

Sierra Club Petition

Exhibit 3

1 HEARING OFFICER: Good evening my
2 name is Annet Godiksen, I'm with the Illinois
3 Environmental Protection Agency, and I would
4 like to thank you for coming out this evening
5 and attending this hearing. The Illinois EPA
6 believes that this hearing is a crucial part of
7 the preliminary review process. As the hearing
8 office, my sole purpose tonight is to make sure
9 the proceeding run properly and in accordance
10 with our rules. Therefore, I will not be
11 answering any questions with regard to the
12 permit process or the permit itself.

13 This is a public hearing for the
14 Illinois EPA, in the matter of an Air Pollution
15 Control construction permit submitted to the
16 Illinois EPA by MGP Ingredients of Illinois,
17 Incorporated. This hearing was requested by
18 the applicant. The proposed permit relates to
19 the request to build a solid fuel fired boiler
20 to be located at its facility at 1301 South
21 Front Street in Pekin, Illinois. The boiler
22 would be designed to burn coal, coal tailings,
23 and biomass. Emissions from the boiler would

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1 be controlled with low-hydrogen burners, a
2 selective catalytic reduction system, scrubber
3 system, and bag house. The new boiler would be

4 a major modification to the facility under the
5 federal rules for prevention of significant
6 deterioration.

7 The Illinois EPA has made a
8 preliminary determination to issue a permit for
9 the project, and has prepared a draft permit
10 for review. The Illinois EPA is holding a
11 public comment period and a hearing to accept
12 comments from the public on the proposed issue
13 on the draft permit for this project prior to
14 making a final decision on the application.

15 The time is now 7:08, Monday,
16 July 14th. And, again, this hearing is being
17 held for the purpose of explaining the draft
18 permit, to respond to questions and to receive
19 public comments on the draft permit.

20 I'm going to quickly walk you
21 through a couple of introductory matters. The
22 public hearing is being held under the
23 provisions of the Illinois EPA's Procedures For
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1 Permit and Closure Plan, which can be found in
2 Title 35 of the Illinois Administrative Code,
3 Part 166. Copies of these procedures can be
4 obtained from myself, or upon request, or they
5 can be accessed at our web site, Illinois
6 Pollution Control Board Act,
7 WWW.IPCB.STATE.IL.US.

8 A public hearing means that this is
9 strictly an informal hearing. It is an

10 opportunity for the Illinois EPA to provide you
11 with information concerning the permit. It is
12 also an opportunity for you to provide
13 information to the Illinois EPA concerning the
14 permit. This is not a contested hearing. I'd
15 like to first explain how tonight's hearing is
16 going to proceed. We will have the Illinois
17 EPA staff members present and introduce
18 themselves, and identify their responsibilities
19 with the agency. Following our overview, we
20 will have the representative from MGP
21 Ingredients of Illinois introduce himself, and
22 they have a brief presentation. Then we will
23 ask the public to ask questions and provide

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1 comment. We are not required -- I'm sorry.
2 You are not require to verbalize your comments,
3 as written comments are given the same
4 consideration, and may be submitted to the
5 agency at any time within the public comment
6 period, which ends at midnight on August 13th
7 of this year.

8 Any persons who wants to make oral
9 comments may do so as long as the statements
10 are relevant to the issue that's being
11 addressed at the hearing, and such person has
12 indicates on the registration card that he or
13 she would like to comment. When you first came
14 into the auditorium, there were people at the

15 front, and there were cards for you to fill
16 out, if you were interested in either making
17 oral comments or receiving a summary of the
18 hearing. If you do wish to make comments and
19 haven't filled out a card as of yet, please go
20 back and do so. We will collect these cards
21 throughout the evening.

22 If you have lengthy comments or
23 questions, it maybe helpful to submit that to

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1 me in writing before the question and comment
2 period ends. And I'll assure that they are
3 included in the hearing record as an exhibit.
4 Please keep your comments and questions
5 relevant to the issues at hand. If your
6 comments fall outside the scope of the hearing,
7 I may ask you to proceed to another issue. All
8 speakers have the option of directing questions
9 to either the Illinois EPA panel, or they can
10 just make a general comment, or they can do
11 both if they so choose. The applicant, MGP
12 Ingredients of Illinois is also free to answer
13 questions if it is willing to do so. But I am
14 not in a position to require them to answer
15 questions. Our panel members will make every
16 attempt to answer the questions presented, but
17 I will not allow a speaker to argue,
18 cross-examine, or engage in prolonged dialogue
19 with our panel.

20 In addition, I would like to stress
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21 that we want to avoid unnecessary repetition.
22 So if anyone before you has already presented
23 testimony that is contained in either your oral
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1 or written comments, please skip over those
2 issues when you testify. Please remember that
3 all written comments, whether or not you state
4 them out loud tonight, will become part of the
5 official record and will be considered. After
6 everyone has had an opportunity to speak, and
7 provided that time permits, we will allow those
8 who either ran out of time during their initial
9 comments, or have additional comments, to speak
10 once again.

11 Please note, you can ask to receive
12 a summary of the public hearing on the
13 registration card. I would also like to direct
14 you to the Illinois EPA web site where you can
15 find details regarding this draft permit,
16 including our response in this summary. The
17 Illinois EPA's web site is WWW.EPA.STATE.IL.US.
18 The Illinois EPA's response on the summary will
19 attempt to answer all the relevant questions
20 raised in this hearing, or to submit it to me
21 prior to the close of the comment period.
22 Again, the written record in this matter will
23 close August 13, 2008, therefore I will accept
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1 all written comments as long as they are
2 postmarked by August 13th.

3 During the comment period, all
4 relevant comments, documents, or data will also
5 be placed into the hearing record as exhibits.
6 Again, please send all documents or data to my
7 attention. That's Annet Godiksen, Annet is
8 A-n-n-e-t, Godiksen, G-o-d-i-k-s-e-n, hearing
9 officer, Illinois EPA, 1021 North Grand Avenue
10 East. Post office Box 19276, Springfield,
11 Illinois 62794. That address is also listed on
12 the public notice for the hearing tonight.

13 For anyone wishing to make a comment
14 or ask questions, I would like to remind you
15 that we have a court reporter here taking a
16 record of these proceedings for the purpose of
17 putting together our administrative record.
18 Therefore, for her benefit, please keep the
19 general background noise to a minimum so she
20 can hear everything that is said. Also, please
21 keep in mind that any comments from someone
22 other than the person who has the floor will
23 not be recorded by the court reporter. We'd

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1 ask, when you speak, please step to the
2 microphone up at the front. So in order, the
3 court reporter not be able to take in more than
4 one person's testimony or statement at a time,
5 thus only the person that has the floor will be

6 the person recorded. If you speak over someone
7 else, we will not be able to include that in
8 the comments. This rule applies to everyone,
9 not only the members of the audience speaking,
10 but someone from the Illinois EPA, or from MGP
11 Ingredients of Illinois.

12 When it's your turn to speak, please
13 remember to speak clearly and slowly, and it is
14 requested that all speakers addressed stand at
15 the front with the microphone so the court
16 reporter can better understand what you are
17 saying. Also, when you begin to speak, please
18 state your name, and if applicable, any
19 governmental body, organization, or association
20 that you represent. And again, for the benefit
21 of our court reporter, we'd ask that you spell
22 your last name.

23 People who have requested to speak

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1 will be called upon in the order that I will
2 lay out based upon the cards that I have before
3 me. After I've gone through cards, assuming
4 there is still time, we will try to accommodate
5 anyone else who wishes to make a comment.

6 I would now to ask the Illinois EPA
7 staff to introduce themselves. And if they
8 would like to give a short opening statement
9 they can do so at this time.

10 MR. ROMAINE: Good evening. My name

11 is Chris Romaine, I'm manager of the
12 construction unit, the air permit section.

13 MR. SMET: Good evening. My name is
14 Bob Smet, and I'm a permit engineer in the
15 Illinois EPA's Bureau of Air. I'll be giving
16 you a brief description of the project. MGP
17 Ingredients, Incorporated, or MGP has proposed
18 to construct a solid fuel-fired cogenerated
19 boiler and associated equipment at its existing
20 plant in Pekin. The construction of this
21 project requires a permit from the Illinois EPA
22 because of its associated emissions.

23 The proposed solid fuel-fired boiler
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1 would provide steam and electricity for MGP's
2 existing plant, which produces wheat gluten,
3 wheat starch, ethanol and animal feed from
4 flour and corn. Steam for the plant is
5 currently provided by a natural gas-fired
6 boiler facility located next to the plant
7 operated by Ameron. The proposed boiler would
8 make high-pressure steam and also be used to
9 cogenerate electricity for the plant. Once
10 constructed, Ameron will no longer provide
11 steam to the plant.

12 The proposed boiler would be
13 designed to fire pulverized coal and coal
14 tailings with natural gas used as an auxiliary
15 fuel for startup and flame stabilization.
16 Biomass materials, such as bran and feed, which

17 are produced at the plant, could also be used
18 as alternative fuel in place of some of the
19 coal fuel.

20 In addition to the proposed solid
21 fuel-fired boiler, a natural gas fired
22 auxiliary boiler is also proposed. It would be
23 used during construction of the solid

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1 fuel-fired boiler. Thereafter, this boiler
2 would serve as a conventional auxiliary boiler,
3 to supply steam when the main boiler is out of
4 service for maintenance. In this role, the
5 auxiliary boiler would be typically used
6 intermittently on an annual basis.

