

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

MOREHOUSE BIOENERGY LLC

AI # 183215

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-AE-22-0039
*
* Enforcement Tracking Nos.
* AE-CN-18-00538
* AE-CN-18-00538A
* AE-CN-18-00538B
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SETTLEMENT

The following Settlement is hereby agreed to between Morehouse Bioenergy LLC (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a limited liability company that owns and/or operates a wood pellet manufacturing facility located in Bastrop, Morehouse Parish, Louisiana (“the Facility”).

II

On June 13, 2019, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-18-00538 (Exhibit 1).

On April 8, 2020, the Department issued to Respondent an Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-18-00538A (Exhibit 2).

On July 20, 2020, the Department issued to Respondent an Amended Consolidated

Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-18-00538B
(Exhibit 3).

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of ONE MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,600,000.00), of which Two Thousand Two Hundred Sixty-Eight and 37/100 Dollars (\$2,268.37) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s), permit record(s), the Consolidated Compliance Order & Notice of Potential Penalty, Amended Consolidated Compliance Orders & Notices of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This agreement shall be considered a final order of the Secretary for all purposes, including,

but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

VIII

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Morehouse Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If

payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

MOREHOUSE BIOENERGY LLC

BY: *MWH*
(Signature)

MAR WHITE
(Printed)

TITLE: Executive Vice President

THUS DONE AND SIGNED in duplicate original before me this 19th day of September, 20 22, at Monroe, Louisiana.



Brittany Layne Stringer
NOTARY PUBLIC (ID # 133554)

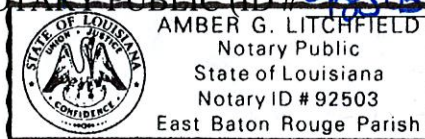
Brittany Layne Stringer
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: *Celena J. Cage*
Celena J. Cage, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 21st day of November, 20 22, at Baton Rouge, Louisiana.

Amber G. Litchfield
NOTARY PUBLIC (ID # 92503)



(stamped or printed)

Approved: *Celena J. Cage*
Celena J. Cage, Assistant Secretary



JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, Ph.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

June 13, 2019

CERTIFIED MAIL (7012 2210 0001 1915 8596)
RETURN RECEIPT REQUESTED

MOREHOUSE BIOENERGY LLC
c/o Cogency Global Inc.
Agent for Service of Process
3867 Plaza Tower Drive, 1st Floor
Baton Rouge, LA 70816

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-18-00538
AGENCY INTEREST NO. 183215**

Dear Sir/Madam:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **MOREHOUSE BIOENERGY LLC (RESPONDENT)** for the violation(s) described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violation(s) cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Antoinette Cobb at (225) 219-3072 or via email at antionette.cobb@la.gov.

Sincerely,

Celesta J. Cagg
Administrator
Enforcement Division

CJC/AFC/afc
Alt ID No. 1920-00018
Attachment



c: Morehouse BioEnergy LLC
c/o Mr. Mike Bellow, CSM-Director of EH&S
7070 Carl Road
Bastrop, LA 71220

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

<p>IN THE MATTER OF</p> <p>MOREHOUSE BIOENERGY LLC MOREHOUSE PARISH ALT ID NO. 1920-00018</p> <p>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</p>	<p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p>	<p>ENFORCEMENT TRACKING NO.</p> <p style="padding-left: 40px;">AE-CN-18-00538</p> <p>AGENCY INTEREST NO.</p> <p style="padding-left: 40px;">183215</p>
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CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **MOREHOUSE BIOENERGY LLC (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates Wood Pellet Manufacturing Facility (the facility), a wood pellet manufacturing facility, located at 7070 Carl Road in Bastrop, Morehouse Parish, Louisiana. The facility operates or has operated under the authority of the following Title V Air Permits:

PERMIT NO.	ISSUE DATE	PERMIT EXPIRATION DATE
1920-00018-V3	01/23/2019	01/23/2024
1920-00018-V2	11/17/2017	12/03/2017
1920-00018-V1	11/14/2014	12/03/2017
1920-00018-V0	12/03/2012	12/03/2017

II.

On or about June 19-21, 2018, the Department conducted a Full Compliance Evaluation (FCE) Inspection to determine the Respondent's degree of compliance with the Act, the Air Quality Regulations, and all applicable permits. Subsequent file reviews were conducted on or about February 5, 2019, and April 29, 2019. While the Department's investigation is not yet complete, the following violations were noted during the course of the inspection and/or file review:

- A. The Respondent failed to comply with the VOC pounds per oven dried ton (lb/ODT) permitted standard of ≤ 0.22 lb/ODT for the Primary Hammermills Pneumatic Systems 1-6 (EQT 0021-EQT 0026). The actual VOC total level was 0.298 lb/ODT. Each failure to comply with the permitted operating parameter for each hammermill is a violation of Specific Requirement 2 of Title V Permit No. 1920-00018-V2, LAC 33:II.501.C.4, and La. R.S. 30:2057(A)(2).
- B. The Respondent failed to comply with the VOC pounds per oven dried ton (lb/ODT) permitted standard of ≤ 0.11 lb/ODT for the Secondary Hammermills Pneumatic Systems 1-3 (EQT 0027-EQT 0029). The actual VOC total level was 0.255 lb/ODT. Each failure to comply with the permitted operating parameter for each hammermill is a violation of Specific Requirement 11 of Title V Permit No. 1920-00018-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- C. The Respondent exceeded the annual hours of operation for Fire Pump Engine (EQT 0019) in 2016 and 2017. The engine is permitted to operate 100 hours per year of which 50 hours is allotted for non-emergency situations. The engine operated for 390 hours in 2016 and 253 hours in 2017. According to the Respondent, the engine operates for approximately 30 minutes each week for maintenance checks (26 hours/year). The engine refills the water holding tank on site when the water levels are low. This was necessary to have enough water on demand for an emergency situation. Each failure to comply with permitted operating parameters is a violation of 40 CFR 60.4211(f), Specific Requirement 80 of Title V Permit No. 1920-00018-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The violation was also reported in the 2018 First Semiannual Monitoring Report dated September 27, 2018, and the 2018 Second Semiannual Monitoring Report dated March 29, 2019.
- D. In the 2016 Second Semiannual Monitoring Report dated March 30, 2017, the Respondent reported a rotary valve malfunctioned due to an incorrect configuration in the frequency drivers and caused the RTO-Chip Dryer, Biomass Furnace, Backup Gas Burner (EQT 0003) to shut down. The RTO was down for 18 hours on October 25-26, 2016. Failure to use and/or diligently maintain a control device in proper working order as required is a violation of LAC 33:III.905.A and La. R.S. 30:2057(A)(2).
- E. In the 2017 First Semiannual Monitoring Report dated September 30, 2017, the Respondent reported the following emission exceedances of the maximum pounds per hour permitted limit:

PERMIT NO. / POLY. NO. / DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (lb/mo or lb/hr)	DATE OF CURRENT TEST	ACTUAL EMISSION RATE (lb/hr) OR QUANTITY (lb/mo)
EQT 0004 Primary Hammermill Feed Silo	Methanol	0.05	March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0004 Primary Hammermill Feed Silo	Formaldehyde	0.11	March 2017	Not reported
			June 2017	Not reported
EQT 0004 Primary Hammermill Feed Silo	Acetaldehyde	0.05	March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0006 Secondary Hammermill Feed Silo 1, Bin Vent	Methanol	0.03	March 2017	Not reported
EQT 0006 Secondary Hammermill Feed Silo 1, Bin Vent	Formaldehyde	0.05	March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0006 Secondary Hammermill Feed Silo 1, Bin Vent	Acetaldehyde	0.03	March 2017	Not reported
EQT 0007 Secondary Hammermill Feed Silo 2, Bin Vent	Methanol	0.03	March 2017	Not reported
EQT 0007 Secondary Hammermill Feed Silo 2, Bin Vent	Formaldehyde	0.05	March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0007 Secondary Hammermill Feed Silo 2, Bin Vent	Acetaldehyde	0.03	March 2017	Not reported
EQT 0008 Pellet Cooler Pneumatic System 1	VOC	0.72	January 2017	Not reported
			March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0008 Pellet Cooler Pneumatic System 1	Methanol	0.02	March 2017	Not reported
EQT 0008 Pellet Cooler Pneumatic System 1	Formaldehyde	0.04	March 2017	Not reported
EQT 0008 Pellet Cooler Pneumatic System 1	Acetaldehyde	0.02	March 2017	Not reported
EQT 0009 Pellet Cooler Pneumatic System 2	VOC	0.72	January 2017	Not reported
			March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0009 Pellet Cooler Pneumatic System 2	Methanol	0.02	March 2017	Not reported
EQT 0009 Pellet Cooler Pneumatic System 2	Formaldehyde	0.04	March 2017	Not reported

EMISSION POINT NO. DESCRIPTION	POLLUTANT	PERMITTED EMISSION RATE (lb/hr)	DATE OCCURRING	ACTUAL EMISSION RATE (lb/hr) OR QUANTITY (lbs)
EQT 0009 Pellet Cooler Pneumatic System 2	Acetaldehyde	0.02	March 2017	Not reported
EQT 0010 Pellet Cooler Pneumatic System 3	VOC	0.72	January 2017	Not reported
			March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0010 Pellet Cooler Pneumatic System 3	Methanol	0.02	March 2017	Not reported
EQT 0010 Pellet Cooler Pneumatic System 3	Formaldehyde	0.04	March 2017	Not reported
EQT 0010 Pellet Cooler Pneumatic System 3	Acetaldehyde	0.02	March 2017	Not reported
EQT 0011 Pellet Cooler Pneumatic System 4	VOC	0.72	January 2017	Not reported
			March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0011 Pellet Cooler Pneumatic System 4	Methanol	0.02	March 2017	Not reported
EQT 0011 Pellet Cooler Pneumatic System 4	Formaldehyde	0.04	March 2017	Not reported
EQT 0011 Pellet Cooler Pneumatic System 4	Acetaldehyde	0.02	March 2017	Not reported
EQT 0012 Pellet Cooler Pneumatic System 5	VOC	0.72	January 2017	Not reported
			March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0012 Pellet Cooler Pneumatic System 5	Methanol	0.02	March 2017	Not reported
EQT 0012 Pellet Cooler Pneumatic System 5	Formaldehyde	0.04	March 2017	Not reported
EQT 0012 Pellet Cooler Pneumatic System 5	Acetaldehyde	0.02	March 2017	Not reported
EQT 0030 Pellet Cooler Pneumatic System 6	VOC	0.72	January 2017	Not reported
			March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0030 Pellet Cooler Pneumatic System 6	Methanol	0.02	March 2017	Not reported
EQT 0030 Pellet Cooler Pneumatic System 6	Formaldehyde	0.04	March 2017	Not reported
EQT 0030 Pellet Cooler Pneumatic System 6	Acetaldehyde	0.02	March 2017	Not reported
EQT 0015 Pellet Storage Silo 1, Bin Vent	Methanol	0.03	March 2017	Not reported
EQT 0015 Pellet Storage Silo 1, Bin Vent	Formaldehyde	0.05	March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0015 Pellet Storage Silo 1, Bin Vent	Acetaldehyde	0.03	March 2017	Not reported

EMISSION POINT NO. / DESCRIPTION	POLLUTANT	PERMITTED EMISSION (Lb/day) (in Max. lb/hr)	DATE OF OCCURRENCE	ACTUAL EMISSION RATE (in lb/hr) OR QUANTITY (in lbs)
EQT 0016 Pellet Storage Silo 2, Bin Vent	Methanol	0.03	March 2017	Not reported
EQT 0016 Pellet Storage Silo 2, Bin Vent	Formaldehyde	0.05	March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0016 Pellet Storage Silo 2, Bin Vent	Acetaldehyde	0.03	March 2017	Not reported
EQT 0021 Primary Hammermill Pneumatic System 1	VOC	2.41	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0021 Primary Hammermill Pneumatic System 1	Methanol	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0021 Primary Hammermill Pneumatic System 1	Formaldehyde	0.05	March 2017	Not reported
EQT 0021 Primary Hammermill Pneumatic System 1	Acetaldehyde	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0022 Primary Hammermill Pneumatic System 2	VOC	2.41	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0022 Primary Hammermill Pneumatic System 2	Methanol	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0022 Primary Hammermill Pneumatic System 2	Formaldehyde	0.05	March 2017	Not reported
EQT 0022 Primary Hammermill Pneumatic System 2	Acetaldehyde	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0023 Primary Hammermill Pneumatic System 3	VOC	2.41	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported

EMISSION POINTS DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (lb./hr./hr.)	DATE OCCURRENCE	ACTUAL EMISSION RATE (lb./hr.) OR QUANTITY (lbs)
EQT 0023 Primary Hammermill Pneumatic System 3	Methanol	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0023 Primary Hammermill Pneumatic System 3	Formaldehyde	0.05	March 2017	Not reported
EQT 0023 Primary Hammermill Pneumatic System 3	Acetaldehyde	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0024 Primary Hammermill Pneumatic System 4	VOC	2.41	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0024 Primary Hammermill Pneumatic System 4	Methanol	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0024 Primary Hammermill Pneumatic System 4	Formaldehyde	0.05	March 2017	Not reported
EQT 0024 Primary Hammermill Pneumatic System 4	Acetaldehyde	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0025 Primary Hammermill Pneumatic System 5	VOC	2.41	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0025 Primary Hammermill Pneumatic System 5	Methanol	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0025 Primary Hammermill Pneumatic System 5	Formaldehyde	0.05	March 2017	Not reported
EQT 0025 Primary Hammermill Pneumatic System 5	Acetaldehyde	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported

EMISSION POINT NO. & DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (lb/day/yr)	DATE OF OCCURRENCE	QUALITY EMISSION RATE (lb/day) OR QUANTITY (T/RS)
EQT 0026 Primary Hammermill Pneumatic System 6	VOC	2.41	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0026 Primary Hammermill Pneumatic System 6	Methanol	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0026 Primary Hammermill Pneumatic System 6	Formaldehyde	0.05	March 2017	Not reported
EQT 0026 Primary Hammermill Pneumatic System 6	Acetaldehyde	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0027 Secondary Hammermill Pneumatic System 1	VOC	2.41	January 2017	Not reported
			February 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0027 Secondary Hammermill Pneumatic System 1	Methanol	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0027 Secondary Hammermill Pneumatic System 1	Formaldehyde	0.05	March 2017	Not reported
EQT 0027 Secondary Hammermill Pneumatic System 1	Acetaldehyde	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0028 Secondary Hammermill Pneumatic System 2	VOC	2.41	January 2017	Not reported
			February 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0028 Secondary Hammermill Pneumatic System 2	Methanol	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported

EMISSION POINT NO. & DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (lb/month/hr)	DATE OF OCCURRENCE	ACTUAL EMISSION RATE (lb/hr) OR QUANTITY (in lb)
EQT 0028 Secondary Hammermill Pneumatic System 2	Formaldehyde	0.05	March 2017	Not reported
EQT 0028 Secondary Hammermill Pneumatic System 2	Acetaldehyde	0.02	January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
EQT 0029 Secondary Hammermill Pneumatic System 3	VOC	2.41	January 2017	Not reported
			February 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
			May 2017	Not reported
EQT 0029 Secondary Hammermill Pneumatic System 3	Methanol	0.02	June 2017	Not reported
			January 2017	Not reported
			March 2017	Not reported
			April 2017	Not reported
EQT 0029 Secondary Hammermill Pneumatic System 3	Formaldehyde	0.05	May 2017	Not reported
			June 2017	Not reported
			January 2017	Not reported
			March 2017	Not reported
EQT 0029 Secondary Hammermill Pneumatic System 3	Acetaldehyde	0.02	April 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported
			March 2017	Not reported
			May 2017	Not reported
EQT 0031 Pellet Loading System Pneumatic System Filter	Methanol	0.05	June 2017	Not reported
			March 2017	Not reported
			May 2017	Not reported
EQT 0031 Pellet Loading System Pneumatic System Filter	Formaldehyde	0.11	March 2017	Not reported
EQT 0031 Pellet Loading System Pneumatic System Filter	Acetaldehyde	0.05	March 2017	Not reported
			May 2017	Not reported
			June 2017	Not reported

Each exceedance of a permitted limit is a violation of Title V Permit No. 1920-00018-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The Respondent submitted a Title V Permit Modification Application to the Department dated August 1, 2016, requesting to modify the permit to reflect the results of the emission tests conducted in February 10-24, 2016. Supplemental permit information was submitted to the Department dated September 12, 2016, September 19, 2016, February 23, 2017, April 5, 2017, June 2, 2017, July 12, 2017, August 8, 2017, and August 16, 2017. Title V Permit No. 1920-00018-V2 was issued on November 17, 2017, increasing the VOC, acetaldehyde, formaldehyde, and methanol permitted emissions.

F. In the 2017 Second Semiannual Monitoring Report dated March 31, 2018, the Respondent reported the following emission exceedances of the maximum pounds per hour permitted limit:

EMISSION POINT NO. / DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (lb/hr)	DATE OF OCCURRENCE	ACTUAL EMISSION RATE (lb/hr)
EQT 0004 Primary Hammermill Feed Silo	Methanol	0.05	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0004 Primary Hammermill Feed Silo	Formaldehyde	0.11	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0004 Primary Hammermill Feed Silo	Acetaldehyde	0.05	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0008 Pellet Cooler Pneumatic System 1	VOC	0.72	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0008 Pellet Cooler Pneumatic System 1	Methanol	0.02	October 2017	Not reported
			November 2017	Not reported
EQT 0008 Pellet Cooler Pneumatic System 1	Formaldehyde	0.04	October 2017	Not reported
			November 2017	Not reported
EQT 0008 Pellet Cooler Pneumatic System 1	Acetaldehyde	0.02	October 2017	Not reported
			November 2017	Not reported
EQT 0009 Pellet Cooler Pneumatic System 2	VOC	0.72	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0009 Pellet Cooler Pneumatic System 2	Methanol	0.02	October 2017	Not reported
			November 2017	Not reported
EQT 0009 Pellet Cooler Pneumatic System 2	Formaldehyde	0.04	October 2017	Not reported
			November 2017	Not reported
EQT 0009 Pellet Cooler Pneumatic System 2	Acetaldehyde	0.02	October 2017	Not reported
			November 2017	Not reported
EQT 0010 Pellet Cooler Pneumatic System 3	VOC	0.72	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0010 Pellet Cooler Pneumatic System 3	Methanol	0.02	October 2017	Not reported
			November 2017	Not reported

EMISSIONS NO. / DESCRIPTION	SUBSTRATE	EMITTED RATE (lb/hr)	DATE OF OCCURRENCE	ACTUAL EMISSION RATE (lb/hr)
EQT 0010 Pellet Cooler Pneumatic System 3	Formaldehyde	0.04	October 2017	Not reported
			November 2017	Not reported
EQT 0010 Pellet Cooler Pneumatic System 3	Acetaldehyde	0.02	October 2017	Not reported
			November 2017	Not reported
EQT 0011 Pellet Cooler Pneumatic System 4	VOC	0.72	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
EQT 0011 Pellet Cooler Pneumatic System 4	Methanol	0.02	November 2017	Not reported
			October 2017	Not reported
EQT 0011 Pellet Cooler Pneumatic System 4	Formaldehyde	0.04	November 2017	Not reported
			October 2017	Not reported
EQT 0011 Pellet Cooler Pneumatic System 4	Acetaldehyde	0.02	November 2017	Not reported
			October 2017	Not reported
EQT 0012 Pellet Cooler Pneumatic System 5	VOC	0.72	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
EQT 0012 Pellet Cooler Pneumatic System 5	Methanol	0.02	November 2017	Not reported
			October 2017	Not reported
EQT 0012 Pellet Cooler Pneumatic System 5	Formaldehyde	0.04	November 2017	Not reported
			October 2017	Not reported
EQT 0012 Pellet Cooler Pneumatic System 5	Acetaldehyde	0.02	November 2017	Not reported
			October 2017	Not reported
EQT 0030 Pellet Cooler Pneumatic System 6	VOC	0.72	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
EQT 0030 Pellet Cooler Pneumatic System 6	Methanol	0.02	November 2017	Not reported
			October 2017	Not reported
EQT 0030 Pellet Cooler Pneumatic System 6	Formaldehyde	0.04	November 2017	Not reported
			October 2017	Not reported
EQT 0030 Pellet Cooler Pneumatic System 6	Acetaldehyde	0.02	November 2017	Not reported
			October 2017	Not reported
EQT 0015 Pellet Storage Silo 1, Bin Vent	Methanol	0.03	November 2017	Not reported
			October 2017	Not reported
EQT 0015 Pellet Storage Silo 1, Bin Vent	Formaldehyde	0.05	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
EQT 0015 Pellet Storage Silo 1, Bin Vent	Acetaldehyde	0.03	November 2017	Not reported
			October 2017	Not reported
EQT 0016 Pellet Storage Silo 2, Bin Vent	Methanol	0.03	November 2017	Not reported
			October 2017	Not reported

EMISSION POINT NO. & DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (in max. lb/hr)	DATE OF OCCURRENCE	ACTUAL EMISSION RATE (in lb/hr)
EQT 0016 Pellet Storage Silo 2, Bin Vent	Formaldehyde	0.05	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0016 Pellet Storage Silo 2, Bin Vent	Acetaldehyde	0.03	October 2017	Not reported
			November 2017	Not reported
EQT 0021 Primary Hammermill Pneumatic System 1	VOC	2.41	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
EQT 0021 Primary Hammermill Pneumatic System 1	Methanol	0.02	November 2017	Not reported
			July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
EQT 0021 Primary Hammermill Pneumatic System 1	Formaldehyde	0.05	October 2017	Not reported
			November 2017	Not reported
			July 2017	Not reported
			August 2017	Not reported
EQT 0021 Primary Hammermill Pneumatic System 1	Acetaldehyde	0.02	September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
			July 2017	Not reported
EQT 0022 Primary Hammermill Pneumatic System 2	VOC	2.41	August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0022 Primary Hammermill Pneumatic System 2	Methanol	0.02	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
EQT 0022 Primary Hammermill Pneumatic System 2	Formaldehyde	0.05	November 2017	Not reported
			July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
EQT 0022 Primary Hammermill Pneumatic System 2	Acetaldehyde	0.02	October 2017	Not reported
			November 2017	Not reported
			July 2017	Not reported
			August 2017	Not reported

EMISSION POINT NO. & DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (lb/mc/yr)	DATE OF OCCURRENCE	ACTUAL EMISSION RATE (lb/d/yr)
EQT 0023 Primary Hammermill Pneumatic System 3	VOC	2.41	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0023 Primary Hammermill Pneumatic System 3	Methanol	0.02	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0023 Primary Hammermill Pneumatic System 3	Formaldehyde	0.05	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0023 Primary Hammermill Pneumatic System 3	Acetaldehyde	0.02	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0024 Primary Hammermill Pneumatic System 4	VOC	2.41	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0024 Primary Hammermill Pneumatic System 4	Methanol	0.02	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0024 Primary Hammermill Pneumatic System 4	Formaldehyde	0.05	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0024 Primary Hammermill Pneumatic System 4	Acetaldehyde	0.02	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0025 Primary Hammermill Pneumatic System 5	Methanol	0.02	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported

EMISSION POINT NO. & DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (lb/day/hr)	DATE OF OCCURRENCE	ACTUAL EMISSION RATE (lb/day/hr)
EQT 0025 Primary Hammermill Pneumatic System 5	Formaldehyde	0.05	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0025 Primary Hammermill Pneumatic System 5	Acetaldehyde	0.02	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0026 Primary Hammermill Pneumatic System 6	VOC	2.41	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0026 Primary Hammermill Pneumatic System 5	Methanol	0.02	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0026 Primary Hammermill Pneumatic System 6	Formaldehyde	0.05	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0026 Primary Hammermill Pneumatic System 6	Acetaldehyde	0.02	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0031 Pellet Loading System Pneumatic System Filter	VOC	2.08	December 2017	Not reported
EQT 0031 Pellet Loading System Pneumatic System Filter	Methanol	0.05	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0031 Pellet Loading System Pneumatic System Filter	Formaldehyde	0.11	December 2017	Not reported
			July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
EQT 0031 Pellet Loading System Pneumatic System Filter	Formaldehyde	0.20	November 2017	Not reported
			December 2017	Not reported

EMISSION POINT NO. / DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (lb/hr)	DATE OF OCCURRENCE	ACTUAL EMISSION RATE (lb/hr)
EQT 0031 Pellet Loading System Pneumatic System Filter	Acetaldehyde	0.05	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
		0.10	December 2017	Not reported
EQT 0003 RTO	SO ₂	4.54	July 2017	Not reported
			August 2017	Not reported
			September 2017	Not reported
			October 2017	Not reported
			November 2017	Not reported
EQT 0017 Screened Materials Return System	VOC	0.21	December 2017	Not reported

Each exceedance of a permitted limit is a violation of Title V Permit No. 1920-00018-V1 OR Title V Permit No. 1920-00018-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The Respondent submitted a Title V Permit Modification Application to the Department dated August 1, 2016, requesting to modify the permit to reflect the results of the emission tests conducted in February 10-24, 2016. Supplemental permit information was submitted to the Department dated September 12, 2016, September 19, 2016, February 23, 2017, April 5, 2017, June 2, 2017, July 12, 2017, August 8, 2017, and August 16, 2017. Title V Permit No. 1920-00018-V2 was issued on November 17, 2017. The SO₂, VOC, acetaldehyde, formaldehyde, and methanol emissions were increased.

G. In the 2018 First Semiannual Monitoring Report dated September 27, 2018, the Respondent reported the following emission exceedances of the maximum pounds per hour permitted limit:

EMISSION POINT NO. / DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (lb/hr)	DATE OF OCCURRENCE	ACTUAL EMISSION RATE (lb/hr)
EQT 0031 Pellet Loading System Pneumatic System Filter	VOC	2.08	January 2018	2.36
			February 2018	2.36
			March 2018	2.36
			April 2018	2.36
			May 2018	2.36
			June 2018	2.36
EQT 0031 Pellet Loading System Pneumatic System Filter	Acetaldehyde	0.10	January 2018	0.12
			February 2018	0.12
			March 2018	0.12
			April 2018	0.12
			May 2018	0.12
			June 2018	0.12
EQT 0031 Pellet Loading System Pneumatic System Filter	Formaldehyde	0.20	January 2018	0.22
			February 2018	0.22
			March 2018	0.22
			April 2018	0.22
			May 2018	0.22

EMISSION POINT NO. & DESCRIPTION	POLLUTANT	PERMITTED EMISSION LIMIT (t/yr)	DATE OF OCCURRENCE	ACTUAL EMISSION RATE (t/yr)
EQT 0031 Pellet Loading System Pneumatic System Filter	Methanol	0.10	June 2018	0.22
			January 2018	0.12
			February 2018	0.12
			March 2018	0.12
			April 2018	0.12
			May 2018	0.12
			June 2018	0.12

Each exceedance of a permitted limit is a violation of Title V Permit No. 1920-00018-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- H. In the 2018 Second Semiannual Monitoring Report dated March 29, 2019, the Respondent reported the annual permitted wood pellets production rate was exceeded for the 2018 calendar year. The 2018 pellet production rate of 525,600 tons was exceeded by 10,060 tons. Failure to comply with the permitted production rate is a violation of Specific Requirement 132 of Title V Permit No. 1920-00018-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In Title V Permit No. 1920-00018-V3 issued on January 23, 2019, the production rate was increased from 525,600 tons to 578,052 tons.

III.

In a Variance Request dated January 24, 2019, the Respondent reported that the results of recent engineering testing indicated VOC emissions from the tested sources were higher than the VOC emissions authorized in Title V Permit No. 1920-00018-V2 issued on November 17, 2017. The VOC emissions from the engineering testing were also higher than the VOC emissions authorized in Title V Permit Nos. 1920-00018-V0, issued on December 3, 2012, and 1920-00018-V1, issued on November 14, 2014. The Respondent reported the total VOC emissions from the tested sources and the permitted VOC emissions appear to exceed the Prevention of Significant Deterioration (PSD) threshold of 250 tons per year (tpy). The Respondent requested a variance to authorize VOC emissions of 901.47 tpy above the permitted facility-wide total of 249.21 tpy as permitted in Title V Permit No. 1920-00018-V2 and Title V Permit No. 1920-00018-V3 issued on January 23, 2019. The variance request applies to the emission points listed in the table below.

EMISSION POINT NO.	DESCRIPTION
EQT 0008	Pellet Cooler Pneumatic System 1
EQT 0009	Pellet Cooler Pneumatic System 2
EQT 0010	Pellet Cooler Pneumatic System 3
EQT 0011	Pellet Cooler Pneumatic System 4
EQT 0012	Pellet Cooler Pneumatic System 5
EQT 0021	Primary Hammermill Pneumatic System 1
EQT 0022	Primary Hammermill Pneumatic System 2
EQT 0023	Primary Hammermill Pneumatic System 3
EQT 0024	Primary Hammermill Pneumatic System 4

EMISSION POINT NO.	DESCRIPTION
EQT 0025	Primary Hammermill Pneumatic System 5
EQT 0026	Primary Hammermill Pneumatic System 6
EQT 0027	Secondary Hammermill Pneumatic System 1
EQT 0028	Secondary Hammermill Pneumatic System 2
EQT 0029	Secondary Hammermill Pneumatic System 3
EQT 0030	Pellet Cooler Pneumatic System 6

Each exceedance of a permitted limit is a violation of Title V Permit Nos. 1920-00018-V0, 1920-00018-V1, 1920-00018-V2, 1920-00018-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Failure to obtain a Prevention of Significant Deterioration (PSD) permit prior to construction or operation of the facility is a violation of LAC 33:III.509 and La. R.S. 30:2057(A)(2). The Respondent reported a PSD application would be submitted to increase the currently permitted VOC emission levels. The violation was also reported in the 2018 Second Semiannual Monitoring Report dated March 29, 2019.

IV.

On January 23, 2019, the Department issued a Part 70 Operating Permit Renewal and Modification, Title V Permit No. 1920-00018-V3, to the Respondent. Title V Permit No. 1920-00018-V3 requires the Respondent to undertake the following actions: 1) performance testing for any source required by the effective permit or required to take final action on a permit application; 2) submission of an application for a significant modification to this permit (Title V Permit No. 1920-00018-V3) and for a Prevention of Significant Deterioration (PSD) permit to LDEQ within 90 days of permit issuance; and 3) quarterly progress reports to the Office of Environmental Compliance until such time as the Department takes final action on the application required. The Respondent failed to submit an application for a significant modification to Title V Permit No. 1920-00018-V3 and a Prevention of Significant Deterioration (PSD) within 90 days after the issuance of Title V Permit No. 1920-00018-V3 on January 23, 2019. Failure to submit the applications by the required submission date is a violation of Specific Requirement 116 of Title Permit No. 1920-00018-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

V.

On April 12, 2019, the Respondent hand-delivered a Compliance Plan to address the PSD violation. On May 1, 2019, the Respondent hand-delivered the Best Available Control Technology (BACT) Analysis for VOC Emissions/PSD Application to the Department.

COMPLIANCE ORDER

Based on the foregoing, the Respondent is hereby ordered:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Air Quality Regulations and applicable permits.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report identifying the duration and an explanation of how the VOC levels were calculated for the violations cited in Paragraph II. A and Paragraph II.B of the **FINDINGS OF FACT** portion of this action.

III.

To submit to the Enforcement Division, within forty-five (45) days after receipt of this **COMPLIANCE ORDER**, the actual emission rates, the quantities in excess of the permitted limits, and an explanation of how the emissions were calculated for the violations cited in Paragraph II.E -G of the **FINDINGS OF FACT** portion of this action.

IV.

The Department has reviewed the compliance plan for the Prevention of Significant Deterioration Permit (PSD) Application, and the engineering and installation of VOC control equipment to address the violations cited in Paragraphs III and IV of the **FINDINGS OF FACT** portion of the action and hereby orders the Respondent to implement the following milestones to achieve compliance with PSD requirements:

MILESTONE	DUE DATE
Completion of preliminary engineering	06/25/2019
Submission of a completed Prevention of Significant Deterioration permit application to the Air Permits Division	08/09/2019
Completion of design engineering	09/19/2019
Start of construction	11/28/2019
Start of equipment installation	02/05/2020
Completion of construction/installation	05/05/2020
Startup and commissioning/completion of the project	06/16/2020

The Respondent shall notify the Department in writing of any changes to the approved compliance schedule within seven (7) days of notice/discovery of failure to meet the due dates.

V.

To submit to the Enforcement Division monthly progress reports until the issuance of the modified Title V and Prevention of Significant Deterioration (PSD) permits. The monthly progress reports shall include the following information: 1) the interim or permanent control technology, operational procedures, and/or corrective actions implemented to address the VOC emissions as related to the Paragraph III of the **FINDINGS OF FACT** portion of this action; 2) status of the PSD permit application, which shall include, but not be limited to, date(s) of submission of the application and required modeling; 3.) the results of any performance testing conducted prior to issuance of a PSD permit; 4.) a schedule with milestone dates for the ordering, construction and/or installation, and operation of control technology; and 5.) any additional pertinent information showing progress and efforts to achieve and maintain compliance with the Act and Air Quality Regulations. The progress reports shall be postmarked by the fifteenth of each month detailing the actions taken by the Respondent during the preceding month.

VI.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violation(s) and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: Antoinette Cobb
Re: Enforcement Tracking No. AE-CN-18-00538
Agency Interest No. 183215

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-18-00538
Agency Interest No. 183215

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Division of Administrative Law (DAL) Procedural Rules. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on

August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Antoinette Cobb at (225) 219-3072 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within

ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

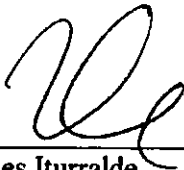
IV.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY** portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

V.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 13th day of June, 2019.



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Antoinette Cobb



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION CONSOLIDATED COMPLIANCE ORDER &
 POST OFFICE BOX 4312 NOTICE OF POTENTIAL PENALTY
 BATON ROUGE, LOUISIANA 70821-4312 REQUEST TO CLOSE

Enforcement Tracking No.	AE-CN-18-00538	Contact Name	Antoinette Cobb
Agency Interest (AI) No.	183215	Contact Phone No.	(225) 219-3072
Alternate ID No.	1920-00018		
Respondent:	Morehouse Bioenergy LLC	Facility Name:	Wood Manufacturing Facility
	c/o Cogency Global Inc.	Physical Location:	7070 Carl Rd
	Agent for Service of Process		
	3867 Plaza Tower Dr., 1st Floor	City, State, Zip:	Bastrop, LA 71220
	Baton Rouge, LA 70816	Parish:	Morehouse

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph VI of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) II of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 45 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) III of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 90 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? of the "Order" portion of the COMPLIANCE ORDER.		
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:		

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-18-00538), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-18-00538), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> • Monetary component = \$ _____ • Beneficial Environmental Project (BEP) component (optional)= \$ _____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-CN-18-00538) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT		
<p><i>I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.</i></p>		
Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date
MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:		
<p>Louisiana Department of Environmental Quality Office of Environmental Compliance Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Antoinette Cobb</p>		

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

April 8, 2020

CERTIFIED MAIL (7019 1120 0000 2352 1886)
RETURN RECEIPT REQUESTED

MOREHOUSE BIOENERGY LLC
c/o Cogency Global Inc.
Agent for Service of Process
9800 Airline Highway, Suite 105
Baton Rouge, LA 70816

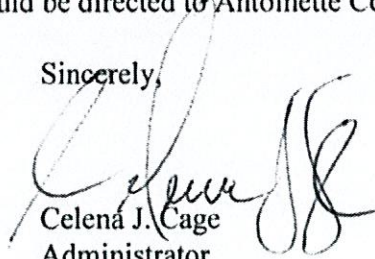
**RE: AMENDED CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-18-00538A
AGENCY INTEREST NO. 183215**

Dear Sir/Madam:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **MOREHOUSE BIOENERGY LLC (RESPONDENT)** for the violations described therein.

Any questions concerning this action should be directed to Antoinette Cobb at (225) 219-3072 or via email at antoinette.cobb@la.gov.

Sincerely,



Celena J. Cage
Administrator
Enforcement Division

CJC/AFC/afc
Alt ID No. 1920-00018
Attachment



c: Morehouse BioEnergy LLC
c/o Mr. Todd Tolkinen-Vice President, Commercial Operations
1500 N. 19th Street, Suite 501
Monroe, LA 71201

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

IN THE MATTER OF	*	
	*	
MOREHOUSE BIOENERGY LLC	*	ENFORCEMENT TRACKING NO.
MOREHOUSE PARISH	*	
ALT ID NO. 1920-00018	*	AE-CN-18-00538A
	*	
	*	AGENCY INTEREST NO.
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	183215
ENVIRONMENTAL QUALITY ACT,	*	
La. R.S. 30:2001, ET SEQ.	*	

**AMENDED CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY**

The Louisiana Department of Environmental Quality (the Department) hereby amends the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-18-00538** issued to **MOREHOUSE BIOENERGY LLC (RESPONDENT)** on June 13, 2019 in the above-captioned matter as follows:

I.

The Department hereby amends Paragraph IV of the Compliance Order to read as follows:

“IV.

The Department has reviewed the compliance plan for the Prevention of Significant Deterioration Permit (PSD) Application, and the engineering and installation of VOC control equipment to address the violations cited in Paragraphs III and IV of the **FINDINGS OF FACT** portion of the action and hereby orders the Respondent to implement the following milestones to achieve compliance with PSD requirements:

MILESTONE	DUE DATE
Completion of preliminary engineering	Completed
Submission of a completed Prevention of Significant Deterioration permit application to the Air Permits Division	Completed
Completion of design engineering	Completed
Start of construction	Completed
Start of equipment installation	Completed
Completion of construction/installation	06/20/2020
Startup and commissioning/completion of the project	07/31/2020

The Respondent shall notify the Department in writing of any changes to the approved compliance schedule within seven (7) days of notice/discovery of failure to meet the due dates.”

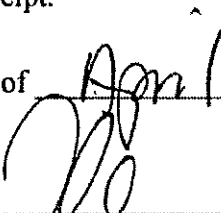
II.

The Department incorporates all of the remainder of the original **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-18-00538** and **AGENCY INTEREST NO. 183215** as if reiterated herein.

III.

This **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 5th day of April, 2020.



 Lourdes Iturralde
 Assistant Secretary
 Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
 Office of Environmental Compliance
 Enforcement Division
 Post Office Box 4312
 Baton Rouge, LA 70821-4312
 Attention: Antoinette Cobb



JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

July 20, 2020

CERTIFIED MAIL (7019 1120 0000 2352 1909)
RETURN RECEIPT REQUESTED

MOREHOUSE BIOENERGY LLC
c/o Cogency Global Inc.
Agent for Service of Process
9800 Airline Highway, Suite 105
Baton Rouge, LA 70816

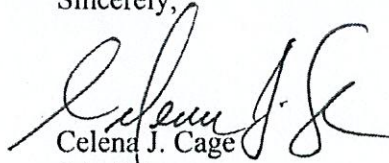
**RE: AMENDED CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-18-00538B
AGENCY INTEREST NO. 183215**

Dear Sir/Madam:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **MOREHOUSE BIOENERGY LLC (RESPONDENT)** for the violations described therein.

Any questions concerning this action should be directed to Antoinette Cobb at (225) 219-3072 or via email at antionette.cobb@la.gov.

Sincerely,


Celena J. Cage
Administrator
Enforcement Division

CJC/AFC/afc
Alt ID No. 1920-00018
Attachment



c: Morehouse BioEnergy LLC
c/o Mr. Todd Tolkinen-Vice President, Commercial Operations
1500 N. 19th Street, Suite 501
Monroe, LA 71201

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

IN THE MATTER OF	*	
	*	
MOREHOUSE BIOENERGY LLC	*	ENFORCEMENT TRACKING NO.
MOREHOUSE PARISH	*	
ALT ID NO. 1920-00018	*	AE-CN-18-00538B
	*	
	*	AGENCY INTEREST NO.
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	183215
ENVIRONMENTAL QUALITY ACT,	*	
La. R.S. 30:2001, ET SEQ.	*	

**AMENDED CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY**

The Louisiana Department of Environmental Quality (the Department) hereby amends the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-18-00538A** issued to **MOREHOUSE BIOENERGY LLC (RESPONDENT)** on April 8, 2020 in the above-captioned matter as follows:

I.

The Department hereby amends Paragraph IV of the Compliance Order to read as follows:

“IV.

The Department has reviewed the compliance plan for the Prevention of Significant Deterioration Permit (PSD) Application, and the engineering and installation of VOC control equipment to address the violations cited in Paragraphs III and IV of the **FINDINGS OF FACT** portion of the action and hereby orders the Respondent to implement the following milestones to achieve compliance with PSD requirements:

MILESTONE	DUE DATE
Completion of preliminary engineering	Completed
Submission of a completed Prevention of Significant Deterioration permit application to the Air Permits Division	Completed
Completion of design engineering	Completed
Start of construction	Completed
Start of equipment installation	Completed
Completion of construction/installation	Completed
Startup and commissioning/completion of the project	08/31/2020

The Respondent shall notify the Department in writing of any changes to the approved compliance schedule within seven (7) days of notice/discovery of failure to meet the due dates.”

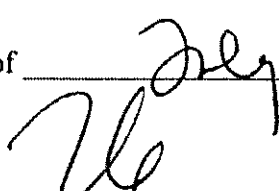
II.

The Department incorporates all of the remainder of the amended **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-18-00538A** and **AGENCY INTEREST NO. 183215** as if reiterated herein.

III.

This **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 20th day of July, 2020.



 Lourdes Iturralde
 Assistant Secretary
 Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
 Office of Environmental Compliance
 Enforcement Division
 Post Office Box 4312
 Baton Rouge, LA 70821-4312
 Attention: Antoinette Cobb