



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

SEP 25 2012

REPLY TO THE ATTENTION OF:

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Ralph Ramon, Production Manager  
The Andersons Albion Ethanol, LLC  
26250 B Drive North  
Albion, Michigan 49224

Re: Notice of Violation  
The Andersons Albion Ethanol, LLC  
Albion, Michigan

Dear Mr. Ramon:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation (NOV) to The Andersons Albion Ethanol, LLC (you) under Sections 110 and 113(a) of the Clean Air Act (the Act), 42 U.S.C. §§ 7410, and 7413(a), respectively. We find that you have violated the Act and the Michigan State Implementation Plan at your Albion, Michigan facility.

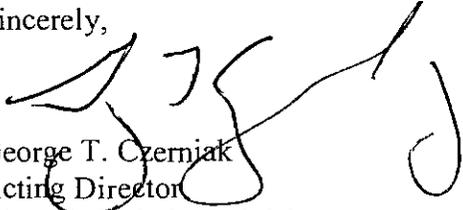
Section 113 of the Act, 42 U.S.C. § 7413, gives us several enforcement options. These options include issuing an Administrative Compliance Order, issuing an Administrative Penalty Order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contact in this matter is Manoj P. Patel. You may call him at 312.353.3565 to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,



George T. Czerniak  
Acting Director  
Air and Radiation Division

Enclosure

cc:

Tom Hess, Enforcement Unit Chief  
Air Quality Division  
Michigan Department of Environmental Quality

Mary Douglas, Air Quality Division Supervisor  
Kalamazoo District  
Michigan Department of Environmental Quality  
7953 Adobe Road  
Kalamazoo, Michigan 49009-5026

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

**IN THE MATTER OF:**

The Andersons Albion Ethanol, LLC  
Albion, Michigan

)  
)  
) **NOTICE OF VIOLATION**  
)  
)

) **EPA-5-12-MI-09**  
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Proceedings Pursuant to  
Section 113(a)(1) of the  
Clean Air Act, 42 U.S.C.  
§ 7413(a)(1)

**NOTICE OF VIOLATION**

The U.S. Environmental Protection Agency (EPA) is issuing this Notice of Violation under Sections 110 and 113(a)(1) of the Clean Air Act (the Act), 42 U.S.C. §§ 7410 and 7413(a)(1), respectively. EPA finds that The Andersons Albion Ethanol, LLC (Andersons) has violated the Act and the Michigan State Implementation Plan (SIP), as follows:

**Statutory and Regulatory Background**

1. On May 6, 1980, 45 Fed. Reg. 29790, the EPA approved Michigan Administrative Code R336.1201 (Permits to Install) and R336.1208 (Permits to Operate) as part of the federally enforceable Michigan SIP and the rules became effective on that same date.
2. The federally enforceable Michigan SIP at R336.1201 provides, in relevant part: “[a] person shall not install, construct, reconstruct, relocate, or alter any process, fuel-burning equipment, or control equipment pertaining thereto, which may be a source of an air contaminant, until a permit is issued . . . This shall be known as a permit to install and shall cover construction, reconstruction, relocation, and alteration of equipment where such is involved.”
3. The federally enforceable Michigan SIP at R336.1208 provides, in relevant part: “[t]he permit to operate continues in effect as long as the equipment performs in accordance with the conditions upon which the permit is issued.”
4. 40 C.F.R. § 52.23 provides, among other things, that a person who fails to comply with any permit condition issued in accordance with a SIP-approved installation permit or with any approved regulatory provision of a SIP is in violation of and subject to an enforcement action under Section 113 of the Act, 42 U.S.C. § 7413.
5. Section 113 of the Act, 42 U.S.C. § 7413, provides that whenever, on the basis of any information available to the Administrator, the Administrator finds that any person has violated or is in violation of any requirement or prohibition of any applicable

implementation plan or permit, the Administrator shall notify the person and the State in which the plan applies of such finding.

