



State of Ohio Environmental Protection Agency

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May 14, 2009

Larry Wilson
VeraSun Bloomingburg LLC
3979 State Route 238 NE
Bloomingburg, OH 43106

**Re: Full Compliance Evaluation and Notice of Violation for VeraSun Bloomingburg
LLC (fka ASA Bloomingburg)
Facility Premise # 0124000132**

Dear Mr. Wilson:

Ohio Environmental Protection Agency (Ohio EPA), Central District Office (CDO), Division of Air Pollution Control (DAPC), appreciates VeraSun's courtesy and cooperation extended during the October 14 and 15, 2008 inspection of your facility located at 3979 State Route 238 NE Bloomingburg, Ohio. The purpose of the inspection was to assure compliance with applicable permits along with state and federal rules and regulations.

Present during the inspection were Victor Canter of VeraSun, and Benjamin Halton and John McGreevy of Ohio EPA, DAPC.

The inspection consisted of the following:

1. An examination of each emission's unit at the facility;
2. an examination of monitoring and record keeping files maintained at the facility;
and
3. a review of reporting and fee emissions files maintained at Ohio EPA.

The facility is currently permitted under a federally enforceable synthetic minor permit-to-install (PTI) 01-01306 that was issued on August 10, 2006 and contained terms and conditions for the following emissions units (EUs): B001, B002, B003, F001, J001, P001, P002, P003, P004, P005, P006, P007, P008, P009, P010, P011, P012, P013, P014, P015, P801, P901, P902, P903, T001, T002, T003, T004 and T005. The facility began operations on March 20, 2008.

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

Listed below are inspection findings, violations and action items that need to be addressed.

Finding 1:

This Finding identifies deviations from the terms and conditions contained within PTI 01-01306. The findings are subdivided by similar emissions units and contain a brief summary of the permit requirement (if applicable) followed by Ohio EPA's assessment made during the compliance evaluation. Due to the length of this finding, it can be found in Appendix A.

Violation:

Items 1 through 76 are considered deviations from the terms and conditions contained in PTI 01-01306. Failure to comply with an applicable PTI is a violation of Ohio Revised Code (ORC) §3704.05(C), which states:

"No person who is a holder of a permit issued under division (F) or (G) of section 3704.03 of the Revised Code shall violate any of its terms or conditions"

Action Items:

Ohio EPA requests that VeraSun perform the following actions in order to resolve the above violation:

1. Items 1 through 76 of Finding 1 represent deviations from the terms and conditions contained within PTI 01-01306. Beginning with the second quarter of 2009 (April-June), properly identify deviations from the terms and conditions of PTI 01-01306 in the appropriate quarterly deviations report. The facility should continue to identify each deviation in subsequent quarterly reports until such time that the deviation has been corrected or that the facility has applied for and received a modified permit that resolves the deviation.
2. Items 1-4, 6, 9, 12, 18-20, 22, 24, 25, 28, 31, 33, 34, 36-38, 40, 42, 43, 45, 47, 50-52, 54-58, 60, 62-67, 69, 71, and 73-76 of Finding 1 represent deviations that can only be corrected through a modification to the existing permit terms. These deviations are a result of the facility either being constructed or operated in a manner that conflicts with the information provided in the original permit application.

Ohio EPA requests that VeraSun prepare and submit, via Air Services, a Permit-to-Install and Operate (PTIO) application for a Chapter 31 modification within 90 days of receipt of this letter. The application should address each of the items

listed above and any other inconsistencies between PTI 01-01306 and the respective application. The application should reflect the as-built ethanol activity and include all assumptions, calculations, citations and guidance utilized during preparation for each emissions source.

3. Items 10-12, 15, 16, 20, 21, 24, 26-28, 38-40, 45-48, 52-54, 58-60, 63, 65, 67 and 69-71 of Finding 1 represent deviations that are associated with the combined emissions limitations and testing requirements for EU B001, B002, P005, P007, P008, P009, P010, P011, P012, P013 and P014, and the combined emissions limitations for EU B003, J001 and P014. The facility has not conducted the performance testing necessary to evaluate the emissions from the "bypass" stack serving EU P014. Additionally, the emissions from the liquefaction tanks associated with EU P007 are not being vented to the thermal oxidizer/heat recovery boiler units as indicated in the permit application.

Ohio EPA requests that VeraSun prepare and submit a detailed compliance plan within 90 days of receipt of this letter. The plan should include a detailed description of how the facility intends to demonstrate compliance with the above mentioned combined emissions limitations and should address pertinent issues such as the inability to conduct performance tests in accordance with USEPA methods. In addition, the plan should address the batch-process operation of the facility and include a timeline that identifies when the facility will submit the necessary intent-to-test (ITT) forms and conduct the required performance tests.

4. Item 14 of Finding 1 is related to a monthly recordkeeping requirement associated with EU B003. Ohio EPA requests that VeraSun immediately begin recording the hours of operation for EU B003 on a monthly basis.
5. Items 15, 20, and 68 of Finding 1 represent deviations that are associated with the annual reporting requirement for EU B003, J001 and P014. The facility has not submitted an annual report which specifies the total combined VOC, NO_x and CO emissions from these EUs.

Ohio EPA requests that VeraSun prepare and submit the required annual report, via Air Services, within 90 days of receipt of this letter. As identified above, the facility has not conducted the performance testing necessary to evaluate the emissions from the "bypass" stack serving EU P014. The facility should use the best available information to calculate the annual emissions from EU P014 until such time that the necessary performance testing has been conducted.

6. Items 23, 29, 35, 41, 49, 61 and 72 of Finding 1 represent deviations that are associated with the requirement to develop and implement a fugitive LDAR

program. See Finding 5 below for the action item associated with the resolution of these deviations.

7. Items 25, 31, 37, 43 and 51 represent deviations that are associated with the requirement to re-evaluate compliance with the "Air Toxic Policy" when physical changes to the emissions unit or its exhaust parameters have been made. In this case the physical changes are a result of the construction of the facility being inconsistent with the information provided in the permit application.

Ohio EPA requests that VeraSun prepare and submit a detailed compliance plan within 90 days of receipt of this letter. The plan should include a detailed description of how the facility intends to demonstrate compliance with the "Air Toxic Policy" with respect to the altered exhaust parameters associated with the following exhaust streams:

- a. j-tube open atmospheric vent located on top of liquefaction tank 2;
- b. emergency outlets located above the air-to-air exchangers; and
- c. pressure release valves located on top of each fermentation tank.

The plan should include a description of the altered parameters, documentation of the evaluation and determination as to whether the altered emissions units still satisfy the "Air Toxic Policy" and where computer modeling is performed, a copy of the resulting computer model runs that show the results of the application of the "Air Toxic Policy" for the alterations.

8. Items 30 and 32-34 of Finding 1 represent deviations that are associated with the emissions limitations and testing requirements for EU P006. Results of the performance tests that have been conducted on P006 have suggested that the CO₂ scrubber is not capable of controlling VOC and HAP emissions to levels that demonstrate compliance with the applicable emissions limitations and VOC control efficiency requirement established in PTI 01-01306.

Ohio EPA requests that VeraSun prepare and submit a detailed compliance plan within 90 days of receipt of this letter. The plan should include a detailed description of how the facility intends to demonstrate compliance with the above mentioned testing requirements and emissions limitations and should address pertinent issues such as the inability to conduct performance tests in accordance with USEPA methods. The plan should address the batch-process operation of the facility and include a timeline that identifies when the facility will submit the necessary ITT forms and conduct the required performance tests.

Finding 2:

B001 and B002, 143 MMBtu/hr thermal oxidizer/heat recovery boiler units.

Applicable emissions limitations/control measures; exemptions from OAC rule 3745-17-10(B)(1) and 40 CFR Part 60, Subpart Db.

A detailed review of these exemptions has been completed as part of this full compliance evaluation. The applicability of these exemptions was reexamined based upon the original PTI application, new information obtained and observations during site visits. At this time, Ohio EPA believes that the Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units (40 CFR Part 60, Subpart Db), along with OAC rule 3745-10(B)(1) apply to these boilers. As such, the exemptions identified in PTI 01-01306 were incorrectly cited. In addition, the testing, reporting and continuous emissions monitoring requirements of 40 CFR Part 60, Subpart Db have not been satisfied.

Action Item:

Ohio EPA requests that VeraSun perform the following actions in order to comply with 40 CFR Part 60, Subpart Db:

1. Prepare and submit a detailed compliance plan within 90 days of receipt of this letter. The plan should include a detailed description of how the facility intends to demonstrate compliance with all of the applicable requirements of 40 CFR Part 60, Subpart Db. The plan should identify all of the applicable requirements of Subpart Db and address pertinent issues including the inability to conduct performance tests in accordance with USEPA methods. The plan should also include a timeline that identifies when the facility will submit the necessary ITT forms and conduct the required performance tests.
2. Prepare and submit any reports that are required by Subpart Db.

Finding 3:

B001 and B002, 143 MMBtu/hr thermal oxidizer/heat recovery boiler units.

