



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

MAR 30 2014

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bruce Schwiebert
Technical Manager
POET Biorefining - Leipsic
3875 State Route 65
Leipsic, Ohio 45856

Re: Notice of Violation under 42 U.S.C. § 7413 (a)(1)

Dear Mr. Schwiebert:

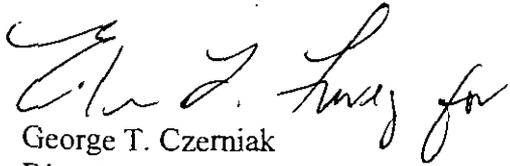
The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation (NOV) to POET Biorefining - Leipsic (POET or you) for violations of the Clean Air Act (the Act) identified at the facility located at 3875 State Route 65, Leipsic, Ohio 45856 (the Facility). The NOV is issued in accordance with Section 113(a)(1) of the Act, 42 U.S.C. § 7413(a)(1).

As explained in the NOV, the EPA finds that POET violated the Act and its implementing regulations at the Facility. Section 113 of the Act, 42 U.S.C. § 7413, gives us several enforcement options to resolve these violations, including: issuing an administrative compliance order; issuing an administrative penalty order; and bringing a judicial civil action.

We are offering POET the opportunity to request a conference to confer with us about the violations alleged in the NOV. A conference should be requested within 10 days following receipt of this notice. A conference should be held within 30 days following receipt of this notice. This conference will provide you a chance to present information on the identified violations, any efforts that you have taken to comply, and the steps you will take to prevent future violations. Please plan for your technical and management personnel to take part in these discussions. You may have an attorney represent you at this conference.

The EPA contact in this matter is Dakota Prentice. You may call him at (312) 886-6761 or email him at prentice.dakota@epa.gov to request a conference.

Sincerely,

A handwritten signature in black ink, appearing to read "George T. Czerniak for". The signature is fluid and cursive, with the word "for" written in a smaller, simpler script at the end.

George T. Czerniak
Director
Air and Radiation Division

Enclosure

cc: Mark Budge
Ohio EPA NW District
Division of Air Pollution Control

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:)

POET Biorefining - Leipsic)
Leipsic, Ohio)

) Proceeding Pursuant to the Clean Air Act,
) 42 U.S.C. §§ 7401-7671q
)

) **EPA-5-14-OH-07**
)
)
)

NOTICE OF VIOLATION

The U.S. Environmental Protection Agency is issuing this Notice of Violation (NOV) to POET Biorefining - Leipsic (POET or you) to notify you that we have found violations of the Clean Air Act (the Act), 42 U.S.C. §§ 7401-7671q and its implementing regulations at the facility located at 3875 State Route 65, Leipsic, Ohio (the Facility). The relevant statutory and regulatory background, factual background, finding of violations, and environmental impact of these violations are set forth in detail below.

This NOV is issued in accordance with Section 113(a)(1) of the Act, 42 U.S.C. § 7413(a)(2), which authorize the Administrator to take certain enforcement actions after notifying a person that it is in violation of the Act. The authority to issue this NOV has been delegated by the Administrator to the Regional Administrator and re-delegated to the Director of the Air and Radiation Division for Region 5 of the EPA.

Relevant Statutory and Regulatory Background

Federally Enforceable State Operating Permit Program

1. EPA promulgated approval of the Ohio Federally Enforceable State Operating Program (FESOP) on October 30, 1995. 60 Fed. Reg. 55200. Ohio's FESOP program became effective on December 29, 1995.
2. The Ohio Environmental Protection Agency (Ohio EPA) has described FESOP permits as Permits-to-Install and Operate (PTIO).

PTIO Requirements

3. Ohio EPA issued a Permit-to-Install, No. 03-17416, to the Facility on May 29, 2008, with an effective date of May 29, 2008 (May 2008 PTI).
4. Emission Unit P007 (P007) Condition A(2)2a.i. of the May 2008 PTI requires the operation of a wet scrubber with a minimum control efficiency of 95% for volatile

organic compound (VOC) emissions at P007 in order to meet Best Available Technology (BAT) control requirements.

