



John R. Kasich, Governor
Mary Taylor, Lt. Governor
Scott J. Nally, Director

August 13, 2013

RE: Coshocton County
C.E. Acquisition Company LLC
Facility ID: 0616010087
Notice of Violation HPV GC-6

Certified: 70122920000138147083

Mr. Erik Chaffer, Plant Manager
C.E. Acquisition Company LLC
18137 County Road 271
Coshocton, Ohio 43812

Dear Mr. Chaffer:

On July 15, 2013, a meeting was held at the Southeast District Office with you, Steve Schelcher, Vice President of Pinnacle Engineering, Matt Henry, P.E., Project Engineer of Pinnacle Engineering, Casey Cameron, Safety & Compliance Coordinator/Logistics Manager, Sarah Harter of Ohio EPA, Marco Deshaies of Ohio EPA and me. This meeting was requested by C.E. Acquisition Company LLC to discuss various issues due to the recent change in ownership. More specifically, clarification was requested in regards to stack testing and the Title V (TV) greenhouse gas (GHG) analysis permit application.

Clarification was requested in regards to the date stack testing is required to be completed. The following emissions units (EUs) are required to conduct emissions testing:

- B004: 92 MMBtu/hr natural gas fired boiler
- B005: 92 MMBtu/hr natural gas fired boiler
- P003: Fermentation process controlled by a wet scrubber
- P007: Distillation process controlled by a wet scrubber
- P011: 87 MMBtu/hr DDGS dryer, cooler/cyclone and 8 MMBtu/hr RTO
- P801: Fugitive VOC emissions (leaks) - Subject to NSPS Subpart VV
- P902: Truck grain receiving and handling controlled by a baghouse

As we discussed, permit-to-install (PTI) 06-08295 was issued August 14, 2007, for EUs B004, B005, P011, P913, and T006-T008 and the effective administrative modification PTI 06-07704 was issued May 18, 2006, for EUs B001-B003, F001, J001, P001-P010, P801, P901-P905, and T001-T005. EUs B001-B003, P005-P006, and T001-T003 were never installed. The testing requirements in the above mentioned permits state the following for EUs B004, B005, P003, P007, P011, and P902:

*"Testing shall be completed within 60 days after achieving the maximum production rate at which the emissions unit will be operated, but not later than 180 days after initial start-up..."**

*Please see section E. Testing Requirements of these permits for further clarification.

P801 is subject to 40 CFR, Part 60, Subpart VV, and is therefore subject to the testing requirements found in this subpart (See 40 CFR 60.485 for test methods). 40 CFR 60.482-1 Standards: General states the following:

"(a) Each owner or operator subject to the provisions of this subpart shall demonstrate compliance with the requirements of §§ 60.482-1 through 60.482-10 or § 60.480(e) for all equipment within 180 days of initial startup.

(b) Compliance with §§ 60.482-1 to 60.482-10 will be determined by review of records and reports, review or performance test results, and inspection using the methods and procedures specified in §§ 60.485."

C.E. Acquisition Company LLC operated under the previous owners from February of 2008 through October of 2008. The facility has been idle since November of 2008 through present.

Violation:

Based on our review, it appears that the required testing has not been completed for EUs B004, B005, P003, P007, P011, P801, and P902. Because of this, C.E. Acquisition Company is in violation of PTI 06-08295, PTI 06-07704, and 40 CFR Part 60, Subpart VV.

Within 14 days of receipt of this letter, please submit a compliance plan and schedule to this office that details the facility's strategy to return to compliance with the above specified violations.

During our conversation, it was requested that Ohio EPA provide further clarification on TV GHG permitting requirements. Mr. Henry stated it was very likely C.E. Acquisition

Company LLC is a major source for GHGs. If this is the case, C.E. Acquisition Company LLC became subject to TV permitting requirements under step two of the greenhouse gas Tailoring Rule; Therefore, C.E. Acquisition Company LLC was required to submit a complete TV application no later than July 1, 2012.

Possible Violation:

Based on our review, no TV application has been submitted. If C.E. Acquisition Company LLC is considered a TV source because of GHGs, and has not submitted the required timely TV application, they are in violation of OAC rule 3745-77-11.

Within 14 days of receipt of this letter, please submit an evaluation of the facility-wide potential to emit for GHGs. If the evaluation shows that the facility is major for GHGs, please submit a compliance plan and schedule which details the date by which C.E. Acquisition will file the required TV application.

Acceptance by Ohio EPA of this information does not constitute a waiver of Ohio EPA's authority to seek civil penalties as provided in section 3704.06 of the Ohio Revised Code (up to \$25,000 per day per violation). The determination to pursue or decline to pursue such penalties in this case will be made by Ohio EPA at a later date.

After further review of the facility files and profile, it appears no responsible official (RO) has been designated for this facility. According to OAC rule 3745-77-01:

“Responsible Official” means one of the following:

1. *For a corporation: a president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a permit and either;*
 - a. *The facilities employ more than two hundred fifty persons or have gross annual sales or expenditures exceeding twenty five million dollars (in second quarter 1980 dollars); or*
 - b. *The delegation of authority to such representatives is approved in advance by the director;*

2. *For a partnership or sole proprietorship: a general partner or the proprietor, respectively;*
3. *For a municipality or state, federal, or other public agency: either a principal executive officer or ranking elected official. For purposes of these regulations, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency (e.g., a regional administrator of the United States environmental protection agency); or*
4. *For affected sources:*
 - a. *The designated representative insofar as actions, standards, requirements, or prohibitions under Title IV of the act or the regulations promulgated thereunder are concerned; and*
 - b. *The designated representative for any other purposes under these regulations."*

Within 30 days of receipt of this letter, please designate a RO for C.E. Acquisition Company LLC. The RO will need access to our E-business center (ebiz). Enclosed are also instructions on how to gain access to ebiz. Ebiz help can be reached at ebizhelpdesk@epa.ohio.gov or 1(877)EPA-BIZZ (1(877)372-2499).

Should you have any questions or concerns, please do not hesitate to contact me at (740) 380-5246 or via email at rachealdavies@epa.ohio.gov.

Sincerely,



Racheal Davies
Environmental Specialist II
Ohio EPA – Division of Air Pollution Control
Southeast District Office

RD/cs

cc: Bruce Weinberg, DAPC/CO
Brian Dickens, U.S. EPA, Region V
Steve Schelcher, Vice President of Pinnacle Engineering