P005, Distillation process – mixer, slurry tanks 1 and 2, cook tubes, flash tank, liquefaction tanks 1, 2, 3 and 4 and yeast tanks 1 and 2.

P007, Distillation process – beer column, side stripper, rectifier column and 190 proof condenser.

P008, Methanators equipped with a biomethanator flare.

P009, Distillation process – molecular sieve and 200 proof condenser.

P010, P011, P012 and P013, Distillers dried grains with soluble (DDGS) Dryer A, Dryer B, Dryer C and Dryer D.

P014, DDGS cooling drum vented through the thermal oxidizer; equipped with a baghouse for periods during bypass.

Part II, Section 2.f – The hourly limitations for Nitrogen Oxides (NO_x), Carbon Monoxide (CO), Volatile Organic Compounds (VOC), Sulfur Dioxide (SO₂) and Particulate Emissions (PE) were established to reflect the potential to emit for this emissions unit.

Ohio EPA has determined that the combined hourly limitations assigned to EU B001, B002, P005, P007, P008, P009, P010, P011, P012, P013 and P014 were assigned without consideration of the continuous uncontrolled emissions from the cooling drum bypass stack. Therefore, these limitations do not accurately reflect the potential emissions from these sources and compliance with these limitations cannot be demonstrated according to the terms and conditions of the permit.

Violation:

The inconsistencies between the information submitted in the permit application and the actual design and construction of the facility represent deviations from the General Terms and Conditions (Part I) contained within PTI 01-01306. Specifically, Part I, Section A.9 requires the proposed emissions unit(s) to be constructed in strict accordance with plans and application submitted for the permit.

Failure to comply with the terms and conditions of the applicable PTI is a violation of Ohio Revised Code (ORC) §3704.05(C).

Action Item:

Ohio EPA requests that VeraSun incorporate the inconsistencies identified in Finding 3 above into the revised permit application, requested in Action Item 2 of Finding 1.

Finding 4:

J001, Ethanol loadout rack to truck and rail.

Part II, Section B.1 – Operational restrictions for ethanol loadout to truck used to synthetically minor facility emissions to levels below the Title V threshold of 100 TPY for any criteria pollutant.

The effectiveness of these restrictions to limit emissions below Title V thresholds was reexamined based upon the original PTI application, new information obtained, current facility configuration and observations during site visits. Ohio EPA believes that the overall design and operation of the facility allow for emissions levels to increase in a manner that would not be reflected in ethanol production. Therefore, establishing restrictions on the loadout of ethanol is not an effective method to avoid exceeding Title V, and possibly Major New Source Review (Major NSR) thresholds.

Some examples of why this is the case include:

1. Several of the production systems at the facility have the capability of being placed in "recirculation cycles". Placing these production systems and the associated exhaust streams in re-circulation could result in increased emissions levels that would not result in increased ethanol production.
2. Auxiliary processes such as the introduction of ammonia in the slurry process can contribute to increased emissions levels with no direct correlation to an increase in ethanol production.
3. Fluctuation in the concentration of ethanol produced could further exaggerate the imbalanced relationship between emissions levels during ethanol production and the amount of ethanol actually loaded out to truck. In other words, some production systems could produce the same level of emissions when producing a low concentration of ethanol as when producing a high concentration of ethanol. These emissions levels would not be reflected in ethanol loadout due to the decrease in ethanol production from lower concentrations.
4. The batch-process operation of the fermentation process along with fluctuation in some of the variables that affect the fermentation process, such as the water flow rate of the scrubber and the fermentation period, can affect emissions levels that would not be reflected in ethanol loadout.

Violation:

The inconsistencies between the information submitted in the permit application and the actual design and construction of the facility represent deviations from the General Terms and Conditions (Part I) contained within PTI 01-01306. Specifically, Part I, Section A.9 requires the proposed emissions unit(s) to be constructed in strict accordance with plans and application submitted for the permit.

Failure to comply with the terms and conditions of the applicable PTI is a violation of Ohio Revised Code (ORC) §3704.05(C).

By constructing and operating a facility as a "major source" (as defined under the Title V and Major NSR program) without obtaining the proper permits, VeraSun has violated the Title V program and possibly the Major NSR program. Because the facility has not been issued a permit(s) that sufficiently restrict the potential-to-emit below each programs respective emission thresholds, the facility has essentially been subject to the Title V program since operations began. Without an acceptable permit application, VeraSun is in violation of OAC rule 3745-77-04(D) which states:

"A timely application for a source applying for a Title V permit for the first time...is one that is submitted within twelve months after the source becomes subject to the Title V permit program..."

In order to avoid the requirements associated with these permitting programs, the facility must apply for and receive a permit(s) that effectively restricts the potential-to-emit of the facility below each programs respective emission thresholds.

Action Item:

Ohio EPA requests that VeraSun incorporate the deficiencies in properly establishing synthetic minor operational restrictions identified in Finding 4 above into the revised permit application requested in Action Item 2 of Finding 1. If the facility still desires to avoid Title V and/or Major NSR status, then the application should include proposed synthetic minor operational restrictions that will sufficiently restrict the emissions levels below Title V and Major NSR thresholds and address the batch-process operation of the facility. The application should also include an updated facility-wide potential to emit for each pollutant.

If the facility determines that they do not wish to be limited by the operational restrictions necessary to adequately demonstrate that Title V and/or Major NSR thresholds cannot be exceeded, CDO requests that the facility submit a PTI application within 90 days of receipt of this letter. The application should reflect the as-built ethanol activity and include all assumptions, calculations, citations and guidance utilized during preparation for each emissions source.

Finding 5:

P005, Distillation process – mixer, slurry tanks 1 and 2, cook tubes, flash tank, liquefaction tanks 1, 2, 3 and 4 and yeast tanks 1 and 2.

P006, Fermenting units 1 thru 7 and beerwell equipped with a wet scrubber.

P007, Distillation process – beer column, side stripper, rectifier column and 190 proof condenser.

P008, Methanators equipped with a biomethanator flare.

P009, Distillation process – molecular sieve and 200 proof condenser.

P014, DDGS cooling drum vented through the thermal oxidizer; equipped with a baghouse for periods during bypass.

P801, Fugitive VOC emissions (leaks).

Part II, Section A.2.b – Requirement to develop an on-site fugitive LDAR program within 180 days of the start up of this emissions unit.

Ohio EPA has determined that VeraSun has not adequately satisfied the requirement to implement a fugitive Leak Detection and Repair (LDAR) program. This permit requirement is intended to assure that the facility has properly identified the components and equipment that are subject to both 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD) and that the facility has established a means of demonstrating compliance with all of the requirements of 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD). Ohio EPA acknowledges that VeraSun has taken steps to properly identify the affected sources and to demonstrate compliance with some of the standards set forth in the applicable regulations, however, the facility has not coordinated these efforts into a program that demonstrates overall compliance as evidence in the failure to submit a semiannual leak report required by OAC rule 3745-21-09(DD).

Violation:

Failure to submit the semiannual LDAR report is a violation of OAC rule 3745-21-09(DD)(2)(m).

Action Item:

Ohio EPA requests that VeraSun prepare and submit the required semi-annual report via Air Services within 90 days of receipt of this letter. The report should satisfy all of the requirements of OAC rule 3745-21-09(DD)(2)(m).

Ohio EPA also requests that VeraSun prepare and submit a detailed compliance plan within 90 days of receipt of this letter that includes a detailed description of how the facility intends to demonstrate compliance with 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD), along with all associated recordkeeping and reporting requirements.

Finding 6:

P006, Fermenting units 1 thru 7 and beerwell equipped with a wet scrubber.

Part 1 General Terms and Conditions requirement to construct the proposed emissions units in strict accordance with the plans and application submitted for PTI 01-01306.

Ohio EPA has determined that the construction and design of the control equipment associated with the beerwell and fermentation units are inconsistent with plans and application submitted for PTI 01-01306. Specifically, Ohio EPA has determined that some of the emissions from P006 are being re-directed rather than controlled. VeraSun has identified that the water utilized by the CO₂ scrubber is reused in other processes throughout the facility in order to maintain a "water-balance" and optimize water efficiency. Ohio EPA has determined that some of the processes to which the VOC laden scrubber water is directed may allow for VOC emissions to vent to the atmosphere.

Violation:

The inconsistencies between the information submitted in the permit application and the actual design and construction of the facility represent deviations from the General Terms and Conditions (Part I) contained within PTI 01-01306. Specifically, Part I, Section A.9 requires the proposed emissions unit(s) to be constructed in strict accordance with plans and application submitted for the permit.

Failure to comply with the terms and conditions of the applicable PTI is a violation of Ohio Revised Code (ORC) §3704.05(C).

