as “the version of a permit that the permitting authority proposes to issue and forwards to the Administrator for review in compliance with § 70.8.”).

If a state proposes a Title V permit that fails to include and assure compliance with all applicable Clean Air Act requirements, EPA must object to the issuance of the permit before the end of the 45-day review deadline. 42 U.S.C. § 7661d(b)(1); 40 C.F.R. § 70.8(c). If EPA does not object to a Title V permit, “any person may petition the Administrator within 60 days after the expiration of the Administrator’s 45-day review period... to take such action.” 42 U.S.C. § 7661d(b)(2); 40 C.F.R. § 70.8(d). The Clean Air Act provides that EPA “shall issue an objection...if the petitioner

¹¹ *See, e.g., In re Los Medanos Energy Center*, Order in Response to Petition (EPA May 24, 2004), available at https://www.epa.gov/sites/production/files/2015-08/documents/los_medanos_decision2001.pdf.

demonstrates to the Administrator that the permit is not in compliance with the requirements of the” Act. 42 U.S.C. § 7661d(b)(2); 40 C.F.R. § 70.8(c)(1); *see also N.Y. Pub. Interest Group v. Whitman*, 321 F.3d 316, 333 n.12 (2d Cir. 2003) (explaining that under Title V, “EPA’s duty to object to non-compliant permits is nondiscretionary”). EPA must grant or deny a petition to object within 60 days of its filing. 42 U.S.C. § 7661d(b)(2); 40 C.F.R. § 70.8(d).

GROUNDS FOR OBJECTION

For all the reasons set forth below, the LaSalle BioEnergy Title V permit fails to comport with procedural and substantive requirements of the Clean Air Act, and EPA must therefore object. Where possible, each of these objections was raised in the public comments that Petitioners timely submitted to LDEQ.¹² However, Petitioners could not have anticipated that LDEQ would issue the final Title V permit without reading or responding to Petitioners’ comments, therefore Petitioners were not able to raise that issue in their comments, nor were Petitioners required to do so in order to petition the Administrator to object.¹³

I. LDEQ’s Failure to Consider and Respond to Petitioners’ Significant Comments Violates the Clean Air Act and Obligates EPA to Object.

EPA must object to the Title V permit because LDEQ improperly ignored Petitioners’ significant comments and failed to provide any response to those comments. Each of Petitioners’ comments were significant, as that term has been interpreted by EPA, and LDEQ’s failure to consider these significant comments almost certainly resulted in a deficient permit.

Public participation is a fundamental aspect of Title V’s goal of ensuring major sources of air pollution comply with all applicable Clean Air Act requirements. *In Re Orange Recycling & Ethanol Production Facility*, Order on Petition II-2000-07 (EPA May 2, 2001), at 4 (“Public participation is an important part of the title V process, and is an appropriate subject of an objection by EPA pursuant to 40 C.F.R. 70.8(c)(3)(iii).”). To this end, Title V’s implementing regulations contain detailed, mandatory public participation procedures, including perhaps most importantly the requirement to provide notice and at least 30 days for public comment on a draft Title V permit. § 70.7(h)(4); *see also* 42 U.S.C. § 7661a(b)(6).

EPA has frequently objected to permits where permitting authorities have failed to adequately respond to significant comments. *See, e.g., In the Matter of Onyx Environmental Services*, 2006 EPA CAA Title V LEXIS 4, Order on Petition V-2005-1 (E.P.A. February 1, 2006) (“It is a general principle of administrative law that an inherent component of any meaningful notice and opportunity for comment is a response by the regulatory authority to significant comments.”); *In*

¹² Specific citations to Petitioners’ comments are provided in footnotes to the heading of each of the grounds for objection below, except for Section I detailing LDEQ’s failure to consider and respond to Petitioners’ comments.

¹³ Although petitions for EPA objection typically require that the grounds for objection be raised in comments submitted during the public comment period, the Clean Air Act makes an exception for scenarios where the grounds for objection arose after the public comment period. *See* 42 U.S.C. § 7661d(b)(2) (a petition to object “shall be based only on objections to the permit that were raised with reasonable specificity during the public comment period provided by the agency (unless the petitioner demonstrates in the petition to the Administrator that it was impracticable to raise such objections within such period or unless the grounds for such objection arose after such period).”). The grounds for this objection plainly arose after the close of the public comment period.

the Matter of Kerr-McGee Gathering, LLC, Frederick Compressor Station, 2008 EPA CAA Title V Lexis 1, Order on Petition VIII-2007-__ (E.P.A. February 7, 2008) (“As the permitting authority, [the state agency] has a responsibility to respond to significant comments.”); *In the Matter of United States Steel Corp.*, 2011 EPA CAA Title V LEXIS 2, Order on Petition V-2009-03 (E.P.A. January 31, 2011), *citing Home Box Office v. FCC*, 567 F.2d 9, 35 (D.C. Cir. 1977) (“the opportunity to comment is meaningless unless the agency responds to significant points raised by the public.”).

In many of these objections, the state permitting authority provided some form of a response, however EPA still objected because that response was not adequate.¹⁴ Here, LDEQ has not only failed to respond to Petitioners’ comments all together, LDEQ admittedly did not even read Petitioners’ significant comments before issuing the final Title V permit. EPA must object on the grounds that LDEQ neither considered nor responded to Petitioners’ significant comments.

A. Petitioners’ Comments Were Significant.

Petitioners provided detailed comments concerning numerous deficiencies in the permit and the permit record. EPA has explained that significant comments “include, but are not limited to, comments that concern whether the title V permit includes terms and conditions addressing federal applicable requirements, including monitoring and related recordkeeping and reporting requirements.”¹⁵ Additionally, EPA has stated that significant comments are those comments that “raise issues as to whether there are deficiencies in the title V permit.”¹⁶ Each of Petitioners’ comments either pointed out deficiencies in the Title V permit or omissions in LaSalle BioEnergy’s application that resulted in permit deficiencies.

Although each of Petitioners’ comments is explained in more depth below in Section II, a few are highlighted here to demonstrate that Petitioners submitted significant comments. For instance, the comments pointed out that the permit omits any monitoring, recordkeeping, or reporting conditions to assure compliance with limits on visible emissions—this is in contrast to permits LDEQ has recently issued to nearly identical facilities subject to the same limits on visible emissions.¹⁷ Without these monitoring, recordkeeping, and reporting conditions, the Title V permit utterly lacks any mechanism to assure compliance with the visible emissions limits.

Additionally, Petitioners’ comments pointed out that the only periodic monitoring, recordkeeping, and reporting requirements in the permit intended to assure compliance with the facility’s best available control technology (BACT) limits for volatile organic compound (VOC) pollution are stack testing conditions, yet the permit fails to establish a schedule or deadline for stack testing on the facility’s wood-burning furnaces and wood dryers. Other stack testing conditions in the permit only require at best testing once per five-year permit term—EPA has

¹⁴ See, e.g., *In the Matter of Kerr-McGee Gathering, LLC, Frederick Compressor Station*, 2008 EPA CAA Title V Lexis 1 (E.P.A. February 7, 2008), at 9 (“I find the response by the [state agency] does not adequately respond to Petitioner’s comments . . .”).

¹⁵ 81 FR 57822, 57838.

¹⁶ *In the Matter of Kerr-McGee Gathering*, at 9.

¹⁷ See, e.g., Morehouse BioEnergy Title V Permit No. 1920-00018-V2, Condition 48 (Nov. 17, 2017). (Attachment D).

held that once-per-permit-term testing requirements such as this do not constitute adequate periodic monitoring in the Title V realm, as detailed below.

Finally, one of the primary targets of the comments is the fact that the facility and LDEQ apparently believe that units known as green hammermills do not produce any VOC emissions. This is in contrast to source testing at comparable facilities that reveal significant levels of VOC emissions from these units. Based on those tests, it is likely LaSalle BioEnergy's green hammermills emit between 60 and 80 tons of VOCs per year, yet neither the facility nor LDEQ have provided any explanation for why they believe these units emit no VOCs. Petitioners' comments noted that the application for the renewal Title V permit lacked information on these emissions, information which is necessary "to determine the applicability of, or to impose, any applicable requirement."¹⁸ Without this information, LDEQ was unable to incorporate a BACT limit on these units or otherwise ensure that the facility would not emit unpermitted VOC emissions.