7 This project also includes fuel and
8 bulk material storage, processing and handling
9 equipment for the primary boiler.

10 Since the source is already a major
11 source, the project will trigger the federal
12 rules for Prevention of Significant
13 Deterioration, or PSD, since permitted annual
14 emissions of nitrogen oxides, carbon monoxide,
15 particulate matter, and sulfur dioxide would be
16 in excess of their respective significant
17 thresholds under the program. As a
18 consequence, the project will be subject to the
19 Best Available Control Technology, BACT, for
20 emissions of these pollutants.

21 Nitrogen oxides from the boiler

22 would be controlled by a low-NOx combustion
23 system, overfire air, and a selective catalytic
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1 reduction system. A scrubber would be used to
2 control emissions of sulfur dioxide. A fabric
3 filter or baghouse would be used to control
4 emissions of particulate matter.

5 Control of particulate matter from
6 material handling operations will be by
7 appropriate use of dust suppressants and
8 control devices. Fugitive dust and particulate
9 matter emissions are generated by vehicle
10 traffic and wind blown dust on roadways,
11 parking lots, and other open areas associated
12 with the boiler facility. These emissions
13 would be minimized by pavement of new roadways
14 and parking lots for the boiler facility and
15 implementation of the Fugitive Dust Control
16 Program.

17 The ambient air quality impact
18 analysis demonstrates that the project would
19 not cause or contribute to a violation of the
20 National Ambient Air Quality Standards, or
21 NAAQS, and applicable PSD increments for
22 pollutants subject to PSD. The maximum
23 predicted impacts from each pollutant will be

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1 below the significant impact levels. As the
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2 air quality impacts of the proposed boiler
3 facility would not be significant for PM10, the
4 facility would also be expected to not have
5 significant impacts for PM2.5.

6 The Illinois EPA has reviewed the
7 application submitted by MGP and has determined
8 that it complies with applicable state and
9 federal requirements. The conditions of the
10 draft permit would also set limitations on, and
11 requirements for, operation of the boiler and
12 associated equipment. The permit would
13 establish appropriate testing, monitoring,
14 recordkeeping, and reporting requirements.
15 This includes continuous monitoring for
16 emissions of nitrogen oxides, sulfur dioxide,
17 and carbon monoxide, and opacity monitoring.
18 It also includes a bag leak detection system on
19 the baghouse to confirm proper operation to
20 control particulate matter.

21 In closing, the Illinois EPA is
22 proposing to grant a permit for the proposed
23 MGP project. We welcome your comments or

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1 questions on our proposed action.

2 But as a footnote to what I've said,
3 I want to say that MGP has submitted a
4 preliminary comment concerning a possible
5 discrepancy between the BACT limit for SO2,
6 which you'll find in Section 2.1.2(b)(iii), and

7 that's set in pounds per million, BTU. And the
8 permit emissions of SO2 in pounds per hour,
9 which is found in the back table.

10 So I just wanted to update you on
11 that discrepancy on the permit.

12 HEARING OFFICER: Now we'll have
13 MGP's representative and have him introduce
14 himself and proceed with his presentation.

15 MR. WILBER: Can you hit the lights
16 off of the screen, please. Thank you. Good
17 evening, my name is Steve Wilber, I'm the
18 director of this particular project for MGP,
19 and the project manager. We would like to
20 cover how this affects our plant, the reason
21 for it, and a little bit about MGP in
22 particular, and our plant in specific. MGP
23 Ingredients is an ingredients company that

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1 makes renewable fuels, as well as wheat
2 products. Since we sell products that are
3 mostly in bulk, but a few are sold in smaller
4 packages, 50-pound bags. There's not much that
5 you see on the grocery shelves, so our name is
6 not very well known.

7 In addition, some of you may know
8 our name as Midwest Grain. About four years
9 ago the corporation changed its title from
10 Midwest Grain to MGP Ingredients to further
11 accentuate the ingredients portion of our
12 business.

13 We are presently undergoing another
14 small change in the name, in that MGP
15 Ingredients of Illinois, which was a wholly
16 owned subsidiary of MGP, the parent company, as
17 being merged into the parent company. This is
18 an older, more complicated structure that no
19 longer serves a purpose and costs extra
20 dollars. This change will be effective on the
21 permit.

22 Quick overview of the corporation
23 its self. The company was founded in 1941 in
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1 Atchison, Kansas. That is still our corporate
2 headquarters. We're a fully integrated
3 ingredients company with four plants. The one
4 we're talking about is here in Pekin, Illinois,
5 which was purchased in 1980. Prior to that --
6 it's been at the site since back in the 1800s,
7 but prior to that it was owned and operated by
8 American Distilling.

9 Of the 480 employees with MGP
10 Ingredients, 140 employees are here at the
11 Illinois plant, and that provides a payroll in
12 community of about \$8 million a year. We are a
13 publically trade company, and so there is
14 information available on our company through
15 the normal internet and so forth areas.

16 Our company's mission is to provide
17 our customers with superior product solutions

18 derived from natural sources. We are a grain
19 processing company. Our products are natural
20 based, and condition to be based upon
21 agriculture. To look a little bit at our
22 products in total, if you assume that there is
23 a flour mill in here that's producing flour

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1 from wheat from farmers, that flour then goes
2 to our processing operations in Atchison and in
3 Pekin, and we make wheat glutens, wheat
4 starches, and specialty products, including
5 excreted products that are meat substitutes,
6 and that sort of thing. In addition, we also
7 make what we call resins, which is a little
8 misnomer, it's really wheat-based product that
9 is used for such things as dog chews and pet
10 treats.

11 In more recent activity is at our
12 fourth plant, where we are investigating, doing
13 research on, in developing biobased, and
14 biodegradable items such as utensils for eating
15 and so forth. The other side of our business
16 is over here in the alcohol area, where we make
17 renewable fuel, ethanol, and we make fruit
18 grade alcohol that goes to industrial uses as
19 well as beverage. In addition, about a third
20 of the corn that comes in goes back out as a
21 feed ingredient called DGDS.

22 MGP is an ingredients company that
23 produces renewable fuels. We've been doing

1 this for over six decades. Our basic inventive
2 area is in the area of plant proteins and
3 starches. We are the largest US producer of
4 wheat proteins and wheat starches. We are
5 among the US largest producers of natural food
6 grade industrial alcohol. We are one of three
7 large producers of neutral spirits of beverage
8 alcohol. And we are among the longest
9 established companies in the fuel ethanol area.

10 We're also working on this biobased
11 area, which is, again, an extension of the
12 business that we're in. It's an environmental
13 friendly biobased and biodegradable products.
14 A lot of research is going on in our corporate
15 office, as well as at the Onarga plant. This
16 is the Atchison plant, which is our home head
17 office. This is the Pekin facility. This is
18 Kansas City, that does the extrusion and
19 petries. And this is the most recent plant in
20 Onarga. Our research and development has been
21 significant in wheat starches and glutens. You
22 can see a number of things, wheat textas, which
23 is a meat substitute product. And the 20

1 patents that we hold are all in grain
2 processing and natural resource area.

3 We have state of the art alcohol,
4 food production capacity, and these are the
5 items that we are focused on. Now, this is the
6 Pekin plant. You can see the Illinois River in
7 the background, in industrial area. To give
8 you a little bit better view, that's Highway
9 29, or Second Street south, and this is Cook
10 Street, which is called the Distillery Road, on
11 this side of Highway 29. In our food
12 industrial alcohol we produce such things as
13 antibacterial soaps. That's what our
14 ingredients go into. Again, we provide
15 ingredients for these products. We don't
16 produce any of them directly. We -- our
17 products go into a lot of food items, including
18 mustards and so forth, as well as into cleaning
19 and Lysol, detergent, those kind of things. We
20 also make beverage alcohol for a lot of people.
21 But again, all of that goes out in a bulk
22 truck, or a bulk railcar, is then further cut
23 and bottled by the branded owner of that

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1 particular product.

2 In our distillery products, we also
3 make distillers dry grain. And this is a feed
4 railcar being loaded. It goes for -- basically
5 for animal feed. And since Central Illinois is
6 not a big animal business, that usually gets
7 transferred by railcar. We also make distiller
8 solubles that can be added to this material or

9 not as chosen, and we have carbon dioxide from
10 our fermentation process for use in beverages
11 and things.

12 We also have our starches and our
13 glutens. Now, this goes into making all sorts
14 of products, breads and baked items, but it's
15 usually in small percentages. Gluten is the
16 thing that holds -- the strength, or makes kind
17 of the strength in bread, and all kinds of
18 pastries. Pasta has it in it, various meats
19 has it. And again, as I say, all sorts of
20 cooking products.

21 Now, the scope of our project and
22 the reason for it is, we have an existing
23 contract for steam supplies. That contract is

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1 expiring. The folks have explained to us that
2 they do not have interest in participating in
3 this project, or extending that contract. So
4 MGP has no choice but to look at a steam supply
5 for our plant. We will locate that on the
6 existing MGP plant property. Again, this is
7 developed for the basis of steam. So here we
8 are producing 330,000 pounds of steam that will
9 go to our processing plant. That
10 differentiates this in that it's an industrial
11 boiler used for producing steam, but the most
12 efficient way is to also take and raise the
13 pressure of that steam and cogenerate. That

14 makes the efficiency of this process about
15 twice as efficient as a standard, conventional
16 electrical generation facility. But as you can
17 see at 18 megawatts, this is what our steam
18 usage allows us to produce in electricity, and
19 it will all be used at the plant. Estimated
20 cost about \$100 million, approximately two
21 years construction time, and this will be done
22 utilizing Illinois coal tailings and Illinois
23 coal. We will provide on site fully enclosed

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1 coal storage and handling. There will not be
2 dust from coal dust, and it will be built with
3 state of the art technology. In other words,
4 best available control technology. That is
5 what MGP believes in to start with, but it's
6 also what is required by Illinois EPA in
7 beginning a new product -- project.