5. Ohio EPA issued a Permit-to-Install and Operate, No. P0105657, to the Facility on December 11, 2009, with an effective date of December 11, 2009 (December 2009 PTIO).
6. Condition 2(c)(3) of the December 2009 PTIO states that the maximum annual production of ethanol shall not exceed 69,000,000 gallons.
7. Condition 2(b)(2)a.i. of the December 2009 PTIO requires the operation of a wet scrubber with a minimum control efficiency of 95% for VOC emissions at P007 in order to meet BAT control requirements.
8. Ohio EPA issued a PTIO, No. P0107812, to the Facility on June 27, 2011, with an effective date of June 27, 2011 (June 2011 PTIO).
9. Condition 3(c)(1)(a) of the June 2011 PTIO requires the use of a wet scrubber meeting a minimum control efficiency of 95% for VOC emissions at P007.
10. Ohio EPA issued a PTIO, No. P0109426, to the Facility on June 19, 2012, with an effective date of June 19, 2012 (June 2012 PTIO).
11. Condition 1(b)(1)a. of the June 2012 PTIO states that during downtime of the scrubber VOC emissions shall not exceed 600 pounds per hour (lbs/hr) at P007.
12. Ohio EPA issued a PTIO, No. P0110730, to the Facility on August 23, 2012, with an effective date of August 23, 2012 (August 2012 PTIO).
13. Condition 1(b)(1)a. of the August 2012 PTIO states that during downtime of the scrubber VOC emissions shall not exceed 600 lbs/hr at P007.

Title V Permit Program

14. Title V of the Act, 42 U.S.C. §§ 7661-7661 f, established an operating permit program for major sources of air pollution.
15. In accordance with Section 502(b) of the Act, 42 U.S.C. § 7661a(b), the EPA promulgated regulations establishing the minimum elements of a Title V permit program to be administered by any air pollution control agency. See 57 Fed. Reg. 32295 (July 21, 1992). Those regulations are codified at 40 C.F.R. Part 70.
16. Section 502(d) of the Act, 42 U.S.C. § 7661a(d), provides that each state must submit to the EPA a permit program meeting the requirements of Title V.
17. On August 15, 1995, EPA approved the State of Ohio operating permit program with an effective date of October 1, 1995. See 40 C.F.R. Part 70, Appendix A.

18. Section 502(a) of the Act, 42 U.S.C. § 7661a(a), and 40 C.F.R. § 70.7(b) provide that, after the effective date of any permit program approved or promulgated under Title V of the Act, no source subject to Title V may operate except in compliance with a Title V permit.
19. 40 C.F.R. § 70.6(b)(1) provides that that all terms and conditions in a Title V permit are enforceable by the EPA.

Title V Permit Requirements

20. Ohio EPA issued a Title V Permit, No. P0110380, to the Facility on December 24, 2012, with an effective date of January 14, 2013 (Title V Permit).
21. Condition 4(b)(1)a. of the Title V Permit states that during downtime of the scrubber VOC emissions shall not exceed 600 lbs/hr at P007.

Relevant Factual Background

22. POET owns and operates an ethanol production plant located at 3875 State Route 65, Leipsic, Ohio (the Facility).
23. In 2010, the Facility produced 69,961,242 gallons of ethanol.
24. The Facility describes P007 as “ethanol production,” which includes mash and slurry tanks, fermenters, a beer well, a distillation column, a stripper, a rectifier and an evaporator.
25. Emissions from P007 are controlled by a scrubber and regenerative thermal oxidizer (RTO) in series.
26. Emissions from P007 cannot bypass the scrubber and be routed to the RTO.
27. Periods of downtime at the scrubber result in emissions from P007 being directly vented to the atmosphere.
28. In December 2011, POET conducted a performance test at the scrubber (2011 Performance Test).
29. The 2011 Performance Test identified a VOC loading rate to the scrubber of 763.56 lbs/hr.
30. The VOC loading rate at the scrubber is the VOC emission rate from P007 during periods of scrubber downtime.

31. The following table summarizes scrubber downtime when P007 was in operation.

Year	Scrubber Downtime (hours)
2009	62.8
2010	42.9
2011	47.1
2012	19.2
2013	27.3

Finding of Violations

PTIO Violations

32. POET operated P007 during scrubber downtime from April 1, 2009, through December 10, 2011, in violation of P007 Condition A(2)2a.i. of the May 2008 PTI.
33. POET operated P007 during scrubber downtime from December 11, 2011, through June 26, 2011, in violation of P007 Condition 2(b)(2)a.i. of the December 2009 PTIO.
34. POET operated P007 during scrubber downtime from June 27, 2011, through June 18, 2012, in violation of P007 Condition 3(c)(1)(a) of the June 2011 PTIO.
35. Ethanol production at the Facility in 2010 exceeded 69,000,000 gallons, in violation of Condition 2(c)(3) of the December 2009 PTIO.
36. VOC emissions from P007 exceeded 600 lbs/hr during all periods of scrubber downtime from June 19, 2012, through August 22, 2012, in violation of Condition 1(b)(1)a. of the June 2012 PTIO.
37. VOC emissions from P007 exceeded 600 lbs/hr during all periods of scrubber downtime from August 23, 2012, through January 13, 2013, in violation of Condition 1(b)(1)a. of the August 2012 PTIO.

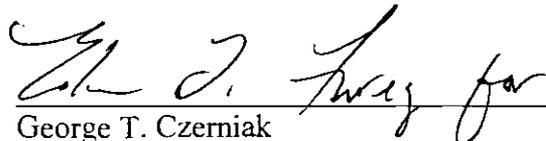
Title V Violations

38. VOC emissions from P007 exceeded 600 lbs/hr during all periods of scrubber downtime from January 14, 2013, through the present, an ongoing violation of Condition 4(b)(1)a. of the Title V Permit.

Environmental Impact of Violations

39. The violations cited above resulted in increased emissions of VOCs. VOCs are photochemical oxidants associated with a number of detrimental health effects, including birth defects and cancer, and environmental and ecological effects. In the presence of sunlight, and influenced by a variety of meteorological conditions, VOCs react with oxygen in the air to produce ground-level ozone.
40. The violations cited above resulted in increased emissions of hazardous air pollutants, particularly acetaldehyde. Acute exposure to acetaldehyde results in irritation of the eyes, skin, and respiratory tract, as well as erythema, coughing, pulmonary edema, and necrosis. Chronic exposure to high levels of acetaldehyde has been linked to effects similar to alcoholism, slight anemia, as well as nasal, trachea and kidney pathology. EPA lists acetaldehyde as a probable human carcinogen.

3/20/14
Date


George T. Czerniak
Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent a Notice of Violation, No. EPA-5-14-OH-07 by Certified Mail, Return Receipt Requested, to:

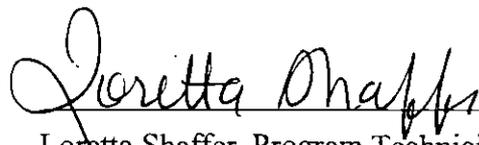
Bruce Schwiebert
Technical Manager
POET Biorefining - Leipsic
3875 ST. RT. 65
Bedford, Ohio 44146

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

Mark Budge
Ohio EPA/DAPC
Northwest District Office
347 N Dunbridge Rd
Bowling Green, OH 43402

Robert Hodanbosi, Chief
Division of Air Pollution Control
Ohio Environmental Protection Agency
Lazarus Government Center
PO Box 1049
Columbus, Ohio 43216

On the 31 day of March 2014.



Loretta Shaffer, Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7670 0658