These and Petitioners' other comments were absolutely significant, as that term has been interpreted, because they "raise issues as to whether there are deficiencies in the Title V permit."¹⁹

B. LDEQ's Failure to Consider Petitioners' Comments Almost Certainly Impacted the Content of the Permit.

LDEQ's failure to even read Petitioners' comments on the draft permit before issuing a final permit means LDEQ did not make any changes in the permit. Had LDEQ read and considered Petitioners' comments, however, it is very likely LDEQ would have made revisions and produced a Title V permit that more thoroughly assured compliance with applicable Clean Air Act requirements.

Many of the permit deficiencies identified in the comments would be straightforward to address and include incorporating provisions that are common in permits for similar wood pellet mills. For instance, based on a survey of air permits for the 20 comparable wood pellet mills subject to Title V in the southeastern United States, every single pellet mill other than LaSalle BioEnergy is subject to periodic monitoring requirements to assure compliance with limits on visible emissions (e.g. the use of either continuous opacity monitoring systems or daily/weekly observations by personnel trained in EPA Method 9 observations).²⁰ This includes the two other

¹⁸ 40 C.F.R. § 70.5(c), *see also* LAC 33:III.517(D)(3)

¹⁹ *Supra*, note 14.

²⁰ The permits are as follows: Enviva Southampton (Virginia, Permit No. 61653), Enviva Northampton (North Carolina, Permit No. 10203T06), Enviva Sampson (North Carolina, Permit No. 10386R03), Enviva Ahoskie (North Carolina, Permit No. 10121T04), Enviva Hamlet (North Carolina, Permit No. 01365R02), Enviva Greenwood (South Carolina, Permit No. 1240-0133-CB), Georgia Biomass (Georgia, Permit No. 2499-299-0053-V-02-0), Hazlehurst Wood Pellets (Georgia, Permit No. 2499-161-0023-V-02-0), Appling County Pellets (Georgia, Permit No. 2499-001-0032-V-02-0), Varn Wood Products (Georgia, Permit No. 2421-0025-0001-V-04-0), Westervelt Pellets (Alabama, Permit No. 409-0010-X003), Zilkha Biomass (Alabama, Permit No. 104-0028-X023), MF Wiggins, formerly Enviva Wiggins (Mississippi, Permit No. 2540-00025), Drax Amite BioEnergy (Mississippi, Permit No. 0080-00031), Enviva Amory (Mississippi, Permit No. 1840-00082), Drax Morehouse BioEnergy (Louisiana, Permit No. 1920-00018-V3), Highland Pellets (Arkansas, Permit No. 2341-AOP-R1), Enviva Cottdonale (Florida, Permit No. 0630058-020-AV), German Pellets (Texas, Permit No.98014).

pellet mills owned by Drax (LaSalle BioEnergy's owner)—Morehouse BioEnergy in Louisiana and Amite BioEnergy in Mississippi.²¹ Given that LDEQ has never provided an explanation for why it did not require monitoring of visible emissions at LaSalle BioEnergy, LDEQ may have simply neglected to require similar provisions in this permit. Regardless, the lack of any monitoring to assure compliance with the permit's visible emissions limits clearly rendered the draft Title V permit deficient, meaning LDEQ must have and likely would have revised the permit.

Similarly, LDEQ would likely have remedied the lack of a testing deadline for the facility's wood dryers. LDEQ imposed a 180-day deadline for emissions testing on the facility's dry hammermills and pellet coolers,²² and imposed a testing deadline for the wood dryer at Drax's other Louisiana pellet mill, Morehouse BioEnergy,²³ yet without explanation left the wood dryers' testing requirement open-ended for LaSalle BioEnergy.²⁴ Again, because LDEQ has not given an explanation for the disparate testing requirements, it is reasonable to assume that the lack of a deadline for the wood dryers was merely an oversight, which LDEQ would have remedied.

These are just a few of the deficiencies identified by Petitioners' comments that LDEQ should have addressed. Additional deficiencies requiring LDEQ to revise the draft permit are discussed below individually.

C. EPA Must Object to LDEQ's Wholly Unlawful Issuance of the Title V Permit.

LDEQ's failure to consider Petitioners' significant comments before issuing a final Title V permit to LaSalle BioEnergy is an affront to Title V's fundamental public participation requirements. In essence, LDEQ issued a final permit without giving the public an opportunity to comment on the draft permit, contrary to the plain requirements of the Clean Air Act and the Part 70 regulations. Although this procedural defect almost certainly resulted in substantial permit deficiencies requiring EPA to object, as described above, EPA must object even if it somehow determines that failing to consider Petitioners' significant comments did not impact the content or adequacy of the Title V permit.

"The Clean Air Act and EPA's own regulations do not allow EPA unfettered discretion to ignore obvious violations of Title V permit program requirements." *Sierra Club v. Johnson*, 436 F.3d 1269, 1279 (11th Cir. 2006). In *Johnson*, the court held that EPA must object to a Title V permit where a state agency failed to implement a mailing list to give notice of a draft permit to interested parties in contravention of 40 C.F.R. § 70.7(h)(1), even where petitioners had actual

²¹ LDEQ Permit No. 1920-00018-V2 for Morehouse BioEnergy, Condition 48 (Nov. 17, 2017) (Attachment D); Mississippi DEQ Air Permit No. 0080-00031 for Amite BioEnergy, Condition M-1 (Nov. 26, 2012) (Attachment E), *see also* Amite BioEnergy Draft Title V Permit No. 0080-00031, Condition 5.B.4 (draft released for public comment July 2017).

²² Permit Condition 3, (CRG 0001 – Dry Mill Filters), Permit Condition 10, (CRG 0002 – Cooler Air Filters), respectively.

²³ LDEQ Draft Title V Permit No. 1920-00018-V3 for Morehouse Bioenergy, Condition 55. (Attachment D). Although this permit only establishes a once-per-permit term testing requirement, which we strongly believe is inadequate, any deadline at all is better than no deadline, as is the case here.

²⁴ Permit Condition 25.

notice of the draft permit (in fact, Sierra Club had submitted thorough comments and the permitting authority made substantial revisions to the permit in response to those comments). *Id.* at 1280. In determining that EPA must object due to the lack of a mailing list, the court in *Johnson* looked first to the plain language of the Part 70 regulations, in particular 40 C.F.R. § 70.7(a)(1)(ii), which provides that “a permit . . . may be issued only if . . . the permitting authority has complied with the requirements for public participation.” *Id.* The court also relied on the conference report for the 1990 Clean Air Act amendments, which states, “[s]imply put, [EPA] is required to object to permits that violate the Clean Air Act. This duty to object to such permits is a nondiscretionary duty.” *Id.*, quoting 136 Cong. Rec. S16,895, 16,944 (1990). Based on these authorities, the *Johnson* court held that a permitting authority’s failure to implement a mailing list was a procedural error requiring EPA to object, even where petitioners in that case had had actual notice of the draft permit, submitted comments on the draft permit, and the permitting authority made significant revisions to the draft permit in response to those comments.

LDEQ’s procedural failing in the present instance is substantially more severe than the procedural misstep which required an EPA objection in *Johnson*. Here, LDEQ essentially erased the entire public notice and comment requirements from the Part 70 regulations when the agency issued a final permit without considering timely and significant public comments. If EPA must object due to the absence of a mailing list notifying the public of the opportunity for public comment, EPA must certainly object when an agency receives timely comments yet circumvents public notice and comment requirements altogether by ignoring those comments.

II. The Title V Permit Does Not Comply with the Clean Air Act’s Substantive Requirements.

As explained above, EPA must immediately object to the permit based on LDEQ’s complete failure to consider or respond to Petitioners’ substantive comments. In addition to these severe procedural defects, LaSalle BioEnergy’s Title V permit suffers from numerous substantive defects which also require EPA to object.