8 Principal benefits to our plant are
9 basically going to be survival. We must
10 improve our plant energy efficiency and
11 reliability. We have to reduce our energy
12 cost. Energy is a significant portion of our
13 operation. A processing plant uses a lot of
14 raw material in terms of cost, and then energy
15 is second and very, very significant to us. We
16 also need, as an ingredient company, to be able
17 to keep the volatility out of the cost. And
18 those of you that are watching, and those of
19 you that aren't, come winter are going to

20 recognize that natural gas prices are very
21 volatile, they're jumping all over the area,
22 and even though they ended up at about \$8, an
23 MCF at the end of the winter heating season, as

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1 high as \$14 an MCF since. So 60 to 80 percent
2 jump in our heating bills is not going to be
3 real surprising come winter. That is the kind
4 of thing that doesn't allow a plant like ours
5 to continue to operate. So this is very
6 serious, very significant to our survival, and
7 the sustainment of our jobs. We will create
8 additional jobs at the facility, and this will
9 be done with, again as I say, the advanced best
10 available control technology.

11 Now, this project also will be good
12 for our local economy, in that we'll utilize
13 Illinois resources. We will create new jobs at
14 the facility, and -- in the area, in the
15 construction, in the coal supply, as well as
16 ongoing maintenance jobs and supplies for the
17 facility. It will assure the continued
18 purchase of 35 million bushels of Illinois coal
19 -- corn, which is a significant number for our
20 area. And we will use coal tailings that will
21 allow coal areas to reclaim some land that is
22 now not used.

23 In they emissions area, a key here

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1 is we will cogenerate. Cogeneration is about
2 twice as efficient as standard electrical
3 generation facility. And it is that because we
4 use the steam. We need the low pressure steam
5 to run our processors to cook the mash and the
6 corn, to distill all the alcohol off of the
7 water that's in the system. And that's our
8 basic reason for having steam. But then to
9 further process and cogenerate makes it more
10 efficient. We will lower some of the
11 electrical usage on the grid, which is somewhat
12 of a help. We will reduce the natural gas
13 usage from the pipeline, which makes it more
14 available to home heating, et cetera. The air
15 modeling, which has had significant effort gone
16 into it, probably about four or five months of
17 continuous effort, showed no significant impact
18 on either human health, animals or plants.

19 We will use a circulating scrubber,
20 followed by a baghouse for SO2 reduction, and
21 for control of mercury and acid mix. As I said
22 before, there will not be a coal pile, and this
23 will not change the water usage at the plant.

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1 This is a picture of our plant. The
2 yellow is the outline of our property line that
3 exists. Down here is our wheat processing area
4 and distillery. The red circle circles a brick

5 building that was built many years ago, that
6 was used for storing whiskeys for aging. That
7 will be torn down, and basically the coal plant
8 will be in that location. This is an overhead
9 of what our coal plant will look like. This is
10 the coal boiler, and then this is the air
11 pollution control equipment. Two coal silos
12 and coal truck receiving.

13 Looking at just the coal boiler part
14 itself, this is the coal boiler, and this is
15 the air pollution control. If you look at it
16 from the side in an elevation view, the yellow
17 is the area that is required for the boiler to
18 operate, and is pretty much 1960s or '70s
19 control systems. The green is the additional
20 emission controls that will be added, with
21 catalytic conversion of noxids, as Dr. Smet
22 brought up earlier. Mechanical collector, an
23 SO2 scrubber, using lime as a source, a

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1 baghouse that recycles some of that lime back
2 into the scrubber, and a baghouse that has an
3 extra compartment with leach detection
4 available. So if you look at it, the coboiler
5 is about a fourth of the area of the actual
6 project.

7 Now, I'm not a very good
8 photographer, and this is my picture, and the
9 back ground here are clouds. But this is a

10 picture of a plant in North Carolina, that is a
11 very similar technology plant. It's pulverized
12 coal. It has a 1995 version of the scrubber
13 that we will put in. Ours has some additional
14 improvements to it, but when I walked up to
15 this plant on two occasions, both times I came
16 to look at it to see the process running, and
17 was disappointed because I thought it was down.
18 There's just virtually nothing you can see
19 coming out of that stack, and it was running at
20 80 percent capacity. That's the difference
21 between present day emission control technology
22 and 1960 and '70s version of control.

23 Now, in summary, MGP is an

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1 ingredient company that produces renewable
2 fuels from renewable sources. We have to have
3 process steam to run our plant and continue
4 operation of our existing operation of 140
5 personnel. Because we are putting in a coal
6 boiler, we will cogenerate, which makes the
7 efficiency twice as good, and this project is
8 good for our plant. It's good for our plant in
9 a number of ways. We will reduce the energy
10 that we use by having a boiler that's got
11 better boiler efficiency, we will reduce the
12 cost of our energy input, as well as stabilize
13 it. When natural gas prices are going from \$8,
14 to 14, to 12, to 10, it's very difficult for an
15 ingredients company to make any sense of the

16 pricing there. And since our major competitors
17 are, in fact, or coal, it puts us at a huge
18 disadvantage. When you put it in perspective
19 of the addition of the natural gas, the other
20 fact that we face is that corn, which is a raw
21 material, has gone from \$2 a couple years ago,
22 to \$7 a bushel. This is not just something we
23 want to do, this is something our plant has to

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1 do.

2 This project, we think, will be good
3 for our area. It will increase jobs both
4 inside and outside the plant, and it will
5 continue to allow us to purchase and process
6 the 35 million bushels of farmers corn that we
7 use. In addition for our state, we will be
8 producing the renewable fuel from an Illinois
9 resource. And part of that resource, coal
10 plain, will, in fact, allow some now unusable
11 land to be reclaimed for better use.

12 And lastly, this is a domestic
13 resource. It doesn't come from overseas, and
14 is within our control in the state. So in
15 shot, we think this is a good project. We have
16 put in what we think are the best available
17 controls and so forth to make it be an
18 environmentally solid project, and we look
19 forward to your comments and IEPA's support on
20 this. Thank you.

21 HEARING OFFICER: Will you bring the
22 lights back up, please. Now, we will turn to
23 the public comments portion of the hearing. I

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1 would like to remind you again to speak clearly
2 and slowly. Step down to the podium, state
3 your name, spell your last name, and identify
4 what group you're with or represent.

5 The first speaker tonight is John
6 Adams.

7 UNIDENTIFIED SPEAKER: (Inaudible.)

8 HEARING OFFICER: I'm sorry, what
9 did you say?

10 UNIDENTIFIED SPEAKER: (Inaudible.)

11 HEARING OFFICER: I'm sorry, I can't
12 hear you. Can you step to the microphone?

13 UNIDENTIFIED SPEAKER: He just wants
14 you to pronounce the names more clearly. He
15 couldn't hear this gentleman's name.

16 MR. ADAMS: Yeah. The second
17 president of the United States. Pretty well
18 preserved, I think. No, I'm John Adams from
19 Atlanta, Illinois, A-d-a-m-s. My wife and I,
20 we farm 1,000 acres, and we -- this is a family
21 farm. I'm the fourth generation to farm this
22 and I'm here to stand up in support of this
23 issuance of this air permit to MGP for this

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1 coal fired energy system. As the gentleman
2 previous to me talked about the importance of
3 35 million bushels of corn being utilized by
4 this plant, that's crucial to my livelihood,
5 too. I've got three places to sell corn, and
6 one's in Decatur, and two are in Pekin. One is
7 your competition, but I'm sure my corn has been
8 in your plant before, and I'm happy about that.
9 They're trying to be more energy efficient.
10 Because as I filled up my gas tank today, \$100
11 didn't even fill the tank. I'm looking for
12 some relief in energy prices, too, and I
13 understand why they're looking for lower energy
14 costs, too.

15 I found it interesting that they --
16 I was aware that they did make alcohol here,
17 food, and ethanol, but I was amazed at the
18 number of food ingredients that they made. I
19 thought that was most interesting. I did not
20 realize you guys were that in depth. I think
21 that's a plus for this. I think that's
22 important. They're making a lot of ingredients
23 that's going into a lot of our food, and I

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1 think that's important for the economy of
2 Illinois and for the nation as a whole. I
3 believe that's it. Thank you.

4 HEARING OFFICER: Thank you. Next
5 speaker is William Fleming.

6 MR. FLEMMING: Good evening, and
7 thank you for the opportunity to speak tonight.
8 My name is Bill Fleming, F-l-e-m-i-n-g, and I'm
9 the executive director of the Pekin Area
10 Chamber of Commerce. I'm here tonight to speak
11 in favor of the project proposed by MGP
12 Ingredients. The board of directors of the
13 Pekin Area Chamber of Commerce is to publically
14 support of this projet. And some of the
15 reasons for this support include, number one,
16 the proposed facility will utilize Illinois
17 coal as the primary fuel, the project will
18 ensure the sustainability of the plant
19 operations, and provide increased job security
20 for the 140 men and women with an annual
21 payroll of over \$8 million.

