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

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

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

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

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

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

I'm going to quickly walk you through a couple of introductory matters. The public hearing is being held under the provisions of the Illinois EPA's Procedures For

Permit and Closure Plan, which can be found in Title 35 of the Illinois Administrative Code, Part 166. Copies of these procedures can be obtained from myself, or upon request, or they can be accessed at our web cite, Illinois Pollution Control Board Act, WWW.IPCB.STATE.IL.US.

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

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

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

Any persons who wants to make oral comments may do so as long as the statements are relevant to the issue that's being addressed at the hearing, and such person has indicates on the registration card that he or she would like to comment. When you first came 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

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

that we want to avoid unnecessary repetition. So if anyone before you has already presented testimony that is contained in either your oral

or written comments, please skip over those issues when you testify. Please remember that all written comments, whether or not you state them out loud tonight, will become part of the official record and will be considered. After everyone has had an opportunity to speak, and provided that time permits, we will allow those who either ran out of time during their initial comments, or have additional comments, to speak once again.

Please note, you can ask to receive a summary of the pub hearing on the registration card. I would also like to direct you to the Illinois EPA web cite where you can find details regarding this draft permit, including our response in this summary. The Illinois EPA's web cite is WWW.EPA.STATE.IL.US. The Illinois EPA's response on the summary will attempt to answer all the relevant questions raised in this hearing, or to submit it to me prior to the close of the comment period. Again, the written record in this matter will close August 13, 2008, therefor I will accept

all written comments as long as they are postmarked by August 13th.

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

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

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

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

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

People who have requested to speak

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

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

MR. ROMAINE: Good evening. My name

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

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

The proposed solid fuel-fired boiler

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

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

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

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

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

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

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

Nitrogen oxides from the boiler

22 would be controlled by a low-NOx combustion
23 system, overfire air, and a selective catalytic

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

1 below the significant impact levels. As the

air quality impacts of the proposed boiler facility would not be significant for PM10, the facility would also be expected to not have significant impacts for PM2.5.

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

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

questions on our proposed action.

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

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

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

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

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

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

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

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

Quick overview of the corporation its self. The company was founded in 1941 in

Atchison, Kansas. That is still our corporate headquarters. We're a fully integrated ingredients company with four plants. The one we're talking about is here in Pekin, Illinois, which was purchased in 1980. Prior to that -- it's been at the site since back in the 1800s, but prior to that it was owned and operated by American Distilling.

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

Our company's mission is to provide 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 flower

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

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

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

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

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

particular product.

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

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

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

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

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

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

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

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

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

In they emissions area, a key here

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

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

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

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

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

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

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

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

Now, in summary, MGP is an

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

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

do.

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

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

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

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

The first speaker tonight is John Adams.

UNIDENTIFIED SPEAKER: (Inaudible.)

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

UNIDENTIFIED SPEAKER: (Inaudible.)

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

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

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

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

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

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

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

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

The proposed facility will utilize state of the art environmentally friendly

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

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

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

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

HEARING OFFICER: So am I.

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

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

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

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

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

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

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

23 primary cause of current global warming. And

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 enormious, 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

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

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

community, it is not good for the children. Thank you.

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

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

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

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

as financial and environmental costs. Thank you.

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

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

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

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

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

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

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

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

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

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

MS. CLAYBORN: Thank you. One of

the reasons that we have been looking at coal as such an important issue to the Sierra Club is because of the CO2 emissions that come from

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I was also wondering IF MGP products is receiving any Illinois grant money or federal grant money for this project?

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

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

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

HEARING OFFICER: Thanks.

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

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

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

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

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

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

MR. ROMAINE: The difference in the

quality of the fuel you mentioned is addressed as the emission limits are expressed in terms of the amount of emissions per million B.T.U. of heat input to the boiler. So it's on an energy input basis, it's not expressed per ton of fuel, it's per energy value of fuel.

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

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

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

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

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

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

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

MR. ROMAINE: It's my understanding

that -- that the noncompliance issues that were addressed by that consents to decree have been resolved, and there was a problem with an existing feed dryer at the plant. The final new feed dryer was installed last summer, it was tested in October, and shows compliance. So my belief -- obviously I'm in the permit section, i don't deal with the day-to-day enforcement. But it's my understanding that those matters have been resolved. Is there anything more you would like to add to that, Mr. Wilbur?

MR. WILBUR: No.

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

22 limit. Thank you very much.

23 HEARING OFFICER: Thank you. Our

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 quit 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?

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

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

MR. ROMAINE: Yes.

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

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

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

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

coal?

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

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

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

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

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

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

MS. SPANN: Okay. Thank you.

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

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

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

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

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

there are hundreds of thousands of acres of

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

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

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

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

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

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

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

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

We also have an internship program

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

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

MR. ROMAINE: Yes.

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

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

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

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

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

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

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

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

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

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

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

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

MS. OWEN: So that was a yes?

MR. ROMAINE: Yes.

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

significant impact with such a low safety margin.

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

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

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

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

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

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

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

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

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

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

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

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

MR. ROMAINE: We have a monitoring

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

MR. EDWARDS: Where is that facility?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HEARING OFFICER: Mr. Edwards, would

you be providing us with a copy of those articles tonight, or would you be mailing it?

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

HEARING OFFICER: Okay.

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

HEARING OFFICER: I'm the hearing officer.

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

HEARING OFFICER: But thank you for the compliment.

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

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

1 frustration of those of us who are subject to

your directive. But all of that is meant to be very complimentary. While it is often difficult, my sense is that you, as the governing body, do your job, and do it very well. I have to tell you that as an individual citizen, I, too, am a lifelong resident of Pekin. I do have children and grand children living in this community. And trust me, I am very, very concerned about air and water quality within this community for a number of reasons. But as we look at the air issue this evening, there are a couple of things that I think need to be identified, at least to my satisfaction, I would like clarification. If I have heard from the comments made, sir, from you about the emissions this evening, that particularly with the SO2, where we are currently with this plant, by their employing coal to save fuel, but adding the SO2 scrubbers and the current technology, that the emissions coming from this plant will be no worse, and in some instances, better than under the current

circumstances. Did I understand that correctly?

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

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

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

MR. ROMAINE: That is correct.

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

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

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

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

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

of the overall project.
No one has mentioned, this is something in the neighbor of a 100 million dollar project. There are a significant number of construction jobs that will be in this economy for a two or three-year period of time,

I am assuming, two-year. Those are jobs right now that, given the weakness of the economy nationally, continue to bolster up the pocket of prosperity that I think the Pekin area and Peoria area is enjoying. Those are things that need to be considered. They don't justify them in and of themselves, but they're elements that are very important to us.
We also -- I heard in the presentation from MGP, it gives them stability in one of their primary costs. And that's being able to understand and to be able to control more definitely what their energy costs are. That means job security. And that, again, is an economic benefit that needs to be put into context, but hasn't been mentioned, and is certainly beyond some of the scope of the others. We haven't talked about the fact that, it's my understanding that that coal would be brought to this plant by the trucking industry. 20 or 25 truckloads per day. There is eight or ten additional jobs that we will be looking at being created as a result -- in this

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

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

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

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

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

MS. CLAYBORN: Yes.

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

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

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

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