Title V of the Clean Air Act and its implementing regulations require every Title V permit to include operational requirements and limitations that assure compliance with all applicable Clean Air Act requirements at the time the permit is issued. 42 U.S.C. § 7661c(a); 40 C.F.R. § 70.6(a)(1). The Part 70 regulations also set forth the minimum requirements for Title V permit applications, and require that applicants “may not omit information needed to determine the applicability of, or to impose, any applicable requirement.” 40 C.F.R. § 70.5(c). LaSalle BioEnergy’s application, and LDEQ’s resulting permit, fall far short of satisfying these fundamental requirements in numerous, substantial ways.

A. The Permit is Deficient Because LaSalle BioEnergy Did Not Submit Information on VOC Emissions.²⁵

LaSalle BioEnergy’s application to renew its Title V permit omitted crucial information on VOC emissions for the facility’s green hammermills, rendering the application incomplete. As a result,

²⁵ Petitioners’ Comment I.

the Title V permit issued by LDEQ fails to account for significant amounts of VOC pollution, meaning the permit does not assure compliance with all applicable requirements of the Clean Air Act, as explained below.

1. LaSalle BioEnergy Failed to Submit a Complete Application Because the Facility Omitted Information on VOC Emissions from the Facility’s Green Hammermills.

LaSalle BioEnergy’s permit renewal application does not contain any information on VOC emissions from the facility’s green hammermills (emission point ID Nos. 1-IIIa through g and 2-IIIa through g, also known as “wet mills”). Apparently, LaSalle BioEnergy does not believe these units are significant sources of VOC emissions (none of the facility’s applications have ever listed any VOC emissions from these units, nor has the facility ever explained why it believes the units emit zero VOCs).²⁶ In reality, as explained below, the facility’s green hammermills almost certainly emit substantial amounts of VOCs, likely 50 to 80 tons per year (tpy).

An application for a Part 70 permit “may not omit information needed to determine the applicability of, or to impose, any applicable requirement.” 40 C.F.R. § 70.5(c), *see also* LAC 33:III.517(D)(3). EPA has previously objected to Title V permits when sources have not submitted a complete permit application. *In the Matter of Cash Creek Generation*, Order on Petition No. IV-2010-4 (EPA June 22, 2012), at 9 (*quoting* 40 C.F.R. § 70.5(a)(2), “[i]nformation required under paragraph (c) of this section must be sufficient to evaluate the subject source and its application and to determine all applicable requirements.”).

As demonstrated below, LaSalle BioEnergy’s failure to include accurate and complete information in its permit application on VOC emissions from the green hammermills prevents LDEQ, the public, and EPA from identifying which Clean Air Act requirements apply to these units and determining whether the permit assures the facility’s compliance with such requirements. Accordingly, LaSalle BioEnergy’s failure to provide this required information rendered the Title V permit deficient.

2. Green Hammermills Emit Substantial Levels of VOCs.

VOC emissions from wood pellet mills have been widely underestimated by the industry and permitting agencies during the boom in industrial wood pellet manufacturing over the past decade.²⁷ While this facility was one of the first in the nation to recognize that post-dryer units, i.e. dry milling and pelletizing, emit massively more VOCs than most facilities understood at the time,²⁸ LaSalle BioEnergy has apparently yet to recognize that pre-dryer units, especially green hammermills, also emit large amounts of VOCs.

²⁶ For instance, LaSalle BioEnergy’s Title V renewal application provides a table called “Summary of Emissions” which provides an accounting of each regulated pollutant from each unit. For the green hammermills (“Wet Mill Aspiration Cyclones”), the table shows only a dash for VOCs, despite the table also estimating “<0.01” tpy for VOCs from the diesel tank. *See* Title V Permit Application for LaSalle BioEnergy (May 2018), Appendix B “Emission Calculations.”

²⁷ Environmental Integrity Project, *Dirty Deception: How the Wood Biomass Industry Skirts the Clean Air Act*, April 26, 2018. Available at: <https://www.environmentalintegrity.org/wp-content/uploads/2017/02/Biomass-Report.pdf>.

²⁸ This facility was the first wood pellet mill in the nation to undergo PSD review when it received its initial PSD construction permit in May 2013, with facility-wide VOC emissions estimated at 611 tons per year. At the time,

We are aware of three sets of stack testing for VOC emissions from green hammermills at comparable wood pellet plants.²⁹ All three tests consistently show that green hammermills emit considerable levels of VOCs. The table below summarizes the stack test results:

VOC Emission Factors from Stack Tests of Green Hammermills			
Facility	State	Emission Factor*	Emissions at LaSalle BioEnergy's Production Rate of 578,000 tpy.
Enviva Amory ³⁰	MS	.29 lb/ODT	83 tpy
Enviva Sampson ³¹	NC	.203 lb/ODT	58 tpy
Enviva Wiggins ³²	MS	.2 lb/ODT	58 tpy

* pounds of VOCs per oven dried ton of pellets (lb/ODT)

As the table shows, the emission factor from each stack test results in an annual emission rate at LaSalle BioEnergy of more than 50 tons of VOCs, and potentially much higher. While each of the tests is derived from a facility operated by Enviva at the time of testing, both Enviva Amory and Enviva Wiggins were built by other companies, meaning the three tests represent three distinct facilities and operations.³³

In addition to the stack test data, another indication that green hammermills emit significant amounts of VOCs is the fact that at least six comparable wood pellet mills have installed VOC control technology on their green hammermills or intend to do so in the near future. For instance, the Enviva Greenwood mill in South Carolina, formerly the Colombo Energy facility, routes green hammermill emissions to that facility's regenerative thermal oxidizer (RTO) for VOC control in order to remain a synthetic minor source for PSD avoidance.³⁴ In Alabama, a 300,000 tpy wood pellet mill recently discovered that it was emitting VOCs in excess of the 250 tpy PSD threshold despite operating an RTO to control its wood dryer emissions; consequently, the facility installed a second RTO to control its green hammermills along with post-dryer units.³⁵ Additionally, three wood pellet mills in North Carolina, Enviva Sampson, Enviva Hamlet, and Enviva Northampton, as well as Enviva Southampton in Virginia, have recently applied for

most comparable mills were permitted as synthetic minor sources subject to a 250 ton per year or less limit on VOCs, although it turned out most similar mills' true emissions were substantially higher than the 250 tpy threshold. *Id.*

²⁹ A fourth test was conducted at Colombo Energy (now Enviva Greenwood) in South Carolina in 2017, which tested a green wood storage silo in conjunction with the green hammermills. It is unclear whether this test represents green hammermill emissions, however the test reported an emission factor of .053 lb/ODT, which equates to 15 tpy at LaSalle BioEnergy.

³⁰ Air Emission Test Report for Enviva Pellets Amory (Submitted Oct. 31, 2013, revised Nov. 14, 2013). (Attachment F).

³¹ Air Emission Test Report for Enviva Pellets Sampson (May 30, 2017). (Attachment G).

³² Air Emission Test Report for Enviva Pellets Wiggins (Submitted Oct. 31, 2013, revised Nov. 14, 2013). (Attachment H).

³³ Enviva purchased the Wiggins plant from Tomorrow Energy and acquired the Amory plant from CKS Energy. See Biomass Magazine, "Enviva Acquires Pellet Plants, Expands Production" (Oct. 13, 2010), available at: <http://biomassmagazine.com/articles/5044/enviva-acquires-pellet-plants-expands-production>. (Attachment I).

³⁴ Colombo Energy Construction Permit Application, Appendix B, Process Flow Diagram (Dec. 2017). (Attachment J).