22 The proposed facility will utilize
23 state of the art environmentally friendly

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1 technology. The project will create new jobs
2 and a positive regional economic impact. The
3 approval process will ensure that the project
4 meets the newest Illinois EPA standards for
5 emissions. And finally, MGP has a long history
6 of being a good corporate citizen in our
7 community.

8 Again, thank you for the opportunity
9 to speak and express support for this project
10 on behalf of the board of directors here at the
11 Pekin Area Chamber of Commerce.

12 HEARING OFFICER: Thank you. Our
13 next speaker is Pam -- is it Nervous or Nevius?

14 MS. NEVIS: Nevius, but I am a
15 little nervous.

16 HEARING OFFICER: So am I.

17 THE WITNESS: My name is Pam Nevius,
18 N-e-v-i-u-s. I'm a retired Pekin teacher. My
19 husband and I live in Pekin, and I work part
20 time for ICC. I am here with a group of the
21 Sierra Club members, and I also heard that this
22 business will bring \$8 million -- bring in an
23 \$8 million payroll, and employ 400 -- 140

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1 people, and bring new business to the
2 community. However, my concern is the long run
3 of Pekin, or Pekin's children, and what they're
4 breathing. I understand that, after looking
5 over a lot of this material, that the EPA has
6 said this -- that the company follows the
7 rules, and they are granting a permit.
8 However, I wonder about the phrase, "no
9 significant impact on health concerns to the
10 community." Just what does this mean? If you
11 look at the charts, even though they meet
12 standards, they are still dumping emissions in
13 the tons, 323 tons, 325 tons, not to mention
14 the possible mercury runoff into the river.
15 This is what I'm concerned about, is the health
16 of our community.

17 HEARING OFFICER: Thank you. Next
18 speaker is Sheldon Schafer.

19 MR. SCHAFFER: My name is Sheldon
20 Schafer, that's S-c-h-a-f-e-r, and I'm speaking
21 as an astronomer and a science educator,
22 teacher of astronomy and special interest in
23 planetary atmospheres. I've been teaching for

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1 28 years at the university, and I first had a
2 question, and I know that we may or may not get
3 it answered, but how much CO2 is produced by
4 existing MGP use of the natural gas as compared
5 to the coal fire boiler which will be the new
6 version, albeit recognizing that there's some
7 efficiency from cogeneration. Is that a figure
8 that we happen to have?

9 MR. ROMAINE: That is not a figure
10 that we have. At this point carbon dioxide is
11 not a regulated pollutant under the Clean Air
12 Act.

13 MR. SCHAFFER: Understood. And that
14 there lies some of my concern. I want to speak
15 to concerns of carbon dioxide production, which
16 using these conventional figures, will
17 certainly double in the new coal powered
18 generation. We aren't here to argue local
19 climate changes. Actually, in the last year
20 become unequivocal that from the International
21 Organization of Climate Change, with 90 degree
22 certainly, that the burning of fossil fuels is

23 primary cause of current global warming. And
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1 individual communities around the nation are
2 addressing global warming at the local level in
3 lieu of any coordinated national policy
4 reverting to a form of energy production, which
5 doubles our carbon footprint, which is a
6 tremendous step backwards. These will be at a
7 huge national cost. And the cost of
8 unmitigated global warming is going to be
9 enormous, and we need to be looking at the
10 future. Thank you.

11 HEARING OFFICER: Thank you. Our
12 next speaker is Gean -- is it Woelfle?

13 MR. WOELFLE: Woelfle.

14 HEARING OFFICER: Woelfle.

15 MR. WOELFLE: My name is Gean
16 Woelfle, W-o-e-l-f-l-e. I'm a life long
17 resident of Pekin. I'm a retired social
18 science teacher of 36 years. I have children,
19 I have grandchildren that live in this
20 community. We know from the MGP plant that
21 it's a very good plant, and they've said they
22 do wonderful things for the region, they have
23 all these plans for the state using Illinois

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1 resources, but you notice it didn't say what's

2 good for Pekin. It didn't say that coal fired
3 boilers are going to produce more emissions in
4 our atmosphere. We already have Powerton,
5 Avertine, and several other companies in this
6 area that produce lots of pollution within our
7 atmosphere. We breathe this on a day-to-day
8 basis. They are currently using natural gas.
9 If their supplier, which would be Ameron, does
10 not choose to provide natural gas, I'm sure
11 they can negotiate something, because natural
12 gas does not pollute the atmosphere we live in,
13 in Pekin, or the Illinois River Valley, as much
14 as the coal fired boiler does. We know coal
15 fired boilers produce pollution. We know this
16 is going to affect our health. To say that it
17 will not have significant added problems for
18 our health in this community would be wonderful
19 if they were the only ones in the area
20 producing coal fire generator electricity, or
21 steam in this case. But to add this on top of
22 what's already here, it is not good for the
23 community, it is not good for the health of the

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1 community, it is not good for the children.

2 Thank you.

3 HEARING OFFICER: Thank you. Our
4 next speaker is Mary Ann Schafer.

5 MS. SCHAFER: Mary Ann Schafer,
6 concerned citizen, former science teacher. I'm
7 very concerned with the increase production of

8 particulates and mercury especially. This is a
9 time when we should be moving toward cleaner
10 and cleaner productions in our lives. If we
11 look at the automobile industry, how many of us
12 are turning to cleaner, more efficient energy?
13 And it can be cleaner and more efficient at the
14 same time. There's no reason to go to dirtier
15 productions, such as coal fired over natural
16 gas. I mean, I don't think that there's much
17 questions that there's an increase in
18 particulates, as well as mercury production.
19 And the guarantees that these are being well
20 taken care of are not as solid as we would like
21 them to be. This is not the direction that I
22 want to see our community turning to at a time
23 when people are more and more concerned to

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1 going toward cleaner production, and seeing the
2 benefits of that in the future. We want things
3 that are simpler and can be turned more to use
4 in the future, not things that are more
5 cumbersome and dirtier and resembling things in
6 the past. And they talked about an economic
7 advantage, but an economic advantage in one
8 direction, in terms of the degradation of the
9 environment is not an economic -- necessarily
10 an economic gain altogether. And I seriously
11 hope that people will consider these other
12 benefits, and other concerns, in human, as well

13 as financial and environmental costs. Thank
14 you.

15 HEARING OFFICER: Thank you. Our
16 next speaker is Bob Jorgensen.

17 MR. JORGENSEN: Hello, my name is Bob
18 Jorgensen, J-o-r-g-e-n-s-e-n. I currently live
19 in East Peoria. I'm here with the Heart of
20 Illinois Sierra Club member, and I'm here also
21 as a retired school teacher. I taught third
22 grade for a long time. And so my concerns are
23 with the particulate matter, specifically, I

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1 believe in some of the data that I've read,
2 that going from natural gas to coal fire boiler
3 for steam generation increases the amount of
4 particulate matter released into the atmosphere
5 by five times. I know that two years ago the
6 state of Illinois passed a law that told people
7 with diesels, busses, and trucks, that they
8 could only idle for a certain limited amount of
9 time, I believe five minutes, and then they
10 were breaking the law, specifically to cut down
11 on the amount of particulate matter that does,
12 again, in the data that I've read, does cause
13 more cases of asthma. And that is what -- what
14 I saw when I was teaching school. I don't
15 think there was ever a year that went by in my
16 last 15 years of teaching that I didn't have at
17 least one child with asthma in the classroom.
18 It was a great problem. This particulate

19 matter that the coal fire generation is going
20 to put into the atmosphere is going to be very
21 costly to the students, healthwise. Long-term
22 life health problem with asthma, as well as the
23 cost to their family for medical care, as well

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1 as to the cost to the school district. Every
2 day that a student was not in my class because
3 they were having an asthma attack, reduced the
4 amount of state funding that we got. So there
5 are other costs that I don't believe that MGP
6 is considering. The cost of, again, doctor
7 bills. So my concerns come in the form of
8 concern about medical costs, quality of life
9 for the students in my classroom, and at least
10 problems throughout their lives. So I would
11 hope that IEPA would give this a very close
12 look and reconsider and think about that five
13 fold increase of particulate matter. Thank
14 you.

15 HEARING OFFICER: Thank you. Our
16 next speaker is Becky Clayborn.

17 MS. CLAYBORN: My name is Becky
18 Clayborn, C-l-a-y-b-o-r-n. I'm a regional
19 representative with the Sierra Club, in our
20 national campaign, and our address is 70 East
21 Lake Street, Chicago, Illinois 60601. I'm so
22 glad that so many people in the local area came
23 out to speak tonight, because I think that

1 local pollution is definitely an issue that the
2 Sierra Club has been concerned about in terms
3 of burning coal for years and years now. It's
4 been such an issue for us in Illinois that we
5 grew a campaign from an Illinois size campaign
6 to a midwest size campaign, and it is now a
7 national campaign for the Sierra Club, where we
8 are challenging coal at its source of mining,
9 at its burning point, and at its waste point.
10 So we have identified coal as an issue for our
11 environment of such importance that we are
12 going to challenge every new coal fire power
13 plant in the United States.

14 We've even -- I'd like to add to the
15 record, our publication about coal. This
16 publication is our national coal campaign
17 jumping off point, where it talks about the
18 different pollutions, from a different -- the
19 different stages of coal, from cradle to grave.

