



State of Ohio Environmental Protection Agency

Northwest District Office

347 North Dunbridge Road
Bowling Green, OH 43402-9398

TELE: (419) 352-8461 FAX: (419) 352-8468
www.epa.state.oh.us

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

Re: Ottawa County
Energy Developments (BioEnergy)
Premise # 03 62 01 0127
Notice of Violation

Certified Mail

August 15, 2008

John Love, Vice President
Energy Developments (BioEnergy)
16360 Park Ten Place, Suite 218
Houston, Tx 77084

Dear Mr. Love:

Energy Developments was issued a Title V renewal permit on September 25, 2007. The Title V permit contains terms and conditions for three IC Engines which burn landfill gas to produce electricity. The engines are rated at 14 mmBTU/hr, 1400 brake KW, and have the following emission unit ID's: P001, P002, and P003.

Based on our phone conversation on August 13, 2008, Energy Developments experienced a catastrophic failure on engine Number 2, (P002). The failure occurred on March 19, 2008 and the engine was removed from service on April 3. An identical replacement engine was delivered to the site on June 17, and the new engine was started up on July 1, 2008. According to OAC rule 3745-31-01(UUU) definition of a "new source", the replacement of an entire air contaminant source is considered a new source. Therefore, the company is in violation of the New Source Review permitting requirements, OAC rule 3745-31-02, and ORC 3704.05, by installing a replacement engine without first having obtained a Permit to Install.

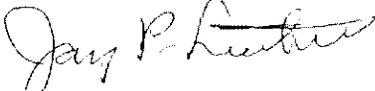
Ohio EPA rules have no provisions to address this type of situation. Per our recent discussions, the company will need to submit a permit application for the new engine in order to resolve this violation.

Please be advised that the submission of the requested information to respond to this letter does not constitute waiver of the Ohio EPA's authority to seek civil penalties pursuant to ORC section 3704.06. The Ohio EPA will make a decision on whether to pursue or decline to pursue such penalties regarding this matter at a later date.

Mr. John Love
August 15, 2008
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Should you have any questions regarding this letter, please feel free to directly contact me at 419-373-3136.

Sincerely,



Jay P. Liebrecht
Environmental Specialist

/lb

cc: Don Waltermeyer, DAPC-NWDO
Lisa Holscher, US EPA-Region V
Brad Castle, Energy Developments
Tom Kalman, DAPC, CO
DAPC-NWDO File
7006 0100 -0003 7708 6302

DAPC - 32 - 111

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1. Article Addressed to: <i>Mr. J. Love 3000 W. 11th St Boulder CO 80504</i>	3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
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