³⁵ Engineering Analysis for Alabama DEM Air Permits No. 409—10-X003 and X010 for Westervelt Pellets (Mar. 3, 2016). (Attachment K).

permit modifications to install RTOs on their green hammermills as well as their wood dryers.³⁶ Finally, two proposed and recently-permitted wood pellet mills, one in Georgia and one in Arkansas, also plan to utilize VOC controls to reduce VOC emissions from green hammermills.³⁷

3. LaSalle BioEnergy’s Failure to Include Information on Green Hammermill Emissions Renders the Permit Deficient.

Without quantifying and providing the VOC emission rates from the green hammermills, LaSalle BioEnergy’s application has plainly “omit[ed] information needed to determine the applicability of, or to impose, any applicable requirement” in contravention of 40 C.F.R. § 70.5(c). In particular, the lack of information on VOC emissions prevented LDEQ from correcting a significant deficiency in this source’s prior PSD permitting. When the facility submitted its initial pre-construction PSD application in 2012, that application showed no VOC emissions from the green hammermills,³⁸ which was consistent with industry knowledge at that time—as far as we can tell, no VOC emissions testing of green hammermills at wood pellet plants occurred prior to the 2013 Enviva Wiggins and Enviva Amory testing discussed above.³⁹ As a result of those and more recent tests, the industry generally now understands that green hammermills emit significant levels of VOCs, as further demonstrated by the large portion of pellet plants that are now controlling VOC emissions from these units. Despite this fact, LaSalle BioEnergy has never updated its original estimate of zero VOC emissions from its green hammermills. As a result, LDEQ has not corrected the deficiency in LaSalle BioEnergy’s PSD permitting and has never implemented a BACT limit for these units.

The fundamental underpinning of the Title V program is assuring compliance with the Clean Air Act. The duty to submit a complete and accurate application for a Title V permit ensures that permitting authorities have the ability to write permits that do just that—assure compliance. State permitting authorities frequently exercise their authority to correct deficiencies in prior preconstruction permitting determinations in the context of Title V permitting, and if LaSalle BioEnergy had submitted an application showing significant VOC emissions from the green hammermills, it is highly likely LDEQ would have taken action to bring LaSalle BioEnergy into compliance. For instance, LDEQ may have decided to require the facility to reduce the VOC emissions to zero—the level represented in the facility’s original preconstruction permit

³⁶ Application for Permit Modification for Classification as a PSD Minor Source for Enviva Pellets Hamlet (May 2018) (Attachment L); Application for PSD Permit Modification for Softwood Expansion Project for Enviva Pellets Sampson (Mar. 2018) (Attachment M); Modification Application for PSD Minor Source Status for Enviva Pellets Northampton (September 2018) (Attachment N); Application for Modification of Stationary Source Permit for the Increased Utilization of Softwood and the Installation of Emission Controls for Enviva Pellets Southampton (September 30, 2018) (Attachment O).

³⁷ The Bord na Mona facility in Georgia and the Zilkha Monticello facility in Arkansas both intend to route VOC emissions from their green hammermills to the wood burner or the wood dryer’s RTO for VOC incineration. *See* Georgia EPD Air Quality Permit No. 2499-317-0033-E-01-0 for Bord na Mona (Oct. 11, 2017) (Attachment P); Arkansas DEQ Operating Air Permit No. 2349-AOP-R0 for Zilkha Biomass Monticello (Jul. 2, 2015) (Attachment Q).

³⁸ Prevention of Significant Deterioration Initial Permit Application for German Pellets Louisiana, December 2012, Appendix B “Emission Calculations.” (Attachment S).

³⁹ EIP has compiled nearly 40 sets of stack testing from 18 different wood pellet mills in the southeast United States and made these tests and other relevant material available to the public at: <https://drive.google.com/open?id=1sGN4d2kUt1tuvIfb9bNpKrYTBYYlkuM2>.

application—or by conducting a retroactive BACT determination and implementing a BACT limit. Given that this industry is relatively new and VOC emissions have been poorly understood, such actions have been common.⁴⁰ For instance, Florida has recently required a wood pellet mill to undergo retroactive PSD permitting and apply BACT limits after the issue was raised in public comments on that facility’s draft Title V permit.⁴¹

In sum, LaSalle BioEnergy’s failure to submit a complete and accurate application almost certainly negatively impacted the Title V permit and resulted in a permit that does not assure compliance with the Clean Air Act. If EPA does not object, it is highly likely that the facility will continue to emit substantially more VOCs than its permit contemplates.

B. The Permit Does Not Assure that LaSalle BioEnergy Will Comply With the “Source Obligation” Rule.⁴²

Both federal PSD regulations and Louisiana’s federally-approved state implementation plan (SIP) require that facilities operate “in accordance with the application submitted.”⁴³ This requirement is part of the “Source Obligation” rule, and is an applicable requirement for which Title V permits must assure compliance.⁴⁴ As explained above, though LaSalle BioEnergy’s green hammermills almost certainly emit substantial amounts of VOCs, the facility’s PSD permit application showed no VOC emissions from these units, and LDEQ relied on that representation when determining appropriate BACT limits for the facility.⁴⁵ To assure compliance with the Source Obligation rule, LDEQ must add enforceable conditions to LaSalle BioEnergy’s permit that restrict VOC emissions from the facility’s green hammermills to the levels presented in the facility’s PSD application (i.e. negligible or zero emissions), and that require the company to undertake periodic testing and monitoring to confirm that VOC emissions stay at or below these levels. Without those conditions, the permit fails to assure compliance with the Source Obligation rule, and EPA must object.

C. The Permit is Deficient Because It Does Not Contain Monitoring, Recordkeeping, and Reporting Conditions Necessary to Assure Compliance with Applicable Requirements.⁴⁶

EPA must also object because the permit lacks vital monitoring, recordkeeping and reporting conditions necessary to assure compliance with applicable Clean Air Act requirements. In particular, the permit is completely devoid of monitoring, recordkeeping, and reporting

⁴⁰ Of the 15 largest pellet mills built since 2008, two are currently undergoing retroactive PSD permitting (Enviva Cottondale in Florida and German Pellets in Texas). Several other mills have also been required to install additional VOC controls to remain synthetic minor sources (e.g. Georgia Biomass in Georgia, Enviva Greenwood in South Carolina, and Westervelt Pellets in Alabama).

⁴¹ *State of Florida Department of Environmental Protection vs. Enviva Pellets Cottondale, LLC*, Consent Order, OGF File No. 17-1134 (December 15, 2017). (Attachment R).

⁴² Petitioners’ Comment I.B.

⁴³ 40 C.F.R. 51.166(r)(1); LAC 33:III.509(R)(1).

⁴⁴ The Part 70 regulations define “Applicable Requirement” in part as “[a]ny standard or other requirement provided for in the applicable implementation plan approved or promulgated by EPA.” 40 C.F.R. 70.2. The Source Obligation rule has been approved as part of Louisiana’s SIP, and is therefore an applicable requirement. *See* 54 FR 9783.

⁴⁵ Prevention of Significant Deterioration Initial Permit Application for German Pellets Louisiana, December 2012. (Attachment S). Note that Drax acquired the German Pellets Louisiana plant in 2017 and renamed it LaSalle BioEnergy.

⁴⁶ Petitioners’ Comment II.

requirements to assure compliance with visible emissions limits, and the permit's compliance testing conditions are inadequate to demonstrate compliance with BACT limits.

1. The Permit Contains No Monitoring, Recordkeeping, or Reporting Conditions to Assure Compliance with Limits on Visible Emissions.

The permit limits visible emissions from the green hammermills, dry hammermills, pellet coolers, wood dryers, and the “Silos/Chippers/Rechippers/Debarkers,” to no more than 20% opacity except for one six minute period per hour.⁴⁷ These emissions limits are required by LAC:33.III.1311.C (“Emission Standards for Particulate Matter”) for each of these units, as well as LAC 33:III.1101.B (“Control of Air Pollution from Smoke”) for the wood dryers. Neither standard contains specific periodic monitoring requirements, therefore Part 70’s monitoring requirements apply, requiring “periodic monitoring sufficient to yield reliable data from the relevant time period that are representative of the source’s compliance.”⁴⁸ In contravention of this requirement, and in contrast to permits LDEQ has issued to similar facilities, the permit does not contain any visible emissions monitoring, recordkeeping, and reporting requirements.⁴⁹ In short, the permit does not contain any provisions to assure that the facility will comply with the visible emissions limits, in plain contravention of 40 C.F.R. 70.6(a)(3), and is therefore deficient, requiring EPA to object.