20 HEARING OFFICER: If you give me a
21 copy I will admit it as an exhibit at the end
22 of the hearing.

23 MS. CLAYBORN: Thank you. One of
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1 the reasons that we have been looking at coal
2 as such an important issue to the Sierra Club
3 is because of the CO2 emissions that come from

4 a coal fire power plant. We believe that the
5 Illinois EPA must consider carbon dioxide in
6 this permitting process. The US Supreme Court
7 ruled in 2007 that carbon dioxide is a
8 pollutant under the Clean Air Act, and now a
9 court in Georgia has tossed out a permit for a
10 proposed coal plant because the state agency
11 did not consider technologies for limiting
12 carbon dioxide or include any carbon dioxide
13 limitations in the permit. The same argument
14 is pending in jurisdictions all across the
15 country, and it will be in this case, too,
16 unless Illinois EPA steps up and examines
17 limiting carbon dioxide emissions from MGP's
18 proposed coal boiler.

19 We've seen across the United States
20 and Kansas, the state denied a coal fire power
21 plant due to CO2 emission, and it was actually
22 the health department that did that, because
23 they saw CO2 as a health issue, that CO2 was

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1 causing global warming, and therefor causing
2 health issues for the public. The rate of the
3 increase in heat across the globe increases
4 vectors such as COs and help warrant vector --
5 increase in the vector diseases that come from
6 those types of bugs.

7 We also believe that in the future
8 there will be CO2 regulation. So any type of

9 economic gain from switching from natural gas
10 to coal actually is not considering the cost of
11 future CO2 regulation. We believe, and I
12 believe it's a consensus that the CO2 as a
13 pollutant will be regulated in the near future.
14 There will be some sort of cap in trade, some
15 sort of CO2 tax, because it is the number one
16 source of global warming pollution. And coal
17 happens to be the number one source of CO2 in
18 the United States. So we believe that that
19 cost should be considered in the economic
20 feasibility study of this permit process.

21 We are also concerned about the
22 levels of mercury that might be coming out of
23 this power plant, and I was wondering -- I was

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1 looking at the permit and trying to compare the
2 limit of mercury in this permit compared to
3 what the Illinois Mercury Rule is for electric
4 generating units, and I'm not sure I can
5 understand the comparison. Can you guys
6 clarify that for me? How does that compare to
7 the Illinois Mercury Rule?

8 MR. ROMAINE: The limit is a limit
9 that's set from industrial boiler based on the
10 new source performance standard that USEPA
11 adopted for industrial boilers. That limit has
12 subsequently been struck down by the courts,
13 but we believe it's an appropriate limit to
14 apply to industrial boilers. That limit is not

15 as stringent as the limits that are set under
16 Illinois law rules for power plants, which are
17 much larger sources than this proposed boiler.

18 MS. CLAYBORN: My understanding is
19 that each unit over 25 megawatts would be
20 covered by the Illinois Mercury Rule. And if
21 memory serves, this would be a boiler at 22
22 megawatts. So it seems to me that it's pushing
23 right up to that threshold of when it would

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1 have to start being regulated if it was an
2 electric generator unit.

3 MR. ROMAINE: Most of our coal fire
4 boilers in Illinois that are in the range of
5 200 to 600 megawatts. So still a very small
6 boiler, when you treat it as a coal fire power
7 plant.

8 MS. CLAYBORN: Okay. I just want to
9 make a point, though -- I just want to make a
10 statement for the record, that in Illinois
11 Mercury Rule, if electric generating unit is 25
12 megawatts or larger, it has to comply with the
13 Illinois Mercury Rule. And I think that a
14 boiler of this size, that it is so close to it
15 being in that range of what needs to be
16 regulated by the Illinois Mercury Rule, it
17 should be considered.

18 The reason I'm pushing on this is
19 because Mercury, as it gets into our waterways

20 and it bioaccumulates in fish, if it's consumed
21 by people in the local area, they most likely
22 will have higher levels of mercury. This is
23 especially bad for women who are pregnant, or

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1 for children, and it can cause neurological
2 damage if it is such a high level that they are
3 consuming. So I do think this is an interest
4 of public health, to make sure that the mercury
5 levels are coming out of this plant, especially
6 considering the existing plant is a natural gas
7 plant, and it's emitting zero, if any. I'm not
8 sure how much mercury is -- I don't think any
9 comes out of a natural gas boiler. But the
10 increase obviously it's all going to be brand
11 new mercury that's going to the air if they
12 switch from natural gas to coal.

13 I was also wondering if MGP products
14 is receiving any Illinois grant money or
15 federal grant money for this project?

16 MR. ROMAINE: I don't know the
17 answer to that. Does MGP wish to answer that
18 question?

19 MR. WILBUR: Sure. MGP will be
20 requesting some special finance help to the
21 coal board. But I would also like to correct a
22 statement. The maximum capacity of our
23 generator, which is set by the steam that we

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1 use, will be 18 megawatts, which is
2 significantly below the 25 megawatts.

3 HEARING OFFICER: Thanks.

4 MS. CLAYBORN: I just also want to
5 point out that while we believe -- we are very
6 strong supporters of cogeneration, and MGPs
7 pointed out that this new coal boiler will be a
8 cogeneration site. The existing natural coal
9 boiler -- or the existing natural gas boiler is
10 also a cogeneration boiler, from my
11 understanding, and therefore, what they're
12 using right now is cleaner and maybe not more
13 efficient if it's an older boiler, but it's
14 already being cogenerated, so I just wanted to
15 make that point, that they are using
16 cogeneration, it's not an upgrade.

17 I'm also very concerned about the
18 cumulative effects of this relatively small
19 boiler. Adding more coal pollution in this
20 area where there's very large sources of coal
21 pollution. There's definitely going to be an
22 increase in their pollution if you compare
23 their -- their permit limits, it's obvious that

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1 there is more pollution coming out of their
2 proposed plant than their existing plant. We
3 would like to encourage them to continue to use
4 natural gas as a cleaner form of energy for

5 their steam. Not only because it's just a
6 better fuel in terms of carbon dioxide
7 emissions, soot, smog, mercury pollution, but
8 also it's better for the community. We believe
9 that the company is going to be saving money
10 and benefitting from switching to a lower cost
11 -- what they believe is a lower cost fuel, when
12 they switch to coal, but that's just going to
13 switch the burden of cost to the public with
14 more health cost on them. And it's adding to
15 the global warming concerns of our globe, and
16 it's adding to our cost as humanity to have to
17 deal with global warming emission. So we'd
18 like to urge them to -- and we'd like to urge
19 Illinois EPA to reconsider the fuel source and
20 ask them to stick with natural gas.

21 And I am concerned, especially about
22 this use of coal tailings. I've never
23 experienced a boiler that's using coal

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1 tailings, and I'm wondering if in the emissions
2 calculation, if the amount of energy that comes
3 out of coal tailing seems like it would be less
4 energy and more pollution, because it seems to
5 me like there would be more dirt and rock mixed
6 in with that coal. How does the Illinois EPA
7 -- how do you guys look at that and determine
8 what kind of pollution might be coming out of
9 those fuels?

10 MR. ROMAINE: The difference in the
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11 quality of the fuel you mentioned is addressed
12 as the emission limits are expressed in terms
13 of the amount of emissions per million B.T.U.
14 of heat input to the boiler. So it's on an
15 energy input basis, it's not expressed per ton
16 of fuel, it's per energy value of fuel.

17 MS. CLAYBORN: So the energy value
18 of coal would be different than the energy
19 value of coal tailings?

20 MR. ROMAINE: To the extent that
21 there is a difference, that is factor into the
22 way emission limits are established. So it's
23 not as if the limits are less stringent because

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1 there is a lower quality of fuel, MGP is held
2 to the same emission rate for the amount of
3 energy that's put into the boiler.

4 MS. CLAYBORN: I got you. So it's
5 basically in their hands to make sure it
6 doesn't go over the emissions?

7 MR. ROMAINE: Right. It's obviously
8 in their hands to assure compliance, but in
9 terms of the way the emission limits have been
10 set, it's essentially fuel mutual comparing
11 coal and coal tailings.

12 MS. CLAYBORN: Okay. I have one
13 last question, and it's about the issue of
14 consent decree, that I believe this facility is
15 -- has gone through with the EPA about its

16 ethanol plant in the past, and pollution that's
17 been coming out of that plant, and I believe
18 they're under consent decree to clean that up,
19 and I am wondering if you know the status of if
20 it's cleaned up now, if they're still in the
21 process of fixing that problem, and how this
22 additional pollution affects that problem?

23 MR. ROMAINE: It's my understanding
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1 that -- that the noncompliance issues that were
2 addressed by that consents to decree have been
3 resolved, and there was a problem with an
4 existing feed dryer at the plant. The final
5 new feed dryer was installed last summer, it
6 was tested in October, and shows compliance.
7 So my belief -- obviously I'm in the permit
8 section, I don't deal with the day-to-day
9 enforcement. But it's my understanding that
10 those matters have been resolved. Is there
11 anything more you would like to add to that,
12 Mr. Wilbur?

13 MR. WILBUR: No.

14 MS. CLAYBORN: Thank you. I'd like
15 to say one last thing. I'd like to thank the
16 Illinois EPA very much for holding this public
17 hearing. Thank you MGP Ingredients for
18 requesting the hearing so that the public did
19 have an opportunity to give their opinion, and
20 the Sierra Club will be submitting professional
21 expert comments on this issue within the time

22 limit. Thank you very much.