Action Item:

Ohio EPA requests that VeraSun prepare and submit a detailed compliance plan within 90 days of receipt of this letter. The plan should include a detailed description outlining all of the processes to which the VOC laden scrubber water can be directed. The plan should include an identification of each of these processes and their associated controlled and uncontrolled air emissions streams based upon the best available emissions data for each source. In addition, the plan should reflect the as-built ethanol activity and include all assumptions, calculations, citations and guidance utilized during preparation for each emissions stream.

Finding 7:

P006, Fermenting units 1 thru 7 and beerwell equipped with a wet scrubber.

Section B.1.a – Requirement to continuously maintain the pressure drop across the scrubber and the water flow rate as recommended by the scrubber manufacturer until site-specific values are established during performance tests.

Ohio EPA has determined that the operating parameters and respective recordkeeping and reporting requirements for the wet scrubber (whether recommended by the manufacturer or as determined by testing at similar facilities) are not sufficient as a resource for demonstrating compliance with the applicable emissions limitations for EU P006. Specifically, results of the performance tests on EU P006 suggest that the CO₂ scrubber is not capable of controlling emissions to levels that demonstrate compliance with the applicable limitations established in PTI 01-01306. These tests also indicated that the operating parameters, especially the water flow rate, are extremely influential with regard to emissions levels. VeraSun has indicated that the design of the facility incorporates a "water-balance" that may not allow the facility to maintain the water flow rate at levels that demonstrate continuous compliance.

Section A.1 – Requirement to limit VOC emissions from EU P006 to 10.20 lbs/hr.

Performance tests conducted on the CO₂ scrubber on July 31, 2008 revealed an average VOC emission level of 20.70 lbs/hr, as carbon, which is equivalent to 45.54 lbs/hr, as VOC, using the Midwest Scaling Protocol.

Violation:

The inconsistencies between the information submitted in the permit application and the actual design and construction of the facility represent deviations from the General Terms and Conditions (Part I) contained within PTI 01-01306. Specifically, Part I, Section A.9 requires the proposed emissions unit(s) to be constructed in strict accordance with plans and application submitted for the permit.

Failure to comply with the terms and conditions of the applicable PTI is a violation of Ohio Revised Code (ORC) §3704.05(C).

The results of the July 31, 2008 performance tests conducted on EU P006 indicate that EU P006 is in violation of the VOC emission limitation established in PTI 01-01306. These results demonstrate potential emissions at the facility that exceed Title V thresholds. Without an acceptable permit application, VeraSun is in violation of OAC rule 3745-77-04(D) which states:

"A timely application for a source applying for a Title V permit for the first time...is one that is submitted within twelve months after the source becomes subject to the Title V permit program..."

These results also indicate that VeraSun may be considered a "major stationary source" as defined in OAC rule 3745-31-01(LLL). If so, then the facility is in violation of OAC rule 3745-31-13(A) for installation of a "major stationary source" without an appropriate permit.

Action Item:

Ohio EPA requests that VeraSun prepare and submit a detailed compliance plan for EU P006 and the associated CO₂ scrubber within 90 days of receipt of this letter. Ohio EPA requests that VeraSun incorporate into this plan a description of how the facility intends to sufficiently demonstrate continuous compliance with the applicable emission limitations associated with EU P006. The plan should address the batch-process operation of the facility and should specifically address the operating parameters and monitoring requirements related to demonstrating continuous compliance and how these parameters will be evaluated during the required performance tests.

Summary of Action Items:

The following table summarizes the requested action items and deadlines that are detailed above. It is being provided as a reference for developing necessary compliance plans and schedules.

Action Item Summary Table	
Action Item	Timeline
Properly identify Items 1-77 of Finding 1 in quarterly deviation reports.	Beginning with second quarter of 2009 (April-June).
Prepare and submit, via Air Services, a PTIO application for a Chapter 31 modification which: <ul style="list-style-type: none">• addresses the inconsistencies between the construction/operation of the facility and the original permit application;• includes proposed synthetic minor operational restrictions that will sufficiently restrict the emissions levels below Title V and Major NSR thresholds;	

<ul style="list-style-type: none"> • addresses the batch-process operation of the facility; and • reflects the as-built ethanol activity and includes all assumptions, calculations, citations and guidance utilized during preparation for each emissions source. <p>Or</p> <p>Prepare and submit, via Air Services, a PTI application that reflects the as-built ethanol activity and includes all assumptions, calculations, citations and guidance utilized during preparation for each emissions source.</p>	<p>Within 90 days of receipt of this letter.</p>
<p>Prepare and submit a detailed compliance plan associated with the combined emissions limitations and testing requirements for EU B001, B002, P005, P007, P008, P009, P010, P011, P012, P013 and P014 and the combined emissions limitations for EU B003, J001 and P014. The plan should:</p> <ul style="list-style-type: none"> • include a detailed description of how the facility intends to demonstrate compliance with the above mentioned combined emissions limitations; • address pertinent issues such as the inability to conduct performance tests in accordance with USEPA methods; • address the batch-process operation of the facility; and • include a timeline that identifies when the facility will submit the necessary ITT forms and conduct the required performance tests. 	<p>Within 90 days of receipt of this letter.</p>
<p>Begin recording the hours of operation for EU B003 on a monthly basis.</p>	<p>Immediately.</p>
<p>Prepare and submit, via Air Services, the required annual report for VOC, NO_x and CO emissions from EU B003, J001 and P014.</p>	<p>Within 90 days of receipt of this letter.</p>
<p>Prepare and submit a detailed compliance plan associated with the requirement to evaluate compliance with the "Air Toxic Policy"</p>	

<p>for the following exhaust streams:</p> <ul style="list-style-type: none">a. j-tube open atmospheric vent located on top of liquefaction tank 2;b. emergency outlets located above the air-to-air exchangers; andc. pressure release valves located on top of each fermentation tank. <p>The plan should include:</p> <ul style="list-style-type: none">• a description of the altered parameters;• documentation of the evaluation and determination as to whether the altered emissions units still satisfy the "Air Toxic Policy"; and• a copy of the resulting computer model runs that show the results of the application of the "Air Toxic Policy" for the alterations.	<p>Within 90 days of receipt of this letter.</p>
<p>Prepare and submit a detailed compliance plan associated with the emissions limitations and testing requirements for EU P006. The plan should:</p> <ul style="list-style-type: none">• include a detailed description of how the facility intends to demonstrate continuous compliance with the above mentioned emissions limitations;• address pertinent issues such as the inability to conduct performance tests in accordance with USEPA methods;• address the batch-process operation of the facility; and• include a timeline that identifies when the facility will submit the necessary ITT forms and conduct the required performance tests.	<p>Within 90 days of receipt of this letter.</p>
<p>Prepare and submit a detailed compliance plan associated with the NSPS Subpart Db requirements for EU B001 and B002. The plan should:</p> <ul style="list-style-type: none">• include a detailed description of how the facility intends to demonstrate compliance with the NSPS requirements;	

<ul style="list-style-type: none"> • identify all of the applicable requirements of Subpart Db; • address pertinent issues such as the inability to conduct performance tests in accordance with USEPA methods; and • include a timeline that identifies when the facility will submit the necessary ITT forms and conduct the required performance tests. 	<p>Within 90 days of receipt of this letter.</p>
<p>Prepare and submit any reports that are required by NSPS Subpart Db and determined to be past due.</p>	<p>Within 90 days of receipt of this letter.</p>
<p>Prepare and Submit a detailed compliance plan describing how the facility intends to demonstrate compliance with 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD).</p>	<p>Within 90 days of receipt of this letter.</p>
<p>Prepare and submit, via Air Services, the LDAR semi-annual report required by OAC rule 3745-21-09(DD).</p>	<p>Within 90 days of receipt of this letter.</p>
<p>Prepare and submit a detailed compliance plan associated with the VOC laden scrubber water. The plan should:</p> <ul style="list-style-type: none"> • include a detailed description outlining all of the processes to which the VOC laden scrubber water can be directed • include an identification of each of these processes and their associated controlled and uncontrolled air emissions streams; • include the best available emissions data for each source of air contaminants; and • reflect the as-built ethanol activity and include all assumptions, calculations, citations and guidance utilized during preparation for each emissions stream. 	<p>Within 90 days of receipt of this letter.</p>

Please note that Ohio EPA has the authority to seek civil penalties as provided in the Ohio Revised Code (ORC) Section 3704.06. Submittal of the requested compliance plans, schedules, and reports does not constitute a waiver of Ohio EPA's authority to seek civil

Larry Wilson
VeraSun Bloomingburg LLC.
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penalties as provided in the ORC section 3704.06. The determination to pursue such penalties in this case will be made by Ohio EPA at a later date.

If you have any questions, please do not hesitate to contact Ben Halton of my staff at (614)-728-3809.

Sincerely,



Kelly Toth
Air Permit and Compliance Supervisor
Division of Air Pollution Control
Central District Office

c: Ben Halton, DAPC/CDO
Adam Ward, DAPC/CDO
John Paulian, DAPC/CO
Lisa Holscher, USEPA
ec: Isaac A. Robinson, III, Chief, CDO
John McGreevy, DAPC/CDO
Todd Brown, DAPC/CO

Appendix A

Finding 1

B001 and B002, 143 MMBtu/hr thermal oxidizer/heat recovery boiler units.