Ideally, LDEQ would require that LaSalle BioEnergy install and operate continuous opacity monitoring systems (COMs) on at least the wood chip dryers. COMs are in use at several wood pellet manufacturing facilities and provide the best method to assure that LaSalle BioEnergy complies with the limits on opacity.⁵⁰ At a bare minimum, however, the permit must be revised to require at least daily opacity monitoring on each unit subject to opacity limits by personnel certified in Method 9 emissions testing. Further, the permit must contain conditions requiring the facility to make and keep quantitative records of daily observations, including the opacity level observed as well a requirement to report exceedances.

Although 40 C.F.R. 70.6(a)(3) plainly requires at least some form of monitoring, recordkeeping, and reporting, if LDEQ somehow believes no such conditions are required, the permit is still deficient because LDEQ has failed to provide any explanation in the statement of basis for the permit for why LDEQ believes no monitoring, recordkeeping, and reporting is required in conjunction with the visible emissions limits. As EPA has explained, Title V permits must be accompanied by a statement of basis that explains the “rationale for selected monitoring method[s]” and at least a brief description of the “origin or basis for each permit condition or exemption.” *In re Consolidated Edison Co. of NY, Inc, Ravenswood Steam Plant*, Order on Petition No. II-2001-08 (EPA September 30, 2003) at 11. Nowhere in the permit record, however, including in the “Air Permit Briefing Sheet,” which apparently serves as LDEQ’s statement of basis for the permit, has LDEQ explained why it decided to exempt the facility from conducting periodic monitoring of visible

⁴⁷ Permit Conditions 2, 9, 16, 18, 20, and 40.

⁴⁸ 40 C.F.R. 70.6(a)(3)(i)(B); *see also* 33 LAC:33.507.H.1.a.

⁴⁹ For instance, LDEQ Permit No. 1920-00018 for Drax’s Morehouse BioEnergy pellet plant contains daily monitoring of visible emissions for many units (and we have argued in comments on that permit that the permit must contain additional daily monitoring for other units).

⁵⁰ For instance, Georgia Biomass has installed COMS, *see* Georgia Air Permit No. 2499-299-0053-V-02-0, Condition 5.2.1 for Georgia Biomass (December 19, 2013) (Attachment T), as well as Hazlehurst Wood Pellets, *see* Georgia Air Permit No. 2499-161-0023-V-02-0, Condition 5.2.1 for Hazlehurst Wood Pellets (August 18, 2015) (Attachment U).

emissions. Therefore EPA must either object due to the lack of monitoring, recordkeeping, and reporting requirements, or in the alternative, because LDEQ has failed to explain why it believes the facility is somehow exempt from these compliance assurance requirements.

2. The Permit Contains Insufficient Testing Conditions to Assure Compliance with BACT Emissions Limits.

Although the permit contains new testing conditions for VOC emissions from the dry hammermills and pellet coolers compared to prior iterations of the Title V permit, which we agree are necessary additions, the permit still does not contain adequate emissions testing conditions sufficient to satisfy Part 70's periodic monitoring requirements. In particular, the permit fails to set deadlines for key testing, fails to include pertinent test reporting requirements, and, most problematic, does not require any VOC testing on the facility's green hammermills.

First, the permit's testing conditions are the only monitoring requirement associated with VOC emissions from most of the units at the facility, yet none of the testing conditions qualify as periodic monitoring, meaning the permit is devoid of any periodic monitoring to assure compliance with the facility's BACT limits. Most concerning is the fact that the testing requirement for the facility's wood dryers has no deadline or scheduling requirement (this is in contrast to the testing conditions for the hammermills and pellet coolers, which require testing within 180 days of permit issuance). This is highly problematic, as this facility has been operating for more than three years and still has apparently not conducted compliance testing on the wood dryers.⁵¹ A requirement to conduct a test at some uncertain date in the future does not constitute periodic monitoring sufficient to assure compliance with BACT limits measured in terms of maximum hourly emission rates.

None of the permit's other testing conditions satisfy Title V's periodic monitoring requirements, either. Title V permits must include periodic monitoring requirements "that provide sufficiently reliable and timely information for determining compliance."⁵² For the dry hammermills and pellet coolers, the permit only requires initial compliance testing; it does not require any subsequent testing during the permit term.⁵³ At best, then, this facility is subject only to once-per-permit-term testing as the primary monitoring requirement to assure compliance with BACT limits. Once-per-permit-term testing requirements do not constitute periodic monitoring sufficient to comply with Part 70's periodic monitoring requirements.⁵⁴ EPA has previously objected to permits with only once-per-permit-term testing requirements, where, without more, such testing does not assure compliance or "yield data that are representative of the source's compliance with its permit conditions."⁵⁵

Once-per-permit-term testing requirement is especially insufficient for this facility given the unique nature of the wood pellet industry and the industry's recent origins. The mechanisms of VOC emissions at wood pellet plants are complex and little understood, as demonstrated by the

⁵¹ A thorough review of the facility files available on Louisiana's Electronic Document Management System (EDMS) produces only emission test reports for particulates testing from the green hammermills, dry hammermills, and pellet coolers.

⁵² 42 USC § 7661c(b). *See also* 40 C.F.R. 70.6(3)(i)(B).

⁵³ Specific Requirements 3 and 10.

⁵⁴ *See In re Consolidated Edison Co. of NY, Inc., Ravenswood Steam Plant*, Petition No. II-2001-08 (EPA September 30, 2003) at 12.

⁵⁵ *Id.* at 20.

spate of pellet mills that have learned over the past five years that they are or were emitting massively higher levels of VOCs than previously believed.⁵⁶ Further, at facilities that have conducted multiple tests under similar operating parameters, the results have been wildly variable. For instance, a pellet mill in Mississippi conducted simultaneous testing on two of its wood dryers and two of its pellet coolers while operating the units under nearly identical conditions.⁵⁷ Of the two dryers, one produced an emission factor of 1.79 lb/ODT while the other produced an emission factor of 1.03 lb/ODT. The test report summarizes the issue: “[t]his is equivalent to a 79% difference despite the fact that the dryers were handling similar hardwood/softwood blends and were generating wood with similar outlet moisture levels. The dryer outlet temperatures were also similar. These data clearly demonstrate that VOC emissions from the dryers are due to two factors: (1) the performance of the wood waste burner supplying the heat to the dryer, and (2) volatilization of VOCs from the wood in the dryer.”⁵⁸ The results for non-combustion sources at the Mississippi mill were likewise highly variable, with one pellet cooler emitting VOCs at a rate of just .10 lb/ODT while the other pellet cooler emitted VOCs at a rate of .85 lb/ODT, for a whopping 750% difference.⁵⁹ At LaSalle BioEnergy’s production rate of 578,000 tpy, this amounts to a difference of more than 200 tons of VOC emissions per year (29 tpy versus 245 tpy). These tests occurred just days apart—therefore tests that occur once-per-permit-term (i.e. every five years), as LDEQ has proposed, cannot possibly represent periodic monitoring sufficient “yield data that are representative of the source’s compliance with its permit conditions.”⁶⁰ The permit must be revised to include multiple compliance testing dates for each unit per permit term—if not continuous emissions monitoring—in order to assure that the facility continues to comply with the hourly BACT emission limits.

Another issue with the permit’s testing requirements is the lack of conditions related to material throughput and composition. VOC emissions in particular are highly dependent on the amount and species of wood being processed by any of the units at LaSalle BioEnergy.⁶¹ For instance, processing softwood emits vastly higher levels of VOCs than processing hardwood.⁶² Because the permit does not restrict the facility’s use of softwood, the permit must include a condition that the facility conduct VOC testing at the worst-case scenario of 100% softwood. Additionally, the permit must include conditions that require the facility to track and report both the softwood percentage processed as well as the total material processed during the testing (although the permit does require that the facility conduct tests at 80% or greater production rate, no condition explicitly requires that the facility monitor and report the production rate as part of its test report submittals).

⁵⁶ Environmental Integrity Project, *Dirty Deception: How the Wood Biomass Industry Skirts the Clean Air Act*, April 26, 2018. Available at: <https://www.environmentalintegrity.org/wp-content/uploads/2017/02/Biomass-Report.pdf>.