23 HEARING OFFICER: Thank you. Our
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1 next speaker is Tiffany Spann.

2 MS. SPANN: My name is Tiffany
3 Spann, S-p-a-n-n. As to what Becky was talking
4 to you about with your -- with the ethanol
5 plant, I'm a summer intern, and I just found
6 that quite interesting that just recently that
7 they had an issue with their ethanol emissions
8 and then now it was supposed to be resolved, as
9 you just stated, but now we're going from
10 natural gas to emitting coal. It seems like an
11 ongoing revolving door. One minute we're
12 efficient and the next minute we're not, and
13 now we're back to making another change. I
14 mean, how do you -- I guess my question is, is
15 since it was already resolved with the ethanol
16 with the emissions, why -- how do you guys
17 figure -- well, how do you guys go from --
18 going from an already natural gas to coal? It
19 just doesn't add up to me. It seems like an
20 ongoing revolving door to me. I just found it
21 pretty amazing. So exactly what was -- how was
22 it resolved as far as with the ethanol
23 emissions?

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1 MR. ROMAINE: The dryer that was
2 installed didn't work properly. There were
3 negotiations back and forth for a period of
4 time. These negotiations were actually
5 coordinated by both the USEPA and the Illinois
6 EPA. The ultimate resolution was that MGP
7 would replace its existing feed dryer, the one
8 remaining feed dryer, with a new feed dryer
9 system that could comply with the applicable
10 limitations.

11 MS. SPANN: Okay. Was it replaced?
12 Has it been replaced?

13 MR. ROMAINE: Yes.

14 MS. SPANN: So what we're at here
15 now, it's not because of an existing problem
16 with emissions, it's just wanting to
17 reconstruct because natural gas is too high to
18 use? Is that -- I'm just trying to see what a
19 logical reason is for even switching from
20 natural gas to coal. Is it because it's an
21 economical issue because it costs too much and
22 now we can go to coal because it's cheaper?
23 I'm just trying to --

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1 MR. ROMAINE: I'd like to make one
2 comment. I wouldn't necessarily say that coal
3 is as cheap as it would initially appear.
4 Obviously, as MGP explained, when you're
5 burning coal, you have to have a substantial
6 investment in the emission control systems that

7 go along with running coal. You simply do not
8 burn coal in the same manner that you burn
9 natural gas. MGP has come to us with a project
10 where they're proposing that they are prepared
11 to make that investment in the overall capital
12 needed to properly burn coal. We have looked
13 at that application. Our preliminary reviews
14 that the application shows that the project
15 would comply with applicable requirements. If
16 there are further comments behind the
17 motivation for the project, those really should
18 be directed to Midwest Grain. They are the
19 developer of the project.

20 MS. SPANN: I just want to know what
21 was the logical reason for switching from
22 natural gas to the natural coal, was it an
23 emissions problem, or why -- why switch to

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1 coal?

2 MR. WILBUR: As I explained in my
3 presentation, number one, our present steam
4 supply agreement is ending, and that the
5 company has no interest in extending that. So
6 we must do something, and clearly the economics
7 of coal are driving us to do this, to be
8 competitive with our major competitors. And so
9 the first reason is, we have to do something.
10 We don't have an alternative.

11 MS. SPANN: Okay. So you can't stay

12 with natural gas, is that what it is, because
13 it's too --

14 MR. WILBUR: We have to do
15 something. We can't stay with the existing
16 operation, because it's -- that contract
17 expires, and so --

18 MS. SPANN: Is there another
19 contract that does natural gas so you can --

20 MR. WILBUR: Well, and then I said,
21 since we're going to build something, coal is
22 clearly the things that will make our plant
23 continue to be viable.

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1 MS. SPANN: Okay. Thank you.

2 HEARING OFFICER: Thank you. Our
3 next speaker is Joyce Blumenshine.

4 MS. BLUMENSHINE: Good evening, my
5 name is Joyce Blumenshine,
6 B-l-u-m-e-n-s-h-i-n-e. I live up river, and up
7 wind, in Peoria, Illinois, and contrary to
8 sellers of grain or corn, I don't have three
9 sources for my air, I have one source for my
10 air to breath, and that's the air for this
11 Illinois River Valley, which this plant will
12 add pollution to. I'm opposed to this permit,
13 because I am very concerned about added
14 particulates, for more soot and smog, and other
15 concerns about air pollution.

16 I was very interested in the MGP
17 folder, and I appreciate the company providing

18 us with this helpful information. The cover
19 says that you are creating better solutions
20 naturally. I'm sure that means your products,
21 but I would hope that your company, and I would
22 ask to challenge your company to create better
23 solutions to this current situation, either by

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1 Looking for other sources for natural gas, or
2 other energy alternatives that are cleaner and
3 more assured for long-term sustainability for
4 all of us, and for future generations in this
5 river valley. I am the Illinois Sierra Club
6 mining committee chairperson. I'm a volunteer
7 with Sierra Club. I noticed on the listing
8 that some of your coal will come Polk County,
9 the Buckhart mine, that's up above the river
10 bluff. The source from coal should be a major
11 concern for not only your company, but for the
12 IEPA, and every one of us that uses any
13 products. Buckhart mine involves an area that
14 has no archeological artifacts, there are other
15 areas across the river here that are being
16 considered for mining permits that are totally
17 inappropriate places. I realize that's not
18 what we're here about, but what I am saying is
19 that coal is no longer an acceptable source.
20 It is not a clean energy source. It's not
21 clean from the source where we get it from the
22 ground in many places, and in southern Illinois

23 there are hundreds of thousands of acres of
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1 prime farm land at risk, which means our water
2 resources and food resources will be at risk.
3 So I encourage the IEPA to please look at the
4 overall impacts to our air in this community,
5 not only here in Pekin, but up river for the
6 hundreds of thousands of people that will be
7 impacted up wind from this plant, and also to
8 the gentleman from MGP, please look at really
9 creating better solutions with your decision
10 making for your energy future for your plant.
11 And I thank the company and IEPA for the
12 opportunity to speak.

13 HEARING OFFICER: Thank you. Our
14 next speaker is Verena Owen.

15 MS. OWEN: Good evening. Thank you.
16 I would like to offer first, that if there's
17 someone else who would like to talk, that I
18 would step aside and wait until they have their
19 chance to speak.

20 HEARING OFFICER: Actually, we go in
21 order of submission of registration cards. But
22 can you spell your name for us, probably your
23 first name, too, since it's --

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1 MS. OWEN: I can spell my first name
2 because my last name is a little bit easier.

3 It's V-e-r-e-n-a, O-w-e-n. And good evening
4 again. And thank you for this opportunity to
5 address you, and thank you for MGP being here
6 at this address. I really appreciate that.
7 I'm the Illinois chapter clean air campaign
8 chair. We have taken an interest in global
9 warming. Yesterday the Wilkins ice shelf
10 collapsed. That's in Antarctica. It's winter
11 there, it shouldn't have happened. Global
12 warming is a serious issue. I think we are all
13 doing our part to the extent that we can to
14 alleviate global warming emissions. Be it that
15 you can all switch from regular light bulbs to
16 the curlycue things, to driving your hybrid, or
17 use public transportation, but unfortunately
18 that's not going to be enough to reduce
19 greenhouse gas emissions that we need to be
20 able to stop our planet from melting.

21 I am a volunteer for the Sierra
22 Club. I serve as a volunteer advisor to Sierra
23 Club's natural coal campaign. Becky talked a

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1 little bit about the coal campaign. What we're
2 really trying to do is to power our grass roots
3 to fight for a cleaner future and for a cooler
4 future. And after listening to all the
5 wonderful speakers here today, I'm very
6 encouraged.

7 We also have an internship program

8 at Sierra Club, Tiffany, who we all remember
9 her, was so nervous that she forgot to
10 introduce herself as one of our inters, so I
11 promised her I would mention that.

12 I listened with interest to the
13 company's presentation, and yes, they pretty
14 much controlled SO2 and particulate matter, but
15 isn't the company required to do that?

16 MR. ROMAINE: Yes.

17 MS. OWEN: Just making sure that
18 this is not a voluntary thing. Interestingly
19 enough, however, control of greenhouse gas
20 emission wasn't mentioned. We don't even know
21 how much they're going to emit. There was no
22 mention of how the company thinks it could
23 mitigate greenhouse gas emissions. And I would

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1 really encourage you to think about it. And I
2 very politely disagree with Mr. Romaine, I
3 happen to believe that CO2 is a real problem,
4 but we don't need to be argue here. Becky
5 talked about Kansas, and the fact that the
6 Kansas Health Department made the finding that
7 greenhouse gas emissions and dangers impact the
8 citizens. It's almost ironic that MGP
9 headquarters are located in Kansas.

10 I have a few questions. How much
11 ethanol does MGP produce a year?

12 MR. ROMAINE: I don't have that
13 number handy.

14 MR. WILBUR: 80 to 90 million
15 gallons a year.

16 MS. OWEN: Okay. So basically the
17 same size as a dozens of other ethanal plants
18 in Illinois, none of which are coal fired.
19 They're all gas-fired, and they seem to be able
20 to make a profit and produce ethanol. So it's
21 interesting. I don't know what they know that
22 you don't know, but I just thought it was
23 striking that you would be the first one to

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1 decide to burn coal, when everybody else sees
2 the benefit, not only environmental benefit,
3 but also economic benefit to burn gas.

