

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

BUREAU OF AIR, PERMIT SECTION

IN THE MATTER OF:

Proposed issuance of construction
permit to One Earth Energy, LLC to
construct a new ethanol plant at
1306 West 8th Street in Gibson City.

Public hearing held on Tuesday, the 24th day of
October 2006, at the hour of 7:00 p.m. at the Kruse
Center, 207 N. Lawrence, Gibson City, Illinois.

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1 PROCEEDINGS

2 HEARING OFFICER KUNTZMAN: We do
3 apologize for the late start. We had a little
4 difficulty getting here this evening but I'm glad
5 you all could make it this evening.

6 Let the record show that this
7 is the public hearing before the Illinois
8 Environmental Protection Agency in the matter of the
9 proposed issuance of a construction permit to One
10 Earth Energy, LLC, to construct an ethanol plant to
11 be located at 1036 West Eighth Street in Gibson
12 City.

13 Good evening, ladies and
14 gentlemen. I'd like to welcome you to this
15 evening's hearing. My name is Kim Kuntzman, and I
16 am the hearing officer for this hearing.

17 I will introduce the other
18 representatives of the Illinois Environmental
19 Protection Agency or Illinois EPA at the conclusion
20 of this statement.

21 This hearing is being held by
22 the Illinois EPA, Bureau of Air, Permit Section.
23 The purpose of this hearing is to provide an
24 opportunity for the public to understand and comment

1 on the proposed construction permit to One Earth
2 Energy, LLC, located in Gibson City, Illinois.

3 Any person who wishes to make
4 oral comments may do so as long as the comments are
5 relevant to the issues which are addressed at the
6 hearing and they have indicated they wish to make
7 oral comments on their registration card.

8 When I say oral comments, I am
9 referring just to statements. If you'd like to ask
10 questions, you may also do that.

11 Persons making comments or
12 asking questions will initially be limited to five
13 minutes until everyone who wishes to comment or ask
14 questions has had a chance to speak.

15 If you have lengthy comments
16 to make, please submit them in writing before the
17 close of the comment period, and I will ensure that
18 they are included in the hearing record as exhibits.

19 There are public comment forms
20 at the registration table over here I believe for
21 your convenience if you wish to use these.
22 Otherwise, written comments on 8-1/2 by 11-inch
23 paper will be acceptable.

24 When submitting photographs,

1 data, plans or other documents for the record,
2 please put your name on these for identification.

3 A 30-minute question period
4 will be allowed after the speakers have made their
5 presentation. As hearing officer, I may limit the
6 number of questions per person until everyone has
7 had a chance to speak. The question period may be
8 extended if necessary.

9 Those persons making comments
10 or asking questions are asked to state their name
11 and, if applicable, any governmental body,
12 association or organization they represent for the
13 record.

14 If you are representing
15 yourself only, you can state your name as an
16 interested citizen or resident of Gibson City or
17 other nearby city.

18 Questions asked of the
19 speakers will firstly be framed as a question;
20 second, must be relevant to the subject presented;
21 and third, not repetitious, please.

22 Arguing or dialogue with any
23 speaker will not be allowed. Questions must be
24 directed to the hearing officer, myself, and I will

1 direct a speaker to respond as necessary.

2 The Illinois EPA will listen
3 to all relevant comments and accept all relevant
4 documents or data as exhibits into the record.

5 Once the hearing is adjourned
6 this evening, the hearing record will remain open
7 until November 23, 2006.

8 During this time, all relevant
9 written comments, documents or data will be accepted
10 and entered into the hearing record as exhibits.

11 Please send all written
12 comments, documents or data to the Illinois EPA,
13 Hearing Officer, Subject: One Earth Energy Hearing,
14 1021 North Grand Avenue East, Post Office Box 19276,
15 Springfield, Illinois, zip code 62794-9276.

16 Written comments need not be
17 notarized as to the facts asserted and should be
18 postmarked on or before midnight November 23rd,
19 2006.

20 Copies of the hearing agenda
21 and public comment forms are available for your
22 information at the registration area if you have not
23 received those yet.

24 Anyone who fills out a

1 And now I would like to ask
2 Mr. Romaine to describe the proposed construction
3 permit.

4 MR. ROMAINE: Thank you again for
5 coming this evening.

6 As you're all aware, we're
7 here to discuss an application for a proposed
8 ethanol plant submitted by One Earth Energy. One
9 Earth Energy has proposed to construct a plant to
10 produce fuel ethanol from corn. The plant would be
11 designed to have a nominal capacity of a hundred
12 million gallons per year with the ability to
13 actually produce up to 110 million gallons of
14 ethanol per year.

