



June 6, 2012

Union County
Velocys
Facility ID: 0180000401
Notice of Violation

Paul Schubert
Velocys
7950 Corporate Boulevard
Plain City, OH 43064

Re: **Notice of Violation**

Dear Mr. Schubert:

On November 29, 2011, Velocys was issued federally enforceable permit-to-install and operate (FEPTIO) P0108468. Section C.1.f) of P0108468 contains the testing requirements for emissions unit P001. An emissions test was required to be conducted by May 29, 2012 to demonstrate compliance with P001's carbon monoxide emissions limitation.

1. **Finding**

As of the date of this Notice of Violation, a compliance test meeting the requirements of the terms and conditions of FEPTIO P0108468 was not conducted.

Section C.1.f)(1) of P0108468 contains the testing requirements to demonstrate compliance with P001's carbon monoxide emission limitation and states:

"The permittee shall conduct, or have conducted, emission testing for this emissions unit in accordance with the following requirements:

- a. *The emission testing shall be conducted within 6 months after issuance of the permit.*
- b. *The emission testing shall be conducted to demonstrate compliance with the allowable mass emission rate for carbon monoxide.*
- c. *The following test methods shall be employed to demonstrate compliance with the allowable mass emission rate: 40 CFR Part 60, Appendix A, Methods 1-4 and 10. Alternative U.S. EPA approved test methods may be used with prior approval from the Ohio EPA.*

- d. *The test shall be conducted under those representative conditions that challenge to the fullest extent possible a facility's ability to meet the applicable emissions limit, unless otherwise specified or approved by the Ohio EPA, Central District Office. Although this generally consists of operating the emissions unit at its maximum material input/production rates and results in the highest emission rate of the tested pollutant, there may be circumstances where a lower emissions loading is deemed the most challenging control scenario. Failure to test under these conditions is justification for not accepting the test results as a demonstration of compliance.*
- e. *Not later than 30 days prior to the proposed test date, the permittee shall submit an "Intent to Test" notification to the Ohio EPA, Central District Office. The "Intent to Test" notification shall describe in detail the proposed test methods and procedures, the emissions unit operating parameters, the time and date of the test, and the person(s) who will be conducting the test. Failure to submit such notification for review and approval prior to the test may result in the Ohio EPA, Central District Office's refusal to accept the results of the emission test.*
- f. *Personnel from the Ohio EPA, Central District Office shall be permitted to witness the test, examine the testing equipment, and acquire data and information necessary to ensure that the operation of the emissions unit and the testing procedures provide a valid characterization of the emissions from the emissions unit.*
- g. *A comprehensive written report on the results of the emissions test shall be signed by the person or persons responsible for the tests and submitted to the Ohio EPA, Central District Office within 30 days following completion of the test. The permittee may request additional time for the submittal of the written report, where warranted, with prior approval from the Ohio EPA, Central District Office."*

Violation

Failure to conduct carbon monoxide emissions testing on P001 is considered a violation of the terms and conditions of FEPTIO P0108468. A violation of the terms and conditions of an issued FEPTIO is also considered a violation of Ohio Revised Code (ORC) 3704.05(C), which states:

"No person who is the 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."

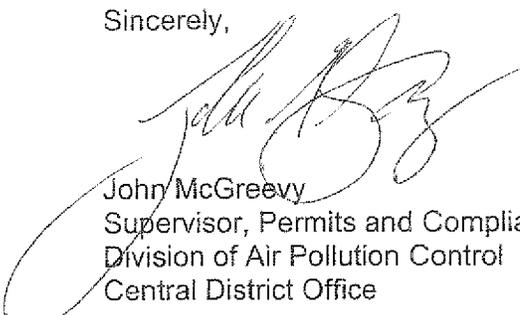
Requested Action

Ohio EPA requests an Ohio Intent to Test form be submitted through Air Services within 30 days of receipt of this letter, and an emissions test be performed within 90 days of receipt of this letter to satisfy the terms and conditions of FEPTIO P0108468.

Please note that Ohio EPA has the authority to seek civil penalties as provided in the ORC Section 3704.06. Submittal of the above requested information, including records and reports, does not constitute a waiver of Ohio EPA's authority to seek civil 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 Pam McCoy by phone at (614) 728-3810 or by e-mail at pam.mccoy@epa.ohio.gov.

Sincerely,



John McGreevy
Supervisor, Permits and Compliance
Division of Air Pollution Control
Central District Office

c: John Paulian, Supervisor, DAPC/CO
e: John McGreevy, Supervisor, DAPC/CDO