4 I don't know much about natural gas
5 prices anymore. But I do know about coal
6 prices. I was just curious, because some of
7 the statements in the project summary, I found
8 it a little bit puzzling. There's something
9 that says, the increase and volatility of cost
10 of natural gas and the US government has a web
11 cite that's called the Energy Information
12 Agency. It's the kind of information that's
13 available if you go look. And they have a
14 chart that gave the cost of natural gas from
15 2005 to 2008. I believe for -- it may have
16 been commercial delivery or industrial
17 delivery, and public had a better price. And
18 the price ranged from \$11.43 in '05, to 11.99

19 in '06, to 11.31 in '07, and 11.54 in '08. It
20 doesn't seem to me to be really highly volatile
21 costs for natural gas. I do follow coal prices
22 very closely, and for comparison, in 2006, the
23 end of 2006, the cost for Illinois based coal

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1 was about \$34. It is now 70. That's an
2 increase, and that's volatility. If you look
3 outside of Illinois it increases even more,
4 from \$40 to 130.

5 I have a question for Illinois EPA.
6 Did you -- or do you have to consider cleaner
7 fuels before you issue a permit like that?

8 MR. ROMAINE: My understanding is
9 that is appropriate in this circumstance. It's
10 part of the BACT determination.

11 MS. OWEN: So that was a yes?

12 MR. ROMAINE: Yes.

13 MS. OWEN: Thank you. I think
14 lastly I'm go to end this, I heard the
15 community concerns about air quality. And
16 looking at your air model, I can't say what my
17 concerns are about that. The SO2 admission
18 rate butts right up in significant impact. This
19 is 4.93, and in my view, that's not enough of a
20 safety margin, and I think the Pekin area
21 deserves better. So I would suggest that the
22 model be -- I don't know what you can do about
23 it, but I'm not confident that there isn't any

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1 significant impact with such a low safety
2 margin.

3 That's all I have. Thank you very
4 much for your time.

5 HEARING OFFICER: Thank you. The
6 next speaker is Clint Hayes.

7 MR. HAYES: Thanks for having me
8 here. Clint Hayes, H-a-y-e-s. I am a United
9 Food Commercial worker, and also an employee of
10 MGP Ingredients. Dave -- Mr. Wilbur, has
11 basically touched everything that I was going
12 to say. But I'll give an answer to a
13 gentleman's question about what's good for
14 Pekin. 140 jobs down there at the plant, 87 of
15 them are union workers. We don't do anything
16 that hurts Pekin. I'm a tax payer. That's a
17 revenue leaving Pekin, Illinois. Also probably
18 the state of Illinois. And I actually enjoy my
19 job, and I would like to keep my job. That
20 helps out Pekin.

21 Also, we've talked about pollution.
22 I've got a gentleman here that has -- I can't
23 tell you how many grand kids that he has. I

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1 have a daughter, a 14-year-old. If I didn't
2 think it was safe, I wouldn't be up here saying
3 that I approve this, or the union approves

4 this. So I'm also -- I guess to answer your
5 question, we also back up this coal boiler.

6 A couple other things that Dave --
7 Mr. Wilbur touched on. All of our shut downs,
8 or maintenance work is union contractors. That
9 creates jobs in Pekin. It's also -- as a union
10 official, we have to represent the union. So
11 between maintenance, contractors, the minors --
12 coal minor are also union, we back them up.
13 That's also jobs in Illinois for coal minors.
14 And finally, we have our own coil -- coal
15 boilers, excuse me, creates jobs in Pekin,
16 which is also a plus. Which we hope that some
17 day there will be union jobs for the UFCW Local
18 48. Thank you for your time.

19 HEARING OFFICER: Thank you. Our
20 next speaker is Tom Edwards.

21 MR. EDWARDS: I brought this along
22 with me. Big ethanol plant, big stink.
23 Madison, Wisconsin newspaper a couple weeks --

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1 two or three weeks ago. I brought it to show
2 you that there are problems with ethanol
3 plants. I'll give you a copy of this, too
4 afterwards. Fortunately we don't have too much
5 of that. We used to have one with EDM over in
6 Peoria, a big stink. For a long time a lot of
7 mockery was made of it. They finally got rid
8 of it. That's not really why I came here, I
9 thought it would be just a little ad lib there.

10 Pekin is already funded -- we had
11 one person here talked about not being over the
12 threshold of 25, or was it a million or
13 something, or threshold of 25 to a certain
14 level. Next door to the Pekin plant, the Pekin
15 MGP plant, is Edmonds. If you put the two of
16 them together, the two plants right together,
17 they're both over. That adds up as much for
18 one plant doing it, or two plants doing it.
19 Pekin is already fronted on three of the
20 Illinois river sides by large burning -- coal
21 burning electric power plants on the river.
22 The fourth coal burning entity is right in
23 Pekin. Now this would be right in Pekin, too,

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1 coal burning, plus the location of a new
2 ethanol plant right across the river from the
3 Pekin plant -- Pekin MGP plant. That's huge
4 concentration of plants in one area that are
5 producing ethanol, and the rest electricity.
6 And I asked somebody in EPA the other day, do
7 you have a monitoring facility here for air
8 pollution in Pekin. And he said he doesn't
9 know of any. So unless you do, I'll go on the
10 basis that you don't. Peoria has three
11 monitoring facilities. I guess I should ask,
12 do you have a facility, air pollution
13 monitoring facility?

14 MR. ROMAINE: We have a monitoring

15 facility in Pekin for sulfur dioxide, which is
16 the concern for air quality in Pekin.

17 MR. EDWARDS: Where is that
18 facility?

19 MR. ROMAINE: I can give you this at
20 the end. At fire station number three, at 272
21 Derby.

22 MR. EDWARDS: Okay. I don't know
23 where that is, but I hope it's catching the --

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1 doing the monitoring. How is it coming out, is
2 it showing anything?

3 MR. ROMAINE: It shows that it has
4 levels that are of concern to us, but it does
5 comply with the air quality standard. At this
6 point our principal concern for it is not the
7 coal fired power plants, it's Aventine's
8 operations, which has as a wet mill processor
9 to emissions, and it also has coal fired
10 boilers. At this point in time it don't have
11 any scrubbers.

12 MR. EDWARDS: I thank you for a very
13 good answer. In other words, we will be over
14 those limits in this new plant. I called
15 Aventine today.

16 MR. ROMAINE: Well, in fact, that's
17 only half of the picture. There are efforts
18 underway that are moving forward to reduce SO2
19 emissions at the Midwest Generation Powerton
20 station. There's probably going to be some

21 overlap between the decreases and the
22 increases. So on that basis, I would say that
23 the SO2 in the area is probably going to go

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1 down. When we said that the SO2 emissions
2 don't have a significant impact, that really
3 means that the modeling shows that this
4 proposed plant would have trivial levels of air
5 quality impact, and that the air quality would
6 essentially be the same with or without the
7 proposed boilers operating on Midwest Grain.

8 MR. EDWARDS: Thank you for that
9 answer, too. I think way disagree a little bit
10 as to the accumulation. You've got six major
11 plants right now in the Pekin area all venting
12 SO2 to a smaller degree. And SO2, of course,
13 is acid rain. I understand that MGP is not
14 effected by acid rain provisions of the Clean
15 Air Act. Sulfur is the prime cause of it. So
16 basically you're contributing the possibility
17 of that in this area. Do you want to say
18 something to that?

19 MR. ROMAINE: Well, I think the it's
20 appropriate to examine the levels of emissions.
21 Currently based on our inventory, there are
22 approximately 35,000 tons of SO2 emissions in
23 Tazewell County. As you can see, the

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1 additional emissions that are even permitted
2 are a fraction of those current emission
3 levels. On that basis the SO2 air quality
4 should change significantly. As noted, the
5 focus to improve air quality are in reducing
6 emissions from existing facilities that do not
7 have modern controls.

8 MR. EDWARDS: That's good, too. My
9 answer would be, every little bit counts.
10 Pekin area residents are all situated within
11 those three power plants, plus going to be
12 soon, three ethanol plants, one across the
13 river and two here. That's a lot, all in kind
14 of a horseshoe, up wind of the entire city.
15 We'll all be breathing those pollutants from
16 all those plants. If the wind shifts to the
17 west there will be more from Powerton. If it
18 goes to the north, it will be more from EG
19 Edwards plant. If it comes straight from the
20 west it will be the Duck Creek plant, plus all
21 the ethanol plants. That's a lot of pollution.
22 I think we have to take the cumulative effect
23 of all this pollution. We definitely do, I

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1 think. It's our health and welfare to our
2 kids, to our grand kids, to productivity, to
3 our longevity.

4 I think somewhere in the literature
5 it mentions MGP's source of coal is up to three

6 times higher in acidic sulfur. MGP doesn't
7 want to use Wyoming coal because it is more
8 costly. I think ten percent more costly. More
9 expensive and less reliable. However I want
10 point out that we've got massive trains coming
11 through here every day, 110, 120 cars on the
12 train. I counted them. And I'm sure that
13 they've got -- if their meeting standards of
14 power plants, they've got some Wyoming coal. I
15 think the coal is available if they pay a
16 little more money and less polluting coal. I
17 think they need to be required to use cleaner
18 coal, and so should Aventine. Just because
19 it's small, I don't think they should get a
20 pass.