⁵⁷ Air Emission Test Report for Enviva Pellets Wiggins (Submitted Oct. 31, 2013, revised Nov. 14, 2013). (Attachment H).

⁵⁸ *Id.* at 14.

⁵⁹ *Id.*

⁶⁰ *In re Consolidated Edison Co. of NY, Inc., Ravenswood Steam Plant*, *supra*, n. 54, at 20.

⁶¹ As the AP-42 Emission Factors note, VOC emissions from wood dryers originate primarily from wood being dried rather than combustion. EPA AP-42 § 10.6.2 Particleboard Manufacturing, at 4. (“Both the VOCs and condensable PM are primarily compounds evaporated from the wood, with a minor constituent being combustion products.”). The same is true for pre- and post-dryer units where VOC emissions are a direct product of processing VOC-laden wood.

⁶² Compare, for instance, AP-42 emission factors for particle board dryers at 100% softwood of 4.9 lb/ODT to 100% hardwood at .24 lb/ODT. (AP-42 § 10.6.2, Table 10.6.2-3).

Finally, as discussed above, the facility's green hammermills are significant sources of VOC emissions, yet the permit does not require any testing or other periodic monitoring for VOC emissions from these units. Although the permit does not currently contain any BACT limit for VOC emissions from these units, LDEQ's failure to require compliance testing on the green hammermills to confirm that the source is complying with the "source obligation rule," an applicable requirement as discussed above, renders the permit deficient.

Due to the lack of sufficient periodic monitoring to assure compliance with the source's BACT limits, EPA must object to the permit. Additionally, LDEQ has not provided any explanation in the statement of basis for this permit for why it believes the testing provisions it has chosen for assuring compliance with BACT limits are sufficient, as EPA has required permitting authorities to provide.⁶³ Therefore, EPA must also object to the permit due to the insufficient statement of basis.

3. The Permit Contains Insufficient Parametric Monitoring to Assure That the Dryer Outlet Control Systems Comply with BACT Limits.

The permit requires LaSalle BioEnergy to install monitoring devices to monitor and record the RTO combustion chamber temperature, the wet electrostatic precipitator (WESP) secondary voltage, and the WESP secondary current. The permit also establishes minimum and maximum operating parameters for these units. For several reasons, these monitoring requirements and operating ranges fail to assure the facility will not exceed hourly BACT emissions limits.

a. LDEQ Has Not Explained How the WESP Secondary Voltage and Current Ranges Assure Compliance with Hourly Particulate Matter (PM) Emissions Limits.

The permit requires LaSalle BioEnergy to maintain the WESP's secondary current range between 50 milliamperes (mA) and 1,800 mA and secondary voltage at a minimum of 30 kilovolts (kV) prior to initial performance testing in order to assure compliance with the facility's BACT PM limits of 4.09 lb/hr.⁶⁴ Secondary current and voltage are key parameters that assure WESPs achieve proper PM destruction, and low secondary current and voltage result in poor PM control.⁶⁵ A survey of permits for other wood pellet mills shows that the permit's minimum secondary current and voltage rates are significantly lower than parameters for WESPs at comparable facilities. For instance, LDEQ's permit for Morehouse BioEnergy defines "an exceedance or excursion" to be a secondary current below 250 mA and/or a secondary voltage below 45 kV.⁶⁶ In other words, what would be an "exceedance or excursion" at one of Drax's other pellet mills is considered well within the acceptable range established by this permit.

Additionally, Enviva Northampton, a comparable pellet mill in North Carolina, operated at approximately 1,000 mA and 62 kV during stack testing, and emissions were 3.07 lb/hr, relatively close to LaSalle BioEnergy's limit of 4.09 lb/hr.⁶⁷ When the Northampton facility

⁶³ *In re Consolidated Edison Co. of NY, Inc, Ravenswood Steam Plant*, Order on Petition No. II-2001-08 (EPA September 30, 2003), at 11.

⁶⁴ Specific Requirement 22.

⁶⁵ EPA Air Pollution Control Technology Fact Sheet for Wet Electrostatic Precipitators, EPA-452/F-03-029.

⁶⁶ Morehouse BioEnergy Title V Permit No. 1920-00018-V2, Condition 105 (Nov. 17, 2017). (Attachment D).

⁶⁷ Stack Test Report for Enviva Northampton (Conducted Oct. 3, 2013, Report Submitted Oct. 18, 2013). (Attachment V).

subsequently requested to operate at lower secondary current and voltage, 200 mA and 20 kV respectively, North Carolina permitting officials would not allow the facility to operate at those parameters until the facility conducted new emissions testing at those parameters to assure compliance (the facility apparently has not yet conducted those tests).⁶⁸

Despite the fact that LDEQ appears to have allowed abnormally low secondary current and voltage compared to similar facilities operate WESPs, LDEQ has failed to provide any explanation for why it has chosen these particular ranges as adequate to assure compliance with the BACT limits for PM. This lack of an explanation for required monitoring conditions renders the permit deficient, as explained above, and EPA must object.

b. Once-Daily Monitoring and Recording of Operating Parameters is Insufficient to Assure Compliance with Hourly Emissions Limits.

Even assuming the WESP and RTO operating range requirements (secondary current and voltage for the WESP and combustion chamber temperature for the RTO) are adequate to assure the facility does not exceed hourly PM and VOC limits, the monitoring and record keeping conditions related to these requirements are inadequate and do not assure the facility will comply with the emissions limits at all times. Specifically, the permit requires only that the facility record the RTO combustion chamber temperature as well as the WESP secondary voltage and current once per day. Such monitoring and recordkeeping is plainly insufficient to assure the facility complies with hourly PM and VOC emissions limits.

The RTO and WESP parameters are crucial to assuring the facility does not exceed limits on VOC and PM emissions.⁶⁹ For instance, low RTO combustion chamber temperature is directly linked to lower VOC destruction rates—if the temperature drops below the 1,400 degree limit in the permit (or the limit established by emissions testing), the facility could easily exceed the hourly VOC emission limit. Unfortunately, once-daily monitoring would not expose the exceedance unless the facility happens to conduct its once-daily observation during the exceedance. Furthermore, the permit’s parametric monitoring conditions themselves appear to apply at all times, as the permit requires only that the RTO combustion temperature and WESP secondary voltage and current “shall be maintained,” therefore once-daily monitoring is insufficient to assure compliance with the parametric operating conditions.⁷⁰

Part 70 permits must include “periodic monitoring sufficient to yield reliable data from the relevant time period that are representative of the source’s compliance with the permit.”⁷¹ Where a facility does not utilize continuous emissions monitoring, Part 70 permits must include monitoring requirements “that provide sufficiently reliable and timely information for determining compliance.”⁷² In order to determine compliance with hourly emissions limits, or the continuous parametric requirements, the permit must include monitoring and recordkeeping

⁶⁸ Emails between Joe Harrell, Corporate EHS Manager for Enviva, and Yuki Puram, North Carolina DAQ, (Jun. 2017). (Attachment W).

⁶⁹ EPA Air Pollution Control Technology Fact Sheet for Regenerative Incinerators, EPA-452/F-03-021; EPA Air Pollution Control Technology Fact Sheet for Wet Electrostatic Precipitators, EPA-452/F-03-029.

⁷⁰ See e.g., Specific Requirement 22.

⁷¹ 40 C.F.R. 70.6(3)(i)(B).

⁷² 42 U.S.C. § 7661c(b).

that occurs multiple times per hour and requires averaging the observations over each hour to demonstrate compliance with the parametric conditions and the hourly emissions limits.

Finally, LDEQ has again failed to provide any explanation for its monitoring decisions, rendering the permit further deficient. At a minimum, EPA must object on the basis that LDEQ has not given any rationale for why it chose once-per-day monitoring to assure compliance with hourly emission limits.