These emissions units were operating at the time of inspection. The units were found to be out of compliance with the following terms and conditions:

1. *Part II, Sections A.2.e and B.1 – The Best Available Technology (BAT) requirements to use low NO_x burners, combust only natural gas and comply with the terms and conditions of PTI 01-01306.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 combusts volatile organic compounds, natural gas and biomethanator gas from the biomethanators and EU B002 combusts volatile organic compounds and natural gas. Therefore, these units cannot demonstrate compliance with the BAT requirement to combust only natural gas in these emissions units.

2. *Part II, Section B.3 – The maximum hourly natural gas and heat input capacity for emissions units B001, B002 and P010 thru P013 shall not exceed 415,686 cubic feet and 424 million Btu (MMBtu).*

Ohio EPA has identified and VeraSun has confirmed that the hourly natural gas usage rating is 429,412 cubic feet and the combined heat input capacity of the boilers and dryers is 438 MMBtu. Therefore, these units cannot demonstrate compliance with the operational restriction not to exceed 415,686 cubic feet and 424 MMBtu combined heat input capacity. Ohio EPA acknowledges that the operational restriction identified in PTI 01-01306 is likely the result of an administrative error and was identified in the Chapter 31 modification application submitted on behalf of VeraSun in April 2008. However, until a new final permit has been issued the facility cannot demonstrate compliance with this operational restriction.

3. *Part II, Section C.2 – Requirement to maintain a record of the type and quantity of any fuel other than natural gas burned.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 combusts volatile organic compounds, natural gas and biomethanator gas from the biomethanators and EU B002 combusts volatile organic compounds and natural gas. The facility does not have the instrumentation necessary to measure the quantity of the biomethanator gas and VOCs utilized by these emissions units

and therefore cannot demonstrate compliance with this record keeping requirement.

4. *Part II, Section C.5 – Requirement to submit a request for approval of the location of the sampling site prior to installation of the continuous NO_x monitoring system.*

Ohio EPA has identified and VeraSun has confirmed that the continuous NO_x monitoring system has been installed without a request for approval of the location of the sampling site and therefore cannot demonstrate compliance with this monitoring requirement.

5. *Part II, Section C.6 – Requirement to install, operate and maintain equipment to continuously monitor and record NO_x emissions in units of the applicable standard.*

Ohio EPA has identified and VeraSun has confirmed that although the facility has installed a continuous NO_x monitoring system, the system does not incorporate a flow monitor and cannot monitor NO_x emissions in units of the applicable standard (lbs/hr). Therefore, the facility cannot demonstrate compliance with the monitoring requirement to monitor NO_x emissions in units of the applicable standard.

6. *Part II, Section D.1 – Requirement to submit deviation reports that identify each day when a fuel other than natural gas was burned in these emissions units within 30 days after the deviation occurred.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 combusts volatile organic compounds, natural gas and biomethanator gas from the biomethanators and EU B002 combusts volatile organic compounds and natural gas. VeraSun has not submitted any 30-day deviation reports and therefore has not complied with this reporting requirement.

7. *Part II, Section D.2.a and D.2.b – Requirement to submit reports associated with NSPS sources B001 and B002.*

Ohio EPA has determined that VeraSun has not submitted the NSPS reports identified in PTI 01-01306. Specifically, the permit requires the facility to submit individual reports relating to the construction and start -up of EUs B001 and B002. The facility has not submitted these reports and therefore has not complied with these reporting requirements. See Finding 2.

8. *Part II, Section D.4 – Requirement to submit semiannual reports associated with the NO_x monitoring system.*

Ohio EPA has determined that VeraSun did not submit the semiannual report associated with the NO_x monitoring system and therefore has not complied with this reporting requirement. In addition, because the continuous NO_x monitoring system does not incorporate a flow monitor and cannot monitor NO_x emissions in units of the applicable standard (lbs/hr) and the continuous NO_x monitoring system has been installed without a request for approval of the location of the sampling site, the facility is not capable of providing the information necessary to satisfy this reporting requirement.

9. *Part II, Section D.5 – Requirement to identify hours during which the hourly natural gas exceeded 415,686 cubic feet and the heat input capacity for B001, B002 and P010 thru P014 exceeded 424 MMBtu in the quarterly deviation reports.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 combusts volatile organic compounds, natural gas and biomethanator gas from the biomethanators and EU B002 combusts volatile organic compounds and natural gas. The facility does not have the instrumentation necessary to measure the quantity of the biomethanator gas and VOCs utilized by these emissions units and therefore cannot demonstrate compliance with this reporting requirement.

10. *Part II, Section E.2.a – Requirement to conduct emissions testing within 60 days after achieving the maximum production rate at which the emissions unit will be operated.*

Ohio EPA has identified and VeraSun has confirmed that the facility achieved the maximum production rate (base upon total ethanol loadout figures) in May 2008. As identified above, the facility has not conducted all of the performance testing necessary to demonstrate compliance with the applicable emissions limitations for EU B001 and B002. Therefore, the facility cannot demonstrate compliance with this testing requirement.

11. *Part II, Section E.2.b.i thru E.2.b.iv – Requirement to conduct stack testing in order to demonstrate compliance with the combined hourly limitations for EU B001, B002, P005, P007, P008, P009, P010, P011, P012, P013 and P014 and to demonstrate compliance with the annual single HAP limitation, annual combined HAP limitation and the 98% VOC control efficiency of the thermal oxidizer.*

Ohio EPA has determined and VeraSun has confirmed that the "bypass" stack serving EU P014 is continuously venting to the atmosphere. The performance tests necessary to evaluate the emissions from this stack have not been

conducted. Therefore, the facility cannot demonstrate compliance with this testing requirement.

12. *Part II, Section E.2.c – Requirement to conduct emissions testing in accordance with USEPA approved methods.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 and B002 have been constructed in a manner that does not allow for the required control efficiency testing to be performed according to USEPA approved methods. Therefore, the facility cannot demonstrate compliance with this testing requirement.

13. *Part II, Section E.3 – Requirement to conduct certification tests of the continuous NO_x monitoring system within 60 days of the effective date of the permit.*

Ohio EPA has identified and VeraSun has confirmed that the facility has not conducted certification tests of the continuous NO_x monitoring system. Therefore, the facility cannot demonstrate compliance with this testing requirement.

B003, Fire pump rated at 290 hp.

This emissions unit was not operating at the time of inspection. This unit was found to be out of compliance with the following terms and conditions:

14. *Part II, Section C.1.a – Requirement to keep record of the operating hours for each month.*

Ohio EPA has determined that VeraSun is not currently tracking the hours of operation for EU B003 on a monthly basis. This record keeping requirement is intended to provide the information necessary to demonstrate compliance with the monthly operating restriction of 21 hours. Ohio EPA acknowledges that the cumulative hours of operation at the time of the full compliance evaluation (14 hours) were below the monthly operational limitation (21 hours), however, based on the current record keeping practice the facility will not be able to demonstrate compliance with the monthly operational limitation when the cumulative hours have exceeded 21 hours. Therefore, the facility cannot demonstrate compliance with this record keeping requirement.

15. *Part II, Section D.3. – Requirement to submit an annual report which specifies the total VOC, NO_x and CO emissions from B003, J001 and P014 by January 31 of each year.*

Ohio EPA has identified that VeraSun has not submitted an annual report for the VOC, NO_x and CO emissions for reporting year 2008. Therefore, the facility cannot demonstrate compliance with this reporting requirement.

16. *Part II, Section D.2 – Requirement to include exceedances of the rolling, 12-month limitation on the hours of operation, the rolling, 12-month summation of NO_x, CO, VOC, PE, and SO₂ emissions and the rolling, 12-month summation of NO_x, CO, and VOC emissions for emissions units B003, J001, and P014 in the quarterly deviation reports.*

As identified above, the facility is not able to accurately quantify the monthly emissions from EU B003 because the facility is not currently tracking the hours of operation for EU B003 on a monthly basis. Therefore, the facility cannot demonstrate compliance with this reporting requirement.

F001. Paved roadways and parking areas.

This emissions unit was operating at the time of inspection. This unit was found to be in compliance with all of the applicable terms and conditions of PTI 01-01306.

J001. Ethanol loadout rack to truck and rail.

This emissions unit was operating at the time of inspection. This unit was found to be out of compliance with the following terms and conditions:

17. *Part II, Section B.2.c – Requirement to maintain the net heating value of the gas combusted by the flare at 300 Btu/scf or greater.*

Ohio EPA has identified and VeraSun has confirmed that the facility has not installed the instrumentation necessary to measure the net heating value of the gas combusted by the flare. Therefore, the facility cannot demonstrate compliance with this operational restriction.

18. *Part II, Section C.2.b – Requirement to maintain and operate a flow indicator to provide a record of the vent stream flow to the flare.*

Ohio EPA has identified and VeraSun has confirmed that the facility has not installed the instrumentation necessary to monitor the vent stream flow to the flare. Therefore, the facility cannot demonstrate compliance with this monitoring requirement.

19. *Part II, Section C.2.c.i – Requirement to maintain records of the flow rate to the flare.*

Ohio EPA has identified and VeraSun has confirmed that the facility has not installed the instrumentation necessary to monitor the vent stream flow to the flare. Therefore, the facility cannot demonstrate compliance with this record keeping requirement.

20. *Part II, Section D.3. – Requirement to submit an annual report which specifies the total VOC, NO_x and CO emissions from B003, J001 and P014 by January 31 of each year.*

Ohio EPA has identified that VeraSun has not submitted an annual report for the VOC, NO_x and CO emissions for reporting year 2008. Therefore, the facility cannot demonstrate compliance with this reporting requirement.

21. *Part II, Section D.1.b – Requirement to include exceedances of the combined VOC, NO_x and CO emissions for B003, J001 and P014 in the quarterly deviation reports.*

As identified above, the facility is not able to accurately quantify the emissions from EU P014 because the necessary performance testing has not been conducted on the bypass stack serving EU P014. Because the facility cannot quantify these emissions it is not possible to demonstrate compliance with these limitations. To date, the facility has not addressed the inability to demonstrate compliance with these limitations in the quarterly deviation reports. Therefore, the facility cannot demonstrate compliance with this reporting requirement.

22. *Part II, Section D.2.a, b and d – Requirement to include monitoring parameters data in the quarterly deviation reports.*

As identified above, Ohio EPA has determined that VeraSun has not installed the instrumentation necessary to monitor the vent stream flow to the flare or the instrumentation necessary to measure the net heating value of the gas combusted by the flare. Consequently, the facility cannot evaluate these parameters for compliance with the limitations identified in PTI 01-01306. The facility has not identified these recordkeeping deviations in the quarterly deviation reports and therefore cannot demonstrate compliance with these reporting requirements.

P001, P002, P003 and P004, Hammermills no. 1, 2, 3 and 4.

These emissions units were operating at the time of inspection. These units were found to be in compliance with all of the applicable terms and conditions of PTI 01-01306.

P005. Distillation process – mixer, slurry tanks 1 and 2, cook tubes, flash tank, liquefaction tanks 1, 2, 3 and 4 and yeast tanks 1 and 2.

These emissions units were operating at the time of inspection. These units were found to be out of compliance with the following terms and conditions:

23. *Part II, Section A.2.a.i – Requirement to implement an LDAR program to satisfy BAT.*

Ohio EPA has determined that VeraSun has not adequately satisfied the requirement to implement a fugitive Leak Detection and Repair (LDAR) program. This permit requirement is intended to assure that the facility has properly identified the components and equipment that are subject to both 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD) and that the facility has established a means of demonstrating compliance with all of the requirements of 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD). Ohio EPA acknowledges that VeraSun has taken steps to properly identify the affected sources and to demonstrate compliance with some of the standards set forth in the applicable regulations, however, the facility has not coordinated these efforts into a program that demonstrates overall compliance as evidence in the failure to submit a semi-annual leak report required by OAC rule 3745-21-09(DD). See Finding 5.

24. *Part II, Section A.2.a.iii – Requirement to vent all emissions from this emission unit to a thermal oxidizer and multiclones to satisfy BAT.*

Ohio EPA has identified and VeraSun has confirmed that the liquefaction tanks associated with this emissions unit have been constructed such that they vent emissions to the atmosphere. Also, Ohio EPA has identified and VeraSun has confirmed that the emissions from this emissions unit are not vented to multiclones. Therefore, the facility cannot demonstrate compliance with this requirement.

25. *Part II, Section C.3.c – Requirement to re-evaluate compliance with the "Air Toxic Policy" when physical changes to the emissions unit or its exhaust parameters have been made.*

Ohio EPA has identified and VeraSun has confirmed that under certain operating conditions, the emissions from this emissions unit can be vented through emergency outlets located above the air-to-air exchangers resulting in uncontrolled VOC and HAP emissions. Additionally, the liquefaction tanks associated with EU P005 have been constructed such that they vent VOC and HAP emissions to the atmosphere. These uncontrolled emission scenarios represent the worst-case operating conditions with regard to toxic emissions and were not evaluated for compliance with the "Air Toxic Policy" during the original permit issuance process. Therefore, the facility cannot demonstrate compliance with this requirement.

26. *Part II, Section E.2.b.i thru E.2.b.iv – Requirement to conduct stack testing in order to demonstrate compliance with the combined hourly limitations for EU B001, B002, P005, P007, P008, P009, P010, P011, P012, P013 and P014 and to demonstrate compliance with the annual single HAP limitation, annual combined HAP limitation and the 98% VOC control efficiency of the thermal oxidizer.*

Ohio EPA has determined and VeraSun has confirmed that the "bypass" stack serving EU P014 is continuously venting to the atmosphere. The performance tests necessary to evaluate the emissions from this stack have not been conducted. Therefore, the facility cannot demonstrate compliance with this testing requirement.

27. *Part II, Section E.2.a – Requirement to conduct emissions testing within 60 days after achieving the maximum production rate at which the emissions unit will be operated.*

Ohio EPA has identified and VeraSun has confirmed that the facility achieved the maximum production rate (base upon total ethanol loadout figures) in May 2008. As identified above, the facility has not conducted all of the performance testing necessary to demonstrate compliance with the applicable emissions limitations for EU P005. Therefore, the facility cannot demonstrate compliance with this testing requirement.

28. *Part II, Section E.2.c – Requirement to conduct emissions testing in accordance with USEPA approved methods.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 and B002 have been constructed in a manner that does not allow for the required control efficiency testing to be performed according to USEPA approved methods. Therefore, the facility cannot demonstrate compliance with this requirement.

P006. Fermenting units 1 thru 7 and beerwell equipped with a wet scrubber.

These emissions units were operating at the time of inspection. These units were found to be out of compliance with the following terms and conditions:

29. *Part II, Section A.2.ii and Part II, Section F.2 – Requirement to develop an LDAR program to satisfy BAT.*

Ohio EPA has determined that VeraSun has not adequately satisfied the requirement to implement a fugitive Leak Detection and Repair (LDAR) program. This permit requirement is intended to assure that the facility has properly identified the components and equipment that are subject to both 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD) and that the facility has established a means of demonstrating compliance with all of the requirements of 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD). Ohio EPA acknowledges that VeraSun has taken steps to properly identify the affected sources and to demonstrate compliance with some of the standards set forth in the applicable regulations, however, the facility has not coordinated these efforts into a program that demonstrates overall compliance as evidence in the failure to submit a semi-annual leak report required by OAC rule 3745-21-09(DD). See Finding 5.

30. *Part II, Section E.2.b.i thru E.2.b.iv – Requirement to conduct emissions testing in order to demonstrate compliance with the hourly VOC limitation, long term single HAP limitation, long term combined HAP limitation and the 98.5% control efficiency of the wet scrubber.*

To date, the facility has not conducted performance testing that demonstrates compliance with all of the applicable limitations. Additionally, the performance tests that have been conducted have not evaluated the uncontrolled emissions vented through pressure release valves located on top of each fermentation tank during the clean-in-place (CIP) process. Therefore, the facility cannot demonstrate compliance with this testing requirement.

31. *Part II, Section C.3.c – Requirement to re-evaluate compliance with the "Air Toxic Policy" when physical changes to the emissions unit or its exhaust parameters have been made.*

As Identified above, Ohio EPA has determined that VeraSun has not conducted performance testing that demonstrates compliance with the applicable emissions limitations for EU P006. To date, all performance testing that has been conducted on EU P006 has suggested that the exhaust parameters used to

evaluate this emissions unit for compliance with the "Air Toxic Policy" are inconsistent with the actual exhaust parameters for this emissions unit. Additionally, Ohio EPA has determined that the air emissions through pressure release valves located on top of each fermentation tank during the CIP process have not been evaluated for compliance with the "Air Toxic Policy". Therefore, the facility cannot demonstrate compliance with this requirement.

32. *Part II, Section E.2.a – Requirement to conduct emissions testing within 60 days after achieving the maximum production rate at which the emissions unit will be operated.*

Ohio EPA has identified and VeraSun has confirmed that the facility achieved the maximum production rate (base upon total ethanol loadout figures) in May 2008. As identified above, the facility has not conducted the performance testing necessary to demonstrate compliance with the applicable emissions limitations for EU P006. Therefore, the facility cannot demonstrate compliance with this testing requirement.

33. *Part II, Section E.2.c and E.2.d – Requirement to conduct emissions testing in accordance with USEPA approved methods and in accordance with the test methods and procedures specified in OAC rule 3745-21-10.*

Ohio EPA has identified and VeraSun has confirmed that the wet scrubber has been constructed in a manner that does not allow for the required control efficiency testing to be performed according to USEPA approved methods. Therefore, the facility cannot demonstrate compliance with this requirement.

34. *Part II, Section F.1 – Requirement to develop, implement and propose parameters for operational restrictions related to the minimum pressure drop and water flow rate based on the results of performance testing within 180 days of the start up of this emissions unit.*

As Identified above, Ohio EPA has determined that VeraSun has not conducted performance testing that demonstrates compliance with the applicable emissions limitations for EU P006. Consequently, the facility has not been able to establish operational restrictions related to the minimum pressure drop and water flow rate that would be sufficient to ensure continuous compliance with the applicable emissions limitations for EU P006. Therefore, the facility cannot demonstrate compliance with this requirement.

P007, Distillation process – beer column, side stripper, rectifier column and 190 proof condenser.

These emissions units were operating at the time of inspection. These units were found to be out of compliance with the following terms and conditions:

35. *Part II, Section A.2.a.i – Requirement to develop an LDAR program to satisfy BAT.*

Ohio EPA has determined that VeraSun has not adequately satisfied the requirement to implement a fugitive Leak Detection and Repair (LDAR) program. This permit requirement is intended to assure that the facility has properly identified the components and equipment that are subject to both 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD) and that the facility has established a means of demonstrating compliance with all of the requirements of 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD). Ohio EPA acknowledges that VeraSun has taken steps to properly identify the affected sources and to demonstrate compliance with some of the standards set forth in the applicable regulations, however, the facility has not coordinated these efforts into a program that demonstrates overall compliance as evidence in the failure to submit a semi-annual leak report required by OAC rule 3745-21-09(DD). See Finding 5.

36. *Part II, Section A.2.a.iii – Requirement to vent all emissions from this EU to a thermal oxidizer and multiclones to satisfy BAT.*

Ohio EPA has identified and VeraSun has confirmed that the emissions from this emissions unit are not vented to multiclones. Therefore, the facility cannot demonstrate compliance with this requirement.

37. *Part II, Section C.3.c – Requirement to re-evaluate compliance with the "Air Toxic Policy" when physical changes to the emissions unit or its exhaust parameters have been made.*

Ohio EPA has identified and VeraSun has confirmed that under certain operating conditions, the emissions from this emissions unit can be vented through emergency outlets located above the air-to-air exchangers resulting in uncontrolled emissions. This uncontrolled emission scenario represents the worst-case operating conditions with regard to toxic emissions and was not evaluated for compliance with the "Air Toxic Policy" during the original permit issuance process. Therefore, the facility cannot demonstrate compliance with this requirement.

38. *Part II, Section E.1.a thru E.1.g and Part II, Section E.2.b.i thru E.2.b.vii – Requirement to conduct stack testing in order to demonstrate compliance with the combined hourly and annual limitations for EU B001, B002, P005, P007, P008, P009, P010, P011, P012, P013 and P014 and to demonstrate compliance with the hourly NO_x, CO, VOC, SO₂ and PE limitations, long term single HAP limitation, long term combined HAP limitation and the 98% VOC control efficiency of the thermal oxidizer.*

Ohio EPA has determined and VeraSun has confirmed that the "bypass" stack serving EU P014 is continuously venting to the atmosphere. The performance tests necessary to evaluate the emissions from this stack have not been conducted. Therefore, the facility cannot demonstrate compliance with this testing requirement.

39. *Part II, Section E.2.a – Requirement to conduct emissions testing within 60 days after achieving the maximum production rate at which the emissions unit will be operated.*

Ohio EPA has identified and VeraSun has confirmed that the facility achieved the maximum production rate (base upon total ethanol loadout figures) in May 2008. As identified above, the facility has not conducted the performance testing necessary to demonstrate compliance with the applicable emissions limitations for EU P007. Therefore, the facility cannot demonstrate compliance with this testing requirement.

40. *Part II, Section E.2.c – Requirement to conduct emissions testing in accordance with USEPA approved methods.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 and B002 have been constructed in a manner that does not allow for the required control efficiency testing to be performed according to USEPA approved methods. Therefore, the facility cannot demonstrate compliance with this requirement.

P008, Methanators equipped with a biomethanator flare.

These emissions units were operating at the time of inspection. These units were found to be out of compliance with the following terms and conditions:

41. *Part II, Section A.2.a.i and Part II, Section F.1 – Requirement to develop an LDAR program to satisfy BAT.*

Ohio EPA has determined that VeraSun has not adequately satisfied the requirement to implement a fugitive Leak Detection and Repair (LDAR) program. This permit requirement is intended to assure that the facility has properly identified the components and equipment that are subject to both 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD) and that the facility has established a means of demonstrating compliance with all of the requirements of 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD). Ohio EPA acknowledges that VeraSun has taken steps to properly identify the affected sources and to demonstrate compliance with some of the standards set forth in the applicable regulations, however, the facility has not coordinated these efforts into a program that demonstrates overall compliance as evidence in the failure to submit a semi-annual leak report required by OAC rule 3745-21-09(DD). See Finding 5.

42. *Part II, Section A.2.a.iii – Requirement to vent all emissions from this emission unit to a thermal oxidizer and multiclones to satisfy BAT.*

Ohio EPA has identified and VeraSun has confirmed that the emissions from this emissions unit are not vented to multiclones. Therefore, the facility cannot demonstrate compliance with this requirement.

43. *Part II, Section C.3.c – Requirement to re-evaluate compliance with the "Air Toxic Policy" when physical changes to the emissions unit or its exhaust parameters have been made.*

Ohio EPA has identified and VeraSun has confirmed that under certain operating conditions, the emissions from this emissions unit can be vented through emergency outlets located above the air-to-air exchangers resulting in uncontrolled emissions. This uncontrolled emission scenario represents the worst-case operating conditions with regard to toxic emissions and was not evaluated for compliance with the "Air Toxic Policy" during the original permit issuance process. Therefore, the facility cannot demonstrate compliance with this requirement.

44. *Part II, Section C.3 – Requirement to maintain monthly records of the start-up and shut-down times of the flare and the start-up and shut-down times of the four dryers (P010-P013).*

Ohio EPA has identified and VeraSun has confirmed that during the time of the full compliance evaluation, the facility had not installed the instrumentation necessary to record the start-up and shut-down time for the biomethanator flare and could therefore not demonstrate compliance with this recordkeeping

requirement. Ohio EPA acknowledges that the facility has since implemented the measures necessary to satisfy this recordkeeping requirement.

45. *Part II, Section E.1.a thru E.1.g and E.2.b.i thru E.2.b.vii – Requirement to conduct stack testing in order to demonstrate compliance with the combined hourly limitations, combined long term limitations and combined HAP limitations for EU B001, B002, P005, P007, P008, P009, P010, P011, P012, P013 and P014 and to conduct emissions testing in order to demonstrate compliance with the hourly NO_x, CO, VOC, SO₂ and PE limitations, long term single HAP limitation, long term combined HAP limitation and the 98% VOC control efficiency of the thermal oxidizer.*

Ohio EPA has determined and VeraSun has confirmed that the "bypass" stack serving EU P014 is continuously venting to the atmosphere. The performance tests necessary to evaluate the emissions from this stack have not been conducted. Therefore, the facility cannot demonstrate compliance with this testing requirement.

46. *Part II, Section E.2.a – Requirement to conduct emissions testing within 60 days after achieving the maximum production rate at which the emissions unit will be operated.*

Ohio EPA has identified and VeraSun has confirmed that the facility achieved the maximum production rate (base upon total ethanol loadout figures) in May 2008. As identified above, the facility has not conducted the performance testing necessary to demonstrate compliance with the applicable emissions limitations for EU P008. Therefore, the facility cannot demonstrate compliance with this testing requirement.

47. *Part II, Section E.2.c – Requirement to conduct emissions testing in accordance with USEPA approved methods.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 and B002 have been constructed in a manner that does not allow for the required control efficiency testing to be performed according to USEPA approved methods. Therefore, the facility cannot demonstrate compliance with this requirement.

48. *Part II, Section F.1 – Requirement to develop, implement and propose parameters for operational restrictions related to the average combustion temperature within the thermal oxidizer based on the results of performance testing within 180 days of the start up of this emissions unit.*

As Identified above, Ohio EPA has determined that VeraSun has not conducted performance testing that demonstrates compliance with the applicable emissions limitations for EU P008. Consequently, the facility has not been able to establish operational restrictions related to the average combustion temperature within the thermal oxidizer that would be sufficient to ensure continuous compliance with the applicable emissions limitations for EU P008. Therefore, the facility cannot demonstrate compliance with this requirement.

P009. Distillation process – molecular sieve and 200 proof condenser.

These emissions units were operating at the time of inspection. These units were found to be out of compliance with the following terms and conditions:

49. *Part II, Section A.2.a.i – Requirement to develop an LDAR program to satisfy BAT.*

Ohio EPA has determined that VeraSun has not adequately satisfied the requirement to implement a fugitive Leak Detection and Repair (LDAR) program. This permit requirement is intended to assure that the facility has properly identified the components and equipment that are subject to both 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD) and that the facility has established a means of demonstrating compliance with all of the requirements of 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD). Ohio EPA acknowledges that VeraSun has taken steps to properly identify the affected sources and to demonstrate compliance with some of the standards set forth in the applicable regulations, however, the facility has not coordinated these efforts into a program that demonstrates overall compliance as evidence in the failure to submit a semi-annual leak report required by OAC rule 3745-21-09(DD). See Finding 5.

50. *Part II, Section A.2.a.iii – Requirement to vent all emissions from this emission unit to a thermal oxidizer and multiclones to satisfy BAT.*

Ohio EPA has identified and VeraSun has confirmed that the emissions from this emissions unit are not vented to multiclones. Therefore, the facility cannot demonstrate compliance with this requirement.

51. *Part II, Section C.3.c – Requirement to re-evaluate compliance with the "Air Toxic Policy" when physical changes to the emissions unit or its exhaust parameters have been made.*

Ohio EPA has identified and VeraSun has confirmed that under certain operating conditions, the emissions from this emissions unit can be vented through emergency outlets located above the air-to-air exchangers resulting in uncontrolled emissions. This uncontrolled emission scenario represents the worst-case operating conditions with regard to toxic emissions and was not evaluated for compliance with the "Air Toxic Policy" during the original permit issuance process. Therefore, the facility cannot demonstrate compliance with this requirement.

52. *Part II, Section E.1.a thru E.1.g and E.2.b.i thru E.2.b.vii – Requirement to conduct stack testing in order to demonstrate compliance with the combined hourly limitations, combined long term limitations and combined HAP limitations for EU B001, B002, P005, P007, P008, P009, P010, P011, P012, P013 and P014 and to conduct emissions testing in order to demonstrate compliance with the hourly NO_x, CO, VOC, SO₂ and PE limitations, long term single HAP limitation, long term combined HAP limitation and the 98% VOC control efficiency of the thermal oxidizer.*

Ohio EPA has determined and VeraSun has confirmed that the "bypass" stack serving EU P014 is continuously venting to the atmosphere. The performance tests necessary to evaluate the emissions from this stack have not been conducted. Therefore, the facility cannot demonstrate compliance with this testing requirement.

53. *Part II, Section E.2.a – Requirement to conduct emissions testing within 60 days after achieving the maximum production rate at which the emissions unit will be operated.*

Ohio EPA has identified and VeraSun has confirmed that the facility achieved the maximum production rate (base upon total ethanol loadout figures) in May 2008. As identified above, the facility has not conducted the performance testing necessary to demonstrate compliance with the applicable emissions limitations for EU P009. Therefore, the facility cannot demonstrate compliance with this testing requirement.

54. *Part II, Section E.2.c – Requirement to conduct emissions testing in accordance with USEPA approved methods.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 and B002 have been constructed in a manner that does not allow for the required control efficiency testing to be performed according to USEPA approved methods. Therefore, the facility cannot demonstrate compliance with this requirement.

P010, P011, P012 and P013, Distillers dried grains with soluble (DDGS) Dryer A, Dryer B, Dryer C and Dryer D.

These emissions units were operating at the time of inspection. These units were found to be out of compliance with the following terms and conditions:

55. *Part II, Section A.2.a.iii – Requirement to vent all emissions from this emission unit to a thermal oxidizer and multiclones to satisfy BAT.*

Ohio EPA has identified and VeraSun has confirmed that the emissions from these emissions units are not vented to multiclones. Therefore, the facility cannot demonstrate compliance with this requirement.

56. *Part II, Section B.3 – The maximum hourly natural gas and heat input capacity for emissions units B001, B002 and P010 thru P013 shall not exceed 415,686 cubic feet and 424 million Btu (MMBtu).*

Ohio EPA has identified and VeraSun has confirmed that the hourly natural gas usage rating is 429,412 cubic feet and the combined heat input capacity of the boilers and dryers is 438 MMBtu. Therefore, these units cannot demonstrate compliance with the operational restriction not to exceed 415,686 cubic feet and 424 MMBtu combined heat input capacity. Ohio EPA acknowledges that the operational restriction identified in PTI 01-01306 is likely the result of an administrative error and was identified in the Chapter 31 modification application submitted on behalf of VeraSun in April 2008, however, until a new final permit has been issued the facility cannot demonstrate compliance with this operational restriction.

57. *Part II, Section D.4 – Requirement to identify hours during which the hourly natural gas exceeded 415,686 cubic feet and the heat input capacity for B001, B002 and P010 thru P014 exceeded 424 MMBtu in the quarterly deviation reports.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 combusts volatile organic compounds, natural gas and biomethanator gas from the biomethanators and EU B002 combusts volatile organic compounds and natural gas. The facility does not have the instrumentation necessary to measure the quantity of the biomethanator gas and VOCs utilized by these emissions units and therefore cannot demonstrate compliance with this reporting requirement.

58. *Part II, Section E.1.a thru E.1.g and E.2.b.i thru E.2.b.vii – Requirement to conduct stack testing in order to demonstrate compliance with the combined*

hourly limitations, combined long term limitations and combined HAP limitations for EU B001, B002, P005, P007, P008, P009, P010, P011, P012, P013 and P014 and to conduct emissions testing in order to demonstrate compliance with the hourly NO_x, CO, VOC, SO₂ and PE limitations, long term single HAP limitation, long term combined HAP limitation and the 98% VOC control efficiency of the thermal oxidizer.

Ohio EPA has determined and VeraSun has confirmed that the "bypass" stack serving EU P014 is continuously venting to the atmosphere. The performance tests necessary to evaluate the emissions from this stack have not been conducted. Therefore, the facility cannot demonstrate compliance with this testing requirement.

59. *Part II, Section E.2.a – Requirement to conduct emissions testing within 60 days after achieving the maximum production rate at which the emissions unit will be operated.*

Ohio EPA has identified and VeraSun has confirmed that the facility achieved the maximum production rate (base upon total ethanol loadout figures) in May 2008. As identified above, the facility has not conducted the performance testing necessary to demonstrate compliance with the applicable emissions limitations for EU P010, P011, P012 and P013. Therefore, the facility cannot demonstrate compliance with this testing requirement.

60. *Part II, Section E.2.c – Requirement to conduct emissions testing in accordance with USEPA approved methods.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 and B002 have been constructed in a manner that does not allow for the required control efficiency testing to be performed according to USEPA approved methods. Therefore, the facility cannot demonstrate compliance with this requirement.

P014, DDGS cooling drum vented through the thermal oxidizer; equipped with a baghouse for periods during bypass.

This emissions unit was operating at the time of the inspection. This unit was found to be out of compliance with the following terms and conditions:

61. *Part II, Section A.2.e.i – Requirement to develop an LDAR program to satisfy BAT.*

Ohio EPA has determined that VeraSun has not adequately satisfied the requirement to implement a fugitive Leak Detection and Repair (LDAR) program. This permit requirement is intended to assure that the facility has properly identified the components and equipment that are subject to both 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD), and that the facility has established a means of demonstrating compliance with all of the requirements of 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD). Ohio EPA acknowledges that VeraSun has taken steps to properly identify the affected sources and to demonstrate compliance with some of the standards set forth in the applicable regulations, however, the facility has not coordinated these efforts into a program that demonstrates overall compliance as evidence in the failure to submit a semi-annual leak report required by OAC rule 3745-21-09(DD). See Finding 5.

62. *Part II, Section A.2.e.iii – Requirement to vent all emissions from this emissions unit to a thermal oxidizer and multiclones to satisfy BAT.*

Ohio EPA has identified and VeraSun has confirmed that the emissions from this emissions unit are not vented to multiclones. In addition, Ohio EPA has determined that some of the emissions from this emissions unit are being continuously vented to a bypass stack. Therefore, the facility cannot demonstrate compliance with this requirement.

63. *Part II, Section B.1 – Requirement to vent emissions to the RTO except during emergency periods not to exceed 438 hours per rolling, 12-month period and to restrict the cumulative monthly periods of bypass to 36.5 hours per month for the first 12 months of operation.*

As identified above, Ohio EPA has identified and VeraSun has confirmed that some of the emissions from this emissions unit are continuously vented to a bypass stack rather than to an RTO. In addition, the facility has not installed the instrumentation necessary to determine the duration of time when the emissions are being vented thru the bypass stack. Therefore, the facility cannot demonstrate compliance with this requirement.

64. *Part II, Section C.1.a – Requirement to maintain records of the hours of TO bypass.*

As identified above, the facility has not installed the instrumentation necessary to determine the duration of time when the emissions are being vented thru the bypass stack. Therefore, the facility cannot demonstrate compliance with this requirement.

65. *Part II, Section C.1.b – Requirement to maintain records of the combined rolling 12-month summation of NO_x, CO, VOC, SO₂ and PE.*

Ohio EPA has identified and VeraSun has confirmed that the facility is not able to accurately quantify the emissions from EU P014 because the necessary performance testing has not been conducted on the bypass stack serving EU P014. Therefore, the facility cannot demonstrate compliance with this requirement. Ohio EPA acknowledges that the emissions from the bypass stack would not affect the NO_x, CO and SO₂ emissions levels.

66. *Part II, Section C.1.c – Requirement to maintain records of the rolling, 12-month summation of hours of TO bypass.*

As identified above, Ohio EPA has determined that the facility has not installed the instrumentation necessary to determine the duration of time when the emissions are being vented thru the bypass stack. Therefore, the facility cannot demonstrate compliance with this requirement.

67. *Part II, Section D.1.b – Requirement to include exceedances of the 12-month summation of VOC, NO_x and CO emissions for B003, J001 and P014 in the quarterly deviation reports.*

As identified above, the facility is not able to accurately quantify the emissions from P014 because the necessary performance testing has not been conducted on the bypass stack serving EU P014. Because the facility cannot quantify these emissions it is not possible to demonstrate compliance with these limitations. To date, the facility has not addressed the inability to demonstrate compliance with these limitations in the quarterly deviation reports. Therefore, the facility cannot demonstrate compliance with this reporting requirement.

68. *Part II, Section D.4. – Requirement to submit an annual report which specifies the total VOC, NO_x and CO emissions from B003, J001 and P014 by January 31 of each year.*

Ohio EPA has identified that VeraSun has not submitted an annual report for the VOC, NO_x and CO emissions for reporting year 2008. In addition, because the facility has not conducted performance testing on the bypass stack serving EU P014, the facility is not able to accurately quantify these emissions from EU P014. Therefore, the facility cannot demonstrate compliance with this reporting requirement.

69. *Part II, Section E.1.a thru E.1.g and E.2.b.i thru E.2.b.vii – Requirement to conduct stack testing in order to demonstrate compliance with the combined hourly limitations, combined long term limitations and combined HAP limitations for EU B001, B002, P005, P007, P008, P009, P010, P011, P012, P013 and P014 and to conduct emissions testing in order to demonstrate compliance with the hourly NO_x, CO, VOC, SO₂ and PE limitations, long term single HAP limitation, long term combined HAP limitation and the 98% VOC control efficiency of the thermal oxidizer.*

Ohio EPA has determined and VeraSun has confirmed that the "bypass" stack serving EU P014 is continuously venting to the atmosphere. The performance tests necessary to evaluate the emissions from this stack have not been conducted. Therefore, the facility cannot demonstrate compliance with this testing requirement.

70. *Part II, Section E.2.a – Requirement to conduct emissions testing within 60 days after achieving the maximum production rate at which the emissions unit will be operated.*

Ohio EPA has identified and VeraSun has confirmed that the facility achieved the maximum production rate (base upon total ethanol loadout figures) in May 2008. As identified above, the facility has not conducted the performance testing necessary to demonstrate compliance with the applicable emissions limitations for EU P014. Therefore, the facility cannot demonstrate compliance with this testing requirement.

71. *Part II, Section E.2.c – Requirement to conduct emissions testing in accordance with USEPA approved methods.*

Ohio EPA has identified and VeraSun has confirmed that EU B001 and B002 have been constructed in a manner that does not allow for the required control efficiency testing to be performed according to USEPA approved methods. Therefore, the facility cannot demonstrate compliance with this requirement.

P015. Cooling tower equipped with a drift eliminator.

This emissions unit was operating at the time of inspection. This unit was found to be in compliance with all of the applicable terms and conditions of PTI 01-01306.

P801. Fugitive VOC emissions (leaks).

This emissions unit was operating at the time of the inspection. This unit was found to be out of compliance with the following terms and conditions:

72. Part II, Section A.2.b – Requirement to develop an on-site fugitive LDAR program within 180 days of the start up of this emissions unit.

Ohio EPA has determined that VeraSun has not adequately satisfied the requirement to implement a fugitive Leak Detection and Repair (LDAR) program. This permit requirement is intended to assure that the facility has properly identified the components and equipment that are subject to both 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD) and that the facility has established a means of demonstrating compliance with all of the requirements of 40 CFR Part 60, Subpart VV and OAC rule 3745-21-09(DD). Ohio EPA acknowledges that VeraSun has taken steps to properly identify the affected sources and to demonstrate compliance with some of the standards set forth in the applicable regulations, however, the facility has not coordinated these efforts into a program that demonstrates overall compliance as evidence in the failure to submit a semi-annual leak report required by OAC rule 3745-21-09(DD). See Finding 5.

P901, Grain receiving, transferring and conveying equipped with a baghouse.

This emissions unit was operating at the time of inspection. The results of performance tests conducted on July 31, 2008 indicate that PE from this unit are below the applicable limitations. Operating parameters necessary to demonstrate continuous compliance are measured and recorded as required by the permit terms and conditions. This unit was found to be in compliance with all of the applicable terms and conditions of PTI 01-01306.

P902, DDGS handling, transfer and storage equipped with a baghouse.

This emissions unit was operating at the time of inspection. The results of performance tests conducted on July 31, 2008 indicate that PE from this unit are below the applicable limitations. Operating parameters necessary to demonstrate continuous compliance are measured and recorded as required by the permit terms and conditions. This unit was found to be in compliance with all of the applicable terms and conditions of PTI 01-01306.

P903, DDGS loadout to truck and rail equipped with a baghouse.

This emissions unit was operating at the time of inspection. The results of performance tests conducted on July 31, 2008 indicate that PE from this unit are

below the applicable limitations. Operating parameters necessary to demonstrate continuous compliance are measured and recorded as required by the permit terms and conditions. This unit was found to be in compliance with all of the applicable terms and conditions of PTI 01-01306.

T001. 1.5 MMgal denatured ethanol storage tank.

This emissions unit was operating at the time of inspection. This unit was found to be in compliance with all of the applicable terms and conditions of PTI 01-01306.

T002. 1.5 MMgal denatured ethanol storage tank.

This emissions unit was operating at the time of inspection. This unit was found to be in compliance with all of the applicable terms and conditions of PTI 01-01306.

T003. 200,000 gallon 200-proof ethanol storage tank.

This emissions unit was operating at the time of inspection. This unit was found to be out of compliance with the following terms and conditions:

73. *Part II, Section B.1 – Requirement to store only ethanol with a maximum true vapor pressure less than 0.508 psia.*

Ohio EPA has identified and VeraSun has confirmed that the maximum true vapor pressure of the ethanol stored in this tank is above 0.508 psia. This operational restriction is intended to demonstrate that the tank is exempt from the requirements of 40 CFR Part 60, Subpart Kb. Ohio EPA acknowledges that VeraSun self-reported this discrepancy in the PTI modification application received in April 2008. VeraSun reported that the actual maximum true vapor pressure of the 200-proof ethanol is 6 kPa (0.870 psi). Therefore, the facility cannot demonstrate compliance with this requirement. Consequently, this tank is subject to the requirements of 40 CFR Part 60, Subpart Kb.

T004. 200,000 gallon denaturant storage tank.

This emissions unit was operating at the time of inspection. This unit was found to be in compliance with all of the applicable terms and conditions of PTI 01-01306.

T005. 200,000 gallon 190-proof ethanol storage tank.

This emissions unit was operating at the time of inspection. This unit was found to be out of compliance with the following terms and conditions:

74. *Part II, Section B.1 – Requirement to store only ethanol with a maximum true vapor pressure less than 0.508 psia.*

Ohio EPA has identified and VeraSun has confirmed that the maximum true vapor pressure of the ethanol stored in this tank is above 0.508 psia. This operational restriction is intended to demonstrate that the tank is exempt from the requirements of 40 CFR Part 60, Subpart Kb. Ohio EPA acknowledges that VeraSun self-reported this discrepancy in the PTI modification application received in April 2008. VeraSun reported that the actual maximum true vapor pressure of the 190-proof ethanol is 6 kPa (0.870 psi). Therefore, the facility cannot demonstrate compliance with this requirement. Consequently, this tank is subject to the requirements of 40 CFR Part 60, Subpart Kb.

75. *Part II, Section B.2 – Requirement not to exceed 1,180,000 gallons of ethanol throughput annually for this emissions unit.*

Ohio EPA has identified and VeraSun has confirmed that the actual annual throughput for CY 2008 was 72,967,683 gallons. Ohio EPA acknowledges that the limitation of 1,180,000 gallons was likely intended to be 118,000,000 gallons (the same limitation as T003) and that VeraSun has identified this discrepancy in the PTI modification application received in April 2008 and in the revised potential-to-emit analysis received in February 2009. Until a modified permit is issued, the facility cannot demonstrate compliance with this requirement.

76. *Part II, Section E.1 – Requirement not to exceed 0.1 TPY of VOC emissions from this emissions unit.*

Ohio EPA has determined that the Tanks 4.09d report used to establish this limitation did not account for withdrawal losses. The actual VOC emissions from T005 for CY 2008 using Tanks 4.09d are calculated to be 0.30 TPY. Therefore, the facility cannot demonstrate compliance with this limitation.