### **Facility Background**

6. Andersons owns and operates a fuel grade ethanol dry mill production facility at 26250 B Drive North, Albion, Michigan 49224 (the Facility).
7. Andersons is a "person" as that term is defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e).
8. The Facility includes five fermenters identified as EU-FERMENTER1 thru 5 and a Beerwell identified as EU-BEERWELL. Emissions are controlled by a Fermentation CO<sub>2</sub> Scrubber C-40, a Purge Scrubber C-120 and a Flexible Oxidation Group containing a rectifier column, side stripper, Beer Column, Yeast Tank, and two natural gas-fired dried distillers grains with soluble (DDGS) dryers (identified as Dryer 1 and Dryer 2). All emissions units vent into a thermal oxidizer and waste heat recovery boiler (TO&WHRB) unit C-10. All emissions exhaust to a common stack.
9. The Facility has the potential to emit more than 100 tons per year of nitrogen oxide (NO<sub>x</sub>).
10. On August 30, 2005, the Michigan Department of Environmental Quality (MDEQ) issued to Andersons a Permit to Install (PTI) #120-05 with conditions. PTI #120-05 has been updated and is currently titled PTI # 120-05E.
11. Andersons' PTI #120-05E establishes the following permit conditions:
  - (a) The TO & WHRB Emission Unit (FGOXID Emission Limit 1.4) shall not emit more than 21.20 pounds of NO<sub>x</sub> per hour;
  - (b) The Fermenters Emission Unit (FGFERM Emission Limit 1.2) shall not emit more than 1.30 pound of Acetaldehyde per hour.
12. On July 19, 2011, EPA conducted an inspection of the Facility to assess compliance with the Act.
13. On April 24, 2012, EPA issued a Request for Information to the Facility under Section 114 of the Act, 42 U.S.C. § 7414.
14. On June 5, 2012, Andersons responded to EPA's Request for Information.
15. Based on the information provided, EPA performed calculations using the hourly NO<sub>x</sub> emissions in pounds per million British Thermal Unit (lb/MMBtu) recorded by the continuous emissions monitoring system and hourly natural gas flow measured in MMBtu at the Facility. EPA has determined that, from November 8, 2007 through April 16, 2012, Andersons exceeded its permitted NO<sub>x</sub> emissions limit of 21.20 pounds per hour.

16. The information provided by Andersons included a stack test performed on its Fermentation CO<sub>2</sub> Scrubber C-40 (EU-FERM) on January 3 through 6, 2012. The results of that test indicated that Andersons emitted Acetaldehyde at the rate of 1.45 pound per hour in excess of the permitted limit of 1.30 pound of Acetaldehyde per hour.

**Violations**

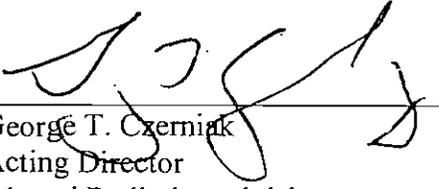
17. Andersons exceeded the emission limit specified in PTI #120-05E, Emission Limit I.4, FGOXID, and NO<sub>x</sub> emissions limit of 21.20 pounds per hour, in violation of Section 110 of the Act, 42 U.S.C. 7410, and the Michigan SIP at Michigan Administrative Code R336.1201 and R336.1208.
18. Andersons exceeded the emission limit specified in PTI #120-05E, Emission Limit I.2, FGFERM, and Fermentation Scrubber C-40 Acetaldehyde emissions limit of 1.30 pounds per hour, in violation of Section 110 of the Act, 42 U.S.C. 7410, and the Michigan SIP at Michigan Administrative Code R336.1201 and R336.1208.

**Environmental Impact of Violations**

19. These violations have caused or can cause excess emissions of NO<sub>x</sub>. Violation of NO<sub>x</sub> standards increases the amount of acid rain and ground level ozone, which could cause respiratory inflammation.
20. These violations have caused or can cause excess emissions of Acetaldehyde. Violation of Acetaldehyde standards may cause or contribute to an increase in mortality or serious illness and is a probable human carcinogen.

Date

9/29/12

  
George T. Czerniak  
Acting Director  
Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent a Notice of Violation, No. EPA-5-12-MI-09, by

Certified Mail, Return Receipt Requested, to:

Ralph Ramon, Production Manager  
The Andersons Albion Ethanol, LLC  
26250 B Drive North  
Albion, Michigan 49224

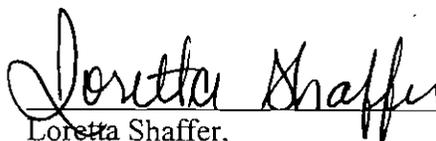
I also certify that I sent copies of the Notice of Violation by first-class mail to:

Stacy Schmidt, Director – HM & E  
The Andersons, Inc.  
480 West Dussel Drive  
Maumee, Ohio 43537

Tom Hess, Enforcement Unit Chief  
Air Quality Division  
Michigan Department of Environmental Quality

Mary Douglas, Air Quality Division Supervisor  
Kalamazoo District  
Michigan Department of Environmental Quality  
7953 Adobe Road  
Kalamazoo, Michigan 49009-5026

On the 26 day of September 2012.



Loretta Shaffer,  
Administrative Assistant  
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7667 6267