15 The ethanol will be used as
16 motor fuel. The plant would also have the ability
17 to produce animal feed from the stillage material
18 remaining after the fermentation process. The plant
19 would have facilities to receive raw materials, that
20 is, grain, and ship products, the ethanol and feed,
21 by both truck and rail. Natural gas would be used
22 as the fuel to supply energy for the plant.

23 The proposed plant would use
24 appropriate control equipment for effective control

1 of the various operations of the plant. Filters
2 would be used to control particulate matter
3 emissions from receiving and handling of grain and
4 handling of other dry materials, feed, at the plant.

5 A scrubber would be used to
6 control organic material emissions from the
7 fermentation operation. The organic material laid
8 in water collected by the scrubber would be reused
9 at the plant so it would not be a source of
10 wastewater.

11 Combustion control with
12 natural gas-fired thermal oxidizers would be used to
13 control organic material, carbon monoxide, and
14 particulate matter emissions from the direct-fired
15 feed dryers which are used to convert the wet
16 stillage into the dry feed product.

17 These oxidizers and the
18 direct-fired feed dryers would be equipped with low
19 NO_x burners to minimize nitrogen oxide emissions
20 formed from the combustion of natural gas.

21 The heat energy from this
22 equipment would be recovered with boilers to supply
23 the process steam needed to run the plant.

24 These thermal oxidizer control

1 systems would also control organic material
2 emissions from the distillation operation in which
3 water and ethanol and the beer from the fermenters
4 is separated and the ethanol is purified.

5 As a result of this control
6 equipment and other required control equipment and
7 control measures, the proposed plant is not
8 considered a major source of emissions.

9 The fact that the plant cannot
10 be a major source of emissions is reflected in the
11 draft permit that has been prepared.

12 The permit would also include
13 a variety of requirements to ensure that the plant
14 is properly constructed and operated so as to be a
15 non-major source of emissions.

16 The performance of the
17 principal control systems would have to be tested
18 after construction of the plant is completed. One
19 Earth would have to conduct emissions and
20 operational monitoring and appropriate recordkeeping
21 to confirm that equipment is being properly operated
22 and maintained on a continuing basis.

23 These activities would be
24 overseen by the Illinois EPA which would review the

1 reports submitted by the plant and periodically
2 conduct onsite inspections of the plant.

3 That provides a very brief
4 overview of the proposed plant. I look forward to
5 hearing your comments and questions.

6 Thank you again for coming
7 this evening.

8 HEARING OFFICER KUNTZMAN: I'd now
9 like to ask Mr. Steven Kelly with One Earth Energy
10 to come forward if you'd like to make a statement.

11 MR. KELLY: Thank you very much,
12 and welcome to our community. Sorry you had trouble
13 getting here tonight.

14 Okay. I'd just like to take
15 this opportunity to introduce to you who makes up
16 One Earth Energy. It was a joint effort between
17 five local cooperatives, the first of which is
18 Alliance Grain Company, Fisher Farmers Grain & Coal,
19 Grand Prairie Cooperative, Ludlow Cooperative, and
20 Top Flight Grain, and representing them here
21 tonight, would the board please stand?

22 Okay. Thank you.

23 And along with that group
24 there, I have our project manager, Mitch Dawson.

1 Mitch, you want to stand up?

2 Okay. Thank you.

3 I will start out and give you
4 a brief comment.

5 With the help of a grant from
6 the Illinois Corn Growers Association and the
7 Illinois Corn Marketing Board, we ordered a
8 feasibility study from PRX back in the summer of
9 2005. The study proved to be quite favorable to
10 developing a 100 million gallon ethanol plant.

11 Consequently, in November of
12 2005, we formed a limited liability company as you
13 mentioned tonight, One Earth Energy, LLC.

14 With that in mind, our group
15 set out to align ourselves with the premier
16 contractor in the United States building ethanol
17 plants, and that is Fagen, Inc. Ron Fagen worked
18 exclusively with ICM Technology in a joint effort
19 with them to design and operate within the
20 guidelines of a small emissions polluter.

21 In addition to them, we hired
22 RTP Environmental who helped us in applying for the
23 permit.

24 Our site was chosen based on

1 the availability of corn, access to railroads, a
2 good highway system, access to electricity, and gas
3 as well.

4 We feel positioning ours with
5 the connection of two Class 1 railroads will
6 minimize any traffic congestion. We've worked
7 diligently with the City of Gibson to position
8 ourselves to be a good neighbor to the community,
9 and they have embraced our project to support One
10 Earth because of three items.

11 One, it will be a continuation
12 of the development of its industrial park.

13 Second, it will contribute
14 positively to the real estate tax base.

15 And third, it will be the
16 creation of between 40 and 45 jobs.

17 One Earth Energy will have a
18 positive impact beneficial not only to that local
19 community but to the local corn growers in its
20 consumption of 36 million bushels of corn for the
21 purpose of creating a renewable source of energy.

22 Thank you.

23 HEARING OFFICER KUNTZMAN: Thank
24 you.

1 I'd now like to ask Mr. Daniel
2 Dickey, mayor of Gibson City, to come forward.

3 MAYOR DICKEY: Thank you very much.

4 My name is Dan Dickey. I'm
5 the mayor of Gibson City, and I want to thank you
6 for this opportunity to make some brief comments to
7 support the proposed ethanol plant.

8 Over a year ago, One Earth
9 Energy, LLC, proposed approached the city to see if
10 we had an interest in helping them with the project.

11 We looked at the people behind
12 the project, the scope of the project, the impact it
13 had on our community, and the benefit to the greater
14 good before our council unanimously voted to support
15 the project and granted One earth Energy an option
16 to purchase city land in our industrial park for its
17 use.

18 The people behind this company
19 are the same people who have responsibly managed the
20 large grain elevator in Gibson City. To date, they
21 have maintained a record of being a major employer,
22 taxpayer and good neighbor. That in itself is
23 sufficient reason to seriously look at this project.

24 Given the state of flux that

1 this nation's energy supplies are in, the demand for
2 ethanol as an alternative energy to supplement oil
3 consumption is on the rise. Demand and production
4 are expected to double over the next decade while
5 plants around the country are at capacity.

6 Gibson City is positioned to
7 be part of the future of energy. The necessary
8 water supply is in close proximity, and we are
9 surrounded by incredible grain production, have
10 immense grain storage capacity, offer a stable and
11 educated workforce, and are part of a very efficient
12 railroad distribution system.

13 We are a perfect site for the
14 facility and both support and welcome the project.

15 While we offer the project a
16 perfect site, the project offers us 45 good paying
17 jobs and a sizeable increase in our tax base.

18 Demand for area farmers' grain
19 and good jobs for our citizens make this project
20 very attractive.

21 We believe that the past
22 record of this particular developer, modern
23 facilities and current regulations should result in
24 a plant which will not have any negative impact on

1 our community.

2 In short, the project has
3 received the unanimous support of our city council
4 as well as positive input from our citizens.

5 I urge you to support the
6 proposed project and allow it to move forward as
7 quickly as reasonably possible.

8 Thank you.

9 HEARING OFFICER KUNTZMAN: Thank
10 you.

11 Mr. Mark Lambert from the
12 Illinois Corn Growers Association.

13 MR. LAMBERT: My name is Mark
14 Lambert. I'm the communications director for the
15 Illinois Corn Growers Association and for the
16 Illinois Corn Marketing Board.

17 You mentioned you weren't
18 interested in redundancy and these people obviously
19 have done their homework so I'm going to keep my
20 comments pretty brief and submit the ones I have in
21 writing.

22 As was mentioned previously,
23 the Illinois Corn Marketing Board has been providing
24 grants for operations such as this around the state.

1 efficiently, why they're doing it with minimal
2 environmental impact.

3 I mean, those are the things
4 that really are kind of exciting in what's going on
5 in the industry today.

6 Just the educational job
7 alone, I'm glad to see this hearing going on because
8 the public does have questions. They don't
9 necessarily understand as much as they should about
10 ethanol, but that is changing as these plants are
11 built and as Illinois becomes an even larger ethanol
12 producer.

13 A couple things I will point
14 out. You know, my experience has been with ethanol
15 plants all over Illinois, and one of the best things
16 you can do to become a supporter of these ethanol
17 facilities is actually to drive by one.

18 You know, if you have concerns
19 or fears, drive by one that's already in existence.
20 It will tell you everything you need to know.

21 Most of them are designed in
22 such a way that they are not eyesores. They're
23 landscape. In many cases, you don't even hardly see
24 them from the road. They do everything they can to

1 minimize dust. They are good corporate citizens.

2 One of the other things that
3 occurs and it seems to be happening virtually every
4 place these are built is you see the basis of corn
5 and the prices for corn improve, in many cases as
6 much as 10 to 15 cents a bushel, and that's a very
7 important thing for a community in an area like
8 this.

9 Just to give you an idea of
10 the scale of what's going on in ethanol, the
11 industry has evolved from being basically a cottage
12 industry of 175 million gallons back in 1980, and
13 today we're making over five billion gallons and
14 about 900 million of that in Illinois.

15 I guess one final comment in
16 closing is that it's not just about corn. It's
17 about the local community.

18 The catalyst that's provided
19 in the economy by a plant like this has a lot of
20 positive benefits including about \$65 million
21 annually that's going to be spent on things like
22 water, electricity, labor, administrative services.

23 As you start looking into
24 these plants more and more, you see what they really

1 do mean for the community in terms of local taxes,
2 state taxes, many of which can be invested back into
3 schools in the area, so it really is a win/win
4 situation.

5 With that, I'll submit my
6 comments.

7 HEARING OFFICER KUNTZMAN: John
8 Goldrick with the Community and Economic Development
9 Foundation of Ford County.

10 MR. GOLDRICK: That's
11 G-o-l-d-r-i-c-k; first name John.

12 I am with the Community and
13 Economic Development Foundation. I am the director.
14 I'm here in support of this project, one which will
15 benefit the community, create 45 to 50 direct jobs;
16 heaven knows how many indirect jobs.

17 The facility is ideally
18 located; rail access to five major interstate
19 highways, and to me, one of the major, well, the
20 future of DDGs, dried distiller grains, that's an
21 undeveloped market.

22 The plant itself, ethanol,
23 will create a new market for our farming community.
24 The dried distiller grains, the opportunities are

1 unlimited in my view, and it's a market that should
2 be and will be researched.

3 So very briefly again, we
4 support the effort and hope that you do as well.

5 Thank you.

6 HEARING OFFICER KUNTZMAN: Thank
7 you.

8 Mr. Dan Feezor, questions of
9 our agency?

10 MR. FEEZOR: That's F-e-e-z-o-r.

11 I have a couple questions
12 about the actual permit itself. I notice that most
13 of the pollution thresholds are very close to a
14 hundred tons per year, nitrous oxides being 96.61,
15 carbon monoxide being very close, fall to organic
16 materials in the particulate matter being 98.54.

17 If they were a hundred or
18 over, wouldn't that mean they would be a major
19 source?

20 MR. ROMAINE: Yes, it would.

21 MR. FEEZOR: How do they calculate
22 like, for example, nitrous oxides? Do they use
23 AP 42 to estimate how much emission levels there
24 will be?

1 MR. ROMAINE: The nitrogen oxides
2 are developed based upon design data that the
3 consultant designing the plant has provided for the
4 particular design for this facility.

5 MR. FEEZOR: In the appendix in the
6 application, there appears to be, they submitted
7 some actual nitrous oxides testing, and it appears
8 that there's quite a bit of variability between the
9 three runs. I calculate about 18 percent
10 variability.

11 If you apply that variability
12 to the nitrous oxides, would they not be over the
13 threshold?

14 MR. ROMAINE: No, they would not.

15 Given the nature of emission
16 testing methods, emission tests of the type you
17 described as, you know, addressed in the
18 application, the determination of emissions is based
19 on the average of the three test runs.

20 An individual test run by
21 itself has no meaning that can be relied upon. It
22 may have anecdotal information, but beyond that, it
23 is not something to be relied upon.

24 In addition, the boilers or

1 thresholds in the process to make sure they're not a
2 major source?

3 MR. ROMAINE: That is correct.

4 MR. FEEZOR: I just have one other
5 question.

6 Based upon a hundred million
7 gallons per year, figuring about 3.5 gallons of
8 water usage per gallon of ethanol produced, I
9 calculate about 365 million gallons.

10 Do you know where the water is
11 coming from?

12 MR. ROMAINE: I do not know that,
13 no.

14 Would the gentleman from One
15 Earth like to provide the answer to that?

16 MR. KELLY: This is an Illinois EPA
17 hearing for air permit. It does not concern the
18 water.

19 HEARING OFFICER KUNTZMAN: Right.
20 There will be a separate hearing for the water
21 permit for this facility.

22 MR. FEEZOR: For the actual water
23 intake?

24 HEARING OFFICER KUNTZMAN: I can't

1 speak to that right now. I don't have the
2 information on the hearing.

3 MR. KELLY: Again, this is an
4 Illinois EPA hearing for the air, and there's a
5 separate one for water.

6 HEARING OFFICER KUNTZMAN: Right.

7 If you have information
8 regarding the water usage for this permit, you
9 should address that to the Bureau of Water with the
10 Illinois EPA.

11 MR. FEEZOR: Okay. Thank you.

12 HEARING OFFICER KUNTZMAN: Thank
13 you.

14 Given that was last comment
15 card that we've received requesting opportunity to
16 make oral comments, is there anyone else who would
17 like to make comments or has questions for our
18 agency?

19 With that, since there are
20 apparently no other comments, before I close the
21 hearing, I would like to explain a few things just
22 for your information.

23 If you do wish to submit
24 further comments or questions regarding this

