



STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION

PAUL R. LEPAGE
GOVERNOR

DARRYL N. BROWN
COMMISSIONER

MEMORANDUM

TO: Board of Environmental Protection
FROM: Kurt Tidd PE., BAQ
SUBJECT: Maine Woods Pellets Company, LLC
DATE: March 3, 2011

*** **

Statutory and Regulatory References:

Department Regulations authorizes the Department to impose reasonable and appropriate license conditions to ensure compliance with emission standards, regulations or orders. Maine Woods Pellets Company operates its facility under the terms and conditions of Air Emission License A-989-71-A-N and subsequent amendments.

Location:

Athens, Maine

Description:

Maine Woods Pellet Company violated requirements of its Air Emission License and amendments by failing to perform a stack test on their pellet manufacturing equipment as well as various operational, record keeping and notification violations.

Environmental Issues:

The Department relies on the licensing of facilities to ensure compliance with State Laws and Regulations. Through the licensing process, the Department is able to control the amount and types of pollutants that are emitted to the atmosphere within the State.

Department Recommendation:

Staff recommends approval of the Consent Agreement which requires Maine Woods Pellet Company to comply with the requirements of Department Regulations Chapter 115, Air Emissions License A-989-71-A-N and provides for Civil Penalties in the amount of \$31,220.00. The penalty was a negotiated settlement based on the Air Bureau's penalty assessment guideline.

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RAY BLDG., HOSPITAL ST.

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PRESQUE ISLE
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STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION

PAUL R. LEPAGE
GOVERNOR

JAMES P. BROOKS
ACTING COMMISSIONER

IN THE MATTER OF:

MAINE WOODS PELLET COMPANY, LLC) ADMINISTRATIVE CONSENT
SOMERSET COUNTY) AGREEMENT
ATHENS, MAINE)
A-989-71-A-N)
EIS # 2009-175-A)

This Agreement, by and among Maine Woods Pellet Company, LLC ("MWP"), the Maine Department of Environmental Protection ("Department"), and the Maine Office of the Attorney General, is entered into pursuant to the laws concerning the Department's Organization and Powers, 38 M.R.S.A. § 347-A(1).

The parties agree as follows:

- 1. MWP is a Limited Liability Company organized and existing under the laws of the State of Maine. MWP operates a wood pellet manufacturing facility under standard and specific conditions of Air Emission License A-989-71-A-N and amendments.
2. The violations described herein took place at MWP's facility located in Athens, Maine.
3. During times relevant to this Agreement, MWP was subject to Maine's Protection and Improvement of Air laws ("Air Act"), 38 M.R.S.A. §§ 581 - 610 D, Maine's air quality rules (Air Rules), 06-096 CMR 100 et seq. and Air Emission License A-989-71-A-N and amendments.
4. Throughout the period of time addressed in this Agreement, MWP was subject to Air Emission License A-989-71-A-N conditions (7), (12) (A), (B), (C), (16) (A), (B),(C), (D), (F), (17) (A) and (20), which state in relevant part;
(7). The licensee shall maintain and operate all emission units and air pollution systems required by the air emission license in a manner consistent with good air pollution control practice for minimizing emissions. [06-096 CMR 115]
(12). If the results of a stack test performed under circumstances representative of the facility's normal process and operating conditions indicate emissions in excess of the applicable standards, then:
A. within thirty (30) days following receipt of such test results, the licensee shall re-test the non-complying emission source under circumstances representative of the facility's normal process and operating conditions and in accordance with the

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- Department's air emission compliance test protocol and 40 CFR Part 60 or other method approved or required by the Department; and
- B. the days of violation shall be presumed to include the date of stack test and each and every day of operation thereafter until compliance is demonstrated under normal and representative process and operating conditions, except to the extent that the facility can prove to the satisfaction of the Department that there were intervening days during which no violation occurred or that the violation was not continuing in nature; and
- C. the licensee may, upon the approval of the Department following the successful demonstration of compliance at alternative load conditions, operate under such alternative load conditions on an interim basis prior to a demonstration of compliance under normal and representative process and operating conditions.
 [06-096 CMR 115]

(16). Dryer and Dryer Cyclone

- (A). MWP shall be limited to 4900 operating hours on a 12 month rolling total. A written log documenting operating hours shall be maintained for compliance purposes. [06-096 CMR 115, BACT]
- (B). MWP shall be limited to firing 150,000 gallons of LP Gas on a 12 month rolling total, in the Dryer. Records from the supplier documenting quantity delivered shall be maintained on a 12 month rolling total basis, for compliance purposes. [06-096 CMR 115, BACT]
- (C). Emissions shall not exceed the following:

Emission Unit	Pollutant	lb/MMBtu	Origin and Authority
Dryer and Dryer Cyclone (from the wet scrubber stack)	PM	0.10	06-096 CMR 105(3), BACT

- (D). Emissions shall not exceed the following [06-096 CMR 115, BACT]:

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Emission Unit	PM (lb/hr)	PM ₁₀ (lb/hr)	SO ₂ (lb/hr)	NO _x (lb/hr)	CO (lb/hr)	VOC (lb/hr)
Dryer and Dryer Cyclone (from the wet scrubber stack)	5.0	5.0	5.1	5.0	15.1	20.0

(F). MWP shall conduct PM and VOC testing on the wet scrubber stack to ensure compliance within 12 months of the effective date of this License. [06-096 CMR 115, BACT]

(17). Milled Material Cyclone and Dust Recovery Cyclone

(A). The Milled Material and Dust Recovery Cyclones shall vent to a baghouse for PM control. Records of all maintenance performed on the baghouse shall be kept. [06-096 CMR 115, BACT]

(20). MWP shall notify the Department within 48 hours and submit a report to the Department on a quarterly basis if a malfunction or breakdown in any component causes a violation of any emission standard (38 M.R.S.A. §605).

5. On April 13, 2009 the Department issued a Letter of Warning (LOW) to MWP for violations from inspections on February 11, 2009, February 25, 2009, March 24, 2009 and April 6, 2009. The LOW documents the following violations.
6. On or about January 28, 2009 MWP's baghouse caught fire and the bags inside the baghouse were destroyed. MWP continued to operate until the bags were replaced. This is a violation of condition seven (7) of Air Emission License A-989-71-A-N stated above.
7. No maintenance logs were being kept for the baghouse in violation of Condition (17)(A) of Air Emission License A-989-71-A-N stated above.
8. On or about January 7, 2009, the Ducon Wet Scrubber pump was shut off while the facility was in operation. MWP continued operation until the pump was replaced. By operating without the Ducon Scrubber, MWP violated condition (7) of Air Emission License A-989-71-A-N stated above.
9. MWP failed to notify the Department with 48 hours or quarterly of the baghouse fire or the Ducon Wet Scrubber breakdown in violation of Air Emission License A-989-71-A-N condition (20) stated above.

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10. Pursuant to Air Emission License A-989-71-A-N condition (16)(A), MWP is limited to 4,900 operating hours on a 12 month rolling total. MWP maintained no written log of the operating hours in violation Air Emission License A-989-71-A-N condition (16)(A). However, the hour meter on the hammer mill showed that the facility had operated 6,240 hours from plant start up in April of 2008 through the date of inspection April 6, 2009.

11. MWP exceeded the propane use limit set forth in Air Emission License A-989-71-A-N condition (16)(B) stated above. From April 2008 through March 31, 2009 records show that MWP used 309,978 gallons of propane. MWP's Air Emission License limits propane usage to 150,000 gallons on a twelve month rolling total.

12. Pursuant to Air Emission License A-989-71-A-N condition (16)(F), MWP was required to conduct Particulate Matter (PM) stack testing on the wet scrubber for both lb/hr and lb/MMBtu within 12 months of the effective date of the license. The effective date of the license was March 12, 2008. MWP tested and failed a stack test for PM (lb/MMBtu) on November 20, 2008. MWP retested for PM on March 24, 2009 and determined after the first run of the PM stack test that the results were likely in excess of license limits for PM (lb/hr). MWP chose to stop the PM stack testing to perform diagnostic testing on the Ducon Wet Scrubber. The PM limits in Air Emission License A-989-71-A-N were subsequently amended on March 15, 2010 as Air Emission License A-989-71-B-A. MWP retested for PM on June 9, 2010 and demonstrated compliance with the facility's license limits. Failing to establish compliance with the License limits for PM, lb/MMBtu within 12 months of issuance of Air Emission License A-989-71-A-N is a violation as provided for in condition 12 of the license.

13. Department Staff notified MWP by a Notice of Violation (NOV) on June 2, 2009, of the Air Emissions violations described in paragraphs six (6), seven (7), eight (8), nine (9), ten (10), eleven (11) and twelve (12).

14. For the purposes of this Agreement, MWP agrees that it received proper notice of all violations identified herein pursuant to 38 M.R.S.A. § 347-A(1)(B).

15. Pursuant to 38 M.R.S.A. §§ 341-D(6)(C) and 347-A(1)(A)(1), administrative consent agreements must be approved by the Board of Environmental Protection ("Board"), which is part of the Department.

16. This Agreement shall become effective only if it is approved by the Board and the Office of the Attorney General.

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17. To resolve the violations identified in paragraphs six (6), seven (7), eight (8), nine (9), ten (10), eleven (11) and twelve (12) of this Agreement, MWP agrees to pay, upon signature of this Agreement, a civil monetary penalty in the sum of thirty one thousand, two hundred and twenty dollars (\$31,220.00) on the following schedule for the violations addressed above;

- A. Seven thousand, eight hundred and six dollars (\$7806.00) upon signature of this Agreement to *Treasurer, State of Maine*.
- B. Seven thousand, eight hundred and six dollars (\$7806.00) within three months of signature of this Agreement.
- C. Seven thousand, eight hundred and six dollars (\$7806.00) within six months of signature of this Agreement.
- D. Seven thousand, eight hundred and two dollars (\$7802.00) within nine months of signature of this Agreement.

If any payment is more than fifteen (15) days late, the full outstanding balance of the unpaid penalty is immediately due and payable upon demand by the Department.

18. The Department and the Office of the Attorney General grant a release of their causes of action against MWP for the specific violations listed in paragraphs six (6), seven (7), eight (8), nine (9), ten (10), eleven (11), and twelve (12) of this Agreement on the express condition that the civil monetary penalty listed in paragraph seventeen (17) of this Agreement is paid. The release shall not become effective until all requirements of this Agreement are satisfied.
19. Non-compliance with this Agreement voids the release set forth in paragraph eighteen (18) of this Agreement and may lead to an enforcement action pursuant to 38 M.R.S.A. § 347-A(1)(A), 347-A(5), or 348, as well as pursuit of other remedies.
20. Actions taken pursuant to this Agreement shall be completed in accordance with the requirements of all local, state and federal laws, including but not limited to licensing requirements.
21. The provisions of this Agreement shall apply to, and be binding on, the parties