21 Monitory of the plant's ongoing
22 pollution is to be done by, according to your
23 regulations, MGP itself is to report to you

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1 what they find. That's the same thing we've
2 got going on over in the hazardous waste fill
3 in Peoria County, which is the biggest polluter
4 in all the tricounty area. Anyway, I think you
5 guys have got to get in there and do some of
6 that monitoring yourself. When these plants
7 get older, the ability of these facilities to
8 take up things spirals downward. Just like a
9 car, eventually the battery runs down, the
10 carbomotor plugs up, so on and so forth. So I

11 think that's big. Constant attention, how much
12 is actually going out.

13 I mentioned decrease in air
14 pollution. MGP made a big point that the
15 facility's going to install and control air
16 pollution. I think I talk about fail safe
17 technology. We're a long way from that. As it
18 degrades there will be emission. Pekin's
19 present -- like I mentioned already, when I
20 mentioned all the other power plants, Pekin's
21 overall ambient air quality is not address.
22 You don't have that in your resume of this
23 whole thing. The EPA has no devices in place,

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1 except this one you mentioned. I called the
2 EPA and they couldn't tell me of any. We need
3 those. We've got three in Peoria. There's one
4 on top of the Commercial National Bank
5 building, far away from where they're supposed
6 to be.

7 I don't think I mentioned this yet
8 let me check my list here. USEPA's last toxic
9 release inventory showed Peoria County as
10 having by far twice the amount of Chicago, by
11 the way, the highest toxic release inventory in
12 Illinois, and the 15th highest in the nation.
13 We can't divorce counting across the river from
14 that total. We are way up there. It's toxic
15 produced from hazardous waste landfills. Over
16 24 times higher than ADM over there, which is

17 also an ethanol producing plant in Peoria.
18 We've got one, two, three, four ethanol
19 producing plants. Huge number.

20 I think I talked long enough. I'll
21 be writing to you also expanding on what I
22 said. Thank you.

23 HEARING OFFICER: Mr. Edwards, would
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1 you be providing us with a copy of those
2 articles tonight, or would you be mailing it?

3 MR. EDWARDS: I'll do it right now.

4 HEARING OFFICER: Okay.

5 MR. EDWARDS: I didn't mention
6 mercury yet, but boy, oh, boy, a little bit of
7 mercury adds up to a lot, and we don't have any
8 mercury levels from any power plant that I've
9 seen so far. You don't see it listed as being
10 out there. As volatile as all get out. It's a
11 metal, it's volatile. Okay. Thank you for
12 listening to me, by the way. Thank you for
13 your replies. I appreciate it. Thank you for
14 the pretty secretary, too.

15 HEARING OFFICER: I'm the hearing
16 officer.

17 MR. EDWARDS: Well, the state is
18 look up.

19 HEARING OFFICER: But thank you for
20 the compliment.

21 Our next speaker is Dave Tebben.

22 MR. TEBBEN: We must be getting
23 toward the end. I was one of the last ones in
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1 and signing up. My name is Dave Tebben,
2 T-e-b-b-e-n. I need to make it perfectly clear
3 that while -- excuse me. While I currently
4 serve as the mayor of Pekin, I'm here speaking
5 as a private citizen, and in that capacity
6 only. But I do think you need to know that
7 with my experience I have had an extensive
8 experience with the IEPA. I've spent eight
9 years administering the sewage treatment plant
10 on behalf of the city of Pekin. I have spent
11 eight years as mayor, and am currently serving
12 my current term. I have an intimate
13 relationship with the IEPA. Intimate, as in
14 quotes or italics. One of the issues I think
15 that I found very interesting this evening has
16 been very educational for me. It is my --
17 first of all, my dealing with the IEPA
18 indicates that you are the ones that are
19 responsible for enforcing compliance with this
20 and other projects within our community. My
21 experience has been in the past that you take
22 your job seriously. Sometimes zealously.
23 Sometimes to the total aggravation and

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1 frustration of those of us who are subject to
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2 your directive. But all of that is meant to be
3 very complimentary. While it is often
4 difficult, my sense is that you, as the
5 governing body, do your job, and do it very
6 well. I have to tell you that as an individual
7 citizen, I, too, am a lifelong resident of
8 Pekin. I do have children and grand children
9 living in this community. And trust me, I am
10 very, very concerned about air and water
11 quality within this community for a number of
12 reasons. But as we look at the air issue this
13 evening, there are a couple of things that I
14 think need to be identified, at least to my
15 satisfaction, I would like clarification. If I
16 have heard from the comments made, sir, from
17 you about the emissions this evening, that
18 particularly with the SO₂, where we are
19 currently with this plant, by their employing
20 coal to save fuel, but adding the SO₂ scrubbers
21 and the current technology, that the emissions
22 coming from this plant will be no worse, and in
23 some instances, better than under the current

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1 circumstances. Did I understand that
2 correctly?

3 MR. ROMAINE: I don't think so.
4 Obviously there will be more emissions because
5 they're burning coal. What I said was, given
6 the level of control, and the rates of

7 emissions, that there would not be a measurable
8 change, discernible change to the levels in the
9 air quality.

10 MR. TEBBEN: And is it also my
11 understanding that they will have to comply
12 with all of the current standards for air
13 quality, and at the current technology level
14 that -- that this is a new ball game, so
15 they've got to come to the 2008 standards; is
16 that correct?

17 MR. ROMAINE: That is correct.

18 MR. TEBBEN: All right. And I want
19 to speak -- I guess my point is, I, as an
20 individual citizen, I have to trust the IEPA,
21 and the USEPA, and the execution of their
22 responsibilities on my behalf. I want to speak
23 to some of the other issues that I think impact

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1 this community and that need to be considered
2 as a part of whether or not this plant is
3 allowed to continue with their process. Not
4 the least of which is the fact that they have,
5 in fact, as was mentioned earlier, they
6 represent 140 very high quality jobs within
7 this community. They also are a vital resource
8 in the production of ethanol, which we all know
9 on the natural level, is a vital part of our
10 achieving additional energy independence within
11 the United States. We play a part in that role
12 here in Pekin. And MGP certainly plays a very

13 VITAL role in that activity. It's a worthy
14 activity in which they are engaged.

15 I understand that the air quality is
16 clearly what you will be looking at, but we
17 will find other things that I think will
18 benefit in the economy that maybe have not been
19 address. At the least of which this will be
20 cogeneration, to my understanding. I heard
21 them mention that they will no longer be
22 purchasing certain amounts of electricity off
23 of the grid. That reduces the demand for a

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1 product in this community that puts additional
2 pressures on other businesses, and on
3 homeowners. Reducing that demand can only be a
4 positive effect on the existing cost of
5 electricity for us within this region. That's
6 a good benefit, in addition to the jobs. Also,
7 they will be no longer consuming quantities of
8 natural gas. I understand there maybe a
9 reference to that as opposed to the burning of
10 the coal in some minds. But most of us don't
11 burn coal, most of us burn gas. That also will
12 be a decrease in the demand, which should
13 lighten the pressure on demand, and therefore
14 be a price reducing influence for what I pay
15 for my gas to heat my house, and other
16 businesses to do the same. Those are benefits
17 that I think need to be considered in context

1 area, as a result. In the presentation that I
2 was given earlier, in a certain capacity that
3 shall remain nameless at this point, it was
4 also my understanding that that coal -- some of
5 that coal could come in from the local region,
6 which means it creates additional good, living
7 wage jobs within the heart of Illinois.

8 When we look at the impact of what
9 was being proposed, it is significant to this
10 community, in my judgment. They are talking
11 about being able to increase their efficiency.
12 That's something that we need to do in order to
13 preserve our economic viability. I also need,
14 again, to restate, however, that I am placing
15 my confidential in the IEPA, in your ability to
16 do what you do best, and that is to enforce the
17 standards that have been presented to us by our
18 elected officials, both at the state and
19 federal level. I trust you in that capacity,
20 and I would urge you to look at their
21 compliance with your standards very, very
22 carefully. And if they meet those standards as
23 you have established them, because I consider

1 them to not only be fair but very challenging.
2 If they meet those standards, they deserve

3 approval of this permit. If they don't, they
4 don't. Thank you.

5 HEARING OFFICER: Thank you. Is
6 there anyone else who would like to speak
7 tonight? Seeing that there are no further
8 comments, I would like to note that we will be
9 marking certain documents as exhibits, and
10 those will become part of the official record.
11 I would like to confirm, Clayborn, the handout
12 was from you, right?

13 MS. CLAYBORN: Yes.

14 HEARING OFFICER: All right. The
15 notice of public hearing will be marked as
16 Exhibit 1. A copy of the project summary will
17 become Exhibit 2. A copy of the draft permit
18 will be marked Exhibit 3. Exhibit 4 is a
19 handout from the Sierra Club titled, The Dirty
20 Truth About Coal. And Exhibit 5 is a letter
21 from Tom Edwards dated 7/14/08.

22 Seeing that there are no more
23 members of the public with questions or

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1 comments, we will bring the hearing to a close.
2 I would like to again remind everyone that the
3 comment period for the record in this matter
4 closes August 13th of this year. So your
5 written comments must be post marked before
6 midnight of August 13th to be accepted into the
7 record. Copies of the exhibits are available
8 upon request. The time now is 8:54. This

9 hearing is adjourned. I would like to thank
10 you very much for coming out tonight. And I
11 apologize for the heat.

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