D. The Permit is Deficient Because it Improperly Incorporates BACT Requirements by Reference.⁷³

LaSalle BioEnergy is a PSD major source, and is subject to numerous BACT emissions limits and standards established in PSD Permit No. PSD-LA-733 (M-1).⁷⁴ The Title V permit, however, does not list any of these limits or standards, and instead incorporates PSD-LA-733 (M-1)'s BACT requirements only by reference.⁷⁵ This is in plain contravention of Title V's statutory language and Part 70's requirements that Title V permits "shall include enforceable emissions limitations and standards."⁷⁶ EPA has explained that only "after all applicable emissions limits are placed in the Part 70 permit and attached to the emissions unit to which the apply, the permitting authority may allow referencing where it is specific enough to define how the applicable requirement applies. . ."⁷⁷ Further, EPA "expects that Title V permits will explicitly state all emission limitations and operational requirements for all applicable emission units at a facility."⁷⁸

In fact, EPA has objected to at least one Title V permit for this exact issue: incorporating an entire PSD permit by reference and failing to explicitly include BACT emissions limits.⁷⁹ While EPA explained that it had previously approved of incorporating certain minor NSR requirements by reference, EPA stated that it "did not approve (and does not approve of) . . . incorporation by reference of emissions limitations for other requirements," including PSD requirements.⁸⁰ In that instance, EPA directed the state permitting authority to reopen the permit and "ensure that all such emissions limitations are included on the face of the Title V permit."⁸¹ EPA must object on this issue and require LDEQ to revise the permit to explicitly include the BACT limits as they apply to each unit.

E. The Permit Does Not Assure Compliance with the Requirement to Design and Maintain a Safe Facility Under the Clean Air Act Section 112(r)(1) General Duty Clause.⁸²

⁷³ Petitioners' Comment III.

⁷⁴ LDEQ PSD Permit No. PSD-LA-773 (M-1) for German Pellets Louisiana (now LaSalle BioEnergy) (May 28, 2013). (Attachment X).

⁷⁵ Specific Requirement 71.

⁷⁶ 42 U.S.C. § 7661c(a); *see also* 40 C.F.R. § 70.6(a)(1).

⁷⁷ EPA Office of Air Quality Planning and Standards, Memorandum "White Paper Number 2 for Improved Implementation of the Part 70 Operating Permits Program," March 5, 1996, at 40.

⁷⁸ *In re Citgo Refining and Chemicals Company L.P., Order Granting in Part and Denying in Part Petition for Objection*, Petition No. VI-2007-01 (May 28, 2009), at 11.

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ *Id.*

⁸² Petitioners' Comment IV.

The Title V operating permit for LaSalle BioEnergy also lacks sufficient detail to assure compliance with LaSalle BioEnergy's general duty under Clean Air Act section 112(r)(1) to design and maintain their facility in a way that prevents the accidental release of any extremely hazardous substance and minimizes the consequences of accidental releases that do occur. This statutory provision, commonly referred to as the "General Duty Clause," qualifies as an "applicable requirement" that must be addressed in LaSalle BioEnergy's Title V permit.⁸³ The extremely hazardous substance at issue for LaSalle BioEnergy is combustible wood dust, which carries an extreme risk of fires and explosions. Indeed, the risk of explosions and fires caused by combustible dust at wood pellet plants is well-documented in the wood pellet industry.⁸⁴ Since 2010, more than half of the 15 largest wood pellet mills in the nation have had newsworthy fires or explosions.⁸⁵ A fire at a wood pellet storage facility in Port Arthur, Texas burned for more

⁸³ See 40 C.F.R. § 70.2 (defining "[a]pplicable requirement" to include "[a]ny standard or other requirement under section 112 of the Act.").

⁸⁴ Melin, Staffan, Wood Pellet Association of Canada, Determination of Explosibility of Dust Layers in Pellet Manufacturing Plants (Aug. 30, 2012) ("Dust explosions and fires has become a major issue in the pellets industry as well as in other woodworking industries with devastating consequences in many cases.") (Attachment Y); Biomass Handling, *Biomass Dust Fire and Explosion Control* (Apr. 24, 2013), at 2 ("Historically, wood pellet production was a small industry with more than its share of fires and explosions. However with the emphasis on green energy, wood pellet production has skyrocketed and very large plants are being constructed. There have been several recent major fires and explosions within the wood pellet manufacturing, shipping, receiving, storage and power plant facilities. These new facilities are learning that they have to employ safe handling practices for dry wood materials.") (Attachment Z); *The Florida Times-Union*, Jacksonville.com, "Overheated Assembly Caused Georgia Biomass Explosion," (July 13, 2011) ("Wood pellet production should resume today at Georgia Biomass, which was crippled by a dust explosion last month.") (Attachment AA); Baghouse.com, "Dust Collector Fire and Explosion Highlights Need for Combustible Dust Consideration in System Designs (available at www.docuarchive.com/.../Dust-Collector-Fire-and-Explosion-Highlights-Need.pdf) (Attachment BB); Simet, Anna, *Biomass Magazine*, "Dusting Up on Risk & Regulation" (Jan. 26, 2016) ("Dust explosions resulting in injuries, fatalities and facility destruction are not uncommon at . . . biomass facilities that utilize pulverized or ground wood material to make energy or wood pellets.") (available at <http://biomassmagazine.com/articles/12794/dusting-up-on-risk-regulation>) (Attachment CC); Harrington Group, "Fire Prevention Tips for Wood Pellet Plants" ("The amount of wood, dust, various ignition sources inherent in the wood pellet production process presents a high risk of explosion and fire. However, there are strategies that can be implemented to reduce the risk of fire and explosions and to mitigate the impact should they occur.") (available at <http://hgi-fire.com/blog/fire-prevention-tips-for-wood-pellet-plants/>) (Attachment DD); NBC 10 News, "Fire Chief: Dust Caused Pellet Company Explosion," (Aug. 20, 2013)(available at <http://turnto10.com/archive/fire-reported-at-east-providence-wood-pellet-company>) (Attachment EE); Griffin, Jeff, Fauske & Associates, LLC, "Managing Combustible Dust & Safety Concerns in Biomass/Wood Pellet Industry (Nov. 1, 2013) (available at <http://blog.fauske.com/blog/bid/346875/Managing-Combustible-Dust-Safety-Concerns-in-Biomass-Wood-Pellet-Industry>) (Attachment FF).

⁸⁵ "2 Burn Victims Remain Hospitalized after Hazlehurst Flash Fire," WALB (June 4, 2015), <http://www.walb.com/story/28983516/4-seriously-burned-after-fire-at-hazlehurst-wood-pellets> (Attachment GG); Stepzinski, Teresa, "Explosion Damages Waycross Plant; No Injuries Reported," jacksonville.com (June 21, 2011), <http://www.jacksonville.com/news/crime/2011-06-21/story/explosion-damages-waycross-plant-no-injuries-reported> (Attachment HH); "Fire Reported at Highland Pellets Plant," *The Pine Bluff Commercial* (Aug. 16, 2017), <http://www.pbcommercial.com/news/20170816/fire-reported-at-highland-pellets-plant> (Attachment II); "Enviva's Cottondale Facility Damaged by Fire," *mypanhandle.com*, (June 11, 2017), <http://www.mypanhandle.com/news/envivas-cottondale-facility-damaged-by-fire/737627383> (Attachment JJ); Voegelé, Erin, "Fire at Enviva Facility Not Expected to Result in Major Downtime." *Biomass Magazine* (Jan. 9, 2014), <http://biomassmagazine.com/articles/9882/fire-at-enviva-facility-not-expected-to-result-in-major-downtime> (Attachment KK); Bryant, Cal. "Enviva Fire Quickly Contained." *Roanoke-Chowan News-Herald* (Jan. 24, 2013), <http://www.roanoke-chowannewsheald.com/2013/01/24/enviva-fire-quickly-contained/> (Attachment LL); Taylor, Stephanie. "Aliceville Plant Closed After Explosion." *Tuscaloosa News* (Oct. 24, 2016), <http://www.tuscaloosaneews.com/news/20161024/aliceville-plant-closed-after-explosion> (Attachment MM); German

than 50 days in 2017, leading to dozens of nearby residents to seek medical attention.⁸⁶ In another incident, a “flash fire” at the Hazlehurst pellet mill in Hazlehurst, Georgia—the facility’s second fire since commencing operations in 2013—seriously injured four employees.⁸⁷ A wood dust explosion at another Georgia pellet mill “rattled windows in homes about five miles away.”⁸⁸ While it is fortunate that there have been no fatalities from wood dust explosions in at pellet mills in the US, a wood dust explosion at a Canadian mill in 2012 killed an employee.⁸⁹

Due to the significant risk posed by combustible dust at the LaSalle BioEnergy Plant, it is critical that the Title V permit state that the General Duty Clause applies to the facility’s handling of explosive dust, and to require the facility to perform specific steps that are sufficient to ensure that workers and others who live, work, recreate, or simply commute in the facility’s vicinity are protected from the dangers posed by combustible dust.⁹⁰ The permit also must include monitoring, recordkeeping, and reporting to assure the facility’s compliance with these requirements.

Wood dust at LaSalle BioEnergy easily qualifies as an “extremely hazardous substance” that is subject to the General Duty Clause. According to Clean Air Act section 112(r)(1), the General Duty Clause applies to “owners and operators of stationary sources producing, processing, handling or storing any extremely hazardous substances.” The legislative history of this provision indicates that an accidental release is one which causes or may cause immediate (or near term) death, serious injury or substantial property damage as the result of exposure to an extremely hazardous substance over limited periods of time.⁹¹ Although the Clean Air Act does not define “extremely hazardous substances,” the legislative history provides criteria which EPA may use to determine if a substance is extremely hazardous. Specifically, the Senate Report states that “extremely hazardous substance” would include any agent “which may or may not be listed or otherwise identified by any Government agency which may as the result of short-term exposures associated with releases to the air cause death, injury or property damage due to its

Pellet Plant in Woodville has Fire in Silo.” *Beaumont Enterprise* (Apr. 30, 2014), <http://www.beaumontenterprise.com/jasper/news/article/German-pellet-Plant-in-Woodville-has-fire-in-Silo-5442052.php> (Attachment NN); Waldrep, Emily. “Firefighters Respond to Second Fire at Woodville German Pellet Plant.” *Tyler County Booster* (May 07, 2015), <https://www.tylercountybooster.com/index.php/news/1848-firefighters-respond-to-second-fire-at-woodville-german-pellet-plant> (Attachment OO); Langford, Cameron. “Residents Go to Court Over Months-Long Texas Plant Fire.” *Courthouse News* (Oct. 27, 2017), <https://www.courthousenews.com/residents-go-court-months-long-texas-plant-fire/>. (Attachment PP).

⁸⁶ *Id.*

⁸⁷ “2 Burn Victims Remain Hospitalized after Hazlehurst Flash Fire,” WALB, (June 4, 2015), (available at <http://www.walb.com/story/28983516/4-seriously-burned-after-fire-at-hazlehurst-wood-pellets>) (Attachment GG).

⁸⁸ Stepzinski, Teresa, “Explosion Damages Waycross Plant; No Injuries Reported,” *jacksonville.com* (June 21, 2011) (available at <http://www.jacksonville.com/news/crime/2011-06-21/story/explosion-damages-waycross-plant-no-injuries-reported>) (Attachment HH).

⁸⁹ “Fatal Sawdust Blast in B.C. Comes After Five Explosions at Similar Plants Since 2009,” *National Post* (Apr. 28, 2012) (available at <http://nationalpost.com/news/canada/fatal-sawdust-blast-in-b-c-comes-after-five-explions-at-similar-plants-since-2009>) (Attachment QQ).

⁹⁰ See 40 C.F.R. § 70.6(a)(1) (Each permit must include “those operational requirements and limitations that assure compliance with all applicable requirements at the time of permit issuance.”), see also 40 C.F.R. §§ 70.6(a)(3) and (c)(1).

⁹¹ Senate Committee on Environment and Public Works, Clean Air Act Amendments of 1989, Senate Report No. 228, 101st Congress, 1st Session 211 (1989) (“Senate Report”), at 210-211.

toxicity, reactivity, flammability, volatility, or corrosivity.”⁹² Further, the Senate Report states, “the release of any substance which causes death or serious injury because of its acute toxic effect or as a result of an explosion or fire or which causes substantial property damage by blast, fire, corrosion or other reaction would create a presumption that such substance is extremely hazardous.”⁹³ There is ample evidence that wood dust generated by pellet plants is flammable and can be explosive, leading to death, injury, or substantial property damage.

Aside from failing to clearly state LaSalle BioEnergy’s obligation to handle wood dust in accordance with the General Duty Clause, the permit is also deficient in that it fails to provide adequate specificity regarding what the facility must do to comply with the General Duty Clause and fails to require the facility to perform monitoring to assure its compliance with this requirement. As the D.C. Circuit confirmed in *Sierra Club v. EPA*, 551 F.3d 1019 (D.C. Cir. 2008), a permitting authority is obligated to add monitoring, recordkeeping, and reporting requirements to a source’s Title V permit where needed to assure the source’s compliance with an applicable requirement. Clarifying a source’s obligations under the Clean Air Act’s General Duty Clause and developing monitoring, recordkeeping, and reporting sufficient to assure a source’s compliance with those obligations falls squarely within what Congress intended by enacting the Title V operating permit program in 1990. The fact that a source’s specific obligations under this requirement may be unique from those of other sources strongly supports the argument that a Title V permit must clarify what the source’s obligations are and incorporate any conditions needed to assure the source’s compliance with those obligations.⁹⁴

To assure LaSalle BioEnergy’s compliance with the General Duty Clause, the permit would need to incorporate, at a minimum, provision that:

- (1) Identify Clean Air Act section 112(r)(1) as an applicable requirement with respect to the facility’s handling of combustible dust.
- (2) Specifically require the facility to prepare a hazard analysis identifying the hazards associated with explosive dust and the facility’s processes, potential fire and explosion scenarios, and the consequences of a fire or explosion.
- (3) Establish specific design and operation standards that the facility must meet to prevent a dust-related fire or explosion.
- (4) Establish recordkeeping and reporting requirements sufficient to demonstrate that the facility is meeting its General Duty Clause obligations.

Without these provisions, the permit is deficient and EPA must object.

Conclusion

As discussed above, EPA must immediately object to the Title V permit for LaSalle BioEnergy because LDEQ completely failed to consider Petitioners’ timely and significant comments nor

⁹² Senate Report at 211.

⁹³ *Id.*

⁹⁴ Additional information on implementation of General Duty Clause requirements is provided in the EPA’s guidance document, “Guidance for Implementation of the General Duty Clause Clean Air Act Section 112(r)(1),” available at <https://www.epa.gov/sites/production/files/documents/gendutyclause-rpt.pdf>.

has LDEQ issued any response to those comments. EPA must also object on the substantive defects in the permit, identified herein.

Respectfully submitted,

/s/ Patrick Anderson

Patrick J. Anderson
Of Counsel, Environmental Integrity Project
E: panderson@powellenvironmentallaw.com
T: (719) 963-4072

Keri N. Powell
Of Counsel, Environmental Integrity Project
E: kpowell@powellenvironmentallaw.com
T: (678) 902-4450

Mailing Address

Environmental Integrity Project
c/o Powell Environmental Law
315 W. Ponce de Leon Ave, Suite 842
Decatur, GA 30030

*On behalf of Louisiana Environmental Action
Network, Environmental Integrity Project, Dogwood
Alliance, Partnership for Policy Integrity, Natural
Resources Defense Council, and Our Children's
Earth.*

Attachments: Comment Attachments A through QQ.

CC, without Attachments:

Bryan Johnston, Administrator, LDEQ, Air Permits Division, bryan.johnston@la.gov
Qingming Zhang, Permit Engineer, LDEQ, Air Permits Division, qingming.zhang@la.gov
Jeff Robinson, Section Chief, EPA Region 6, robinson.jeffrey@epa.gov
Michael Bellow, Director of Environmental, Health and Safety, Drax Biomass,
michael.bellow@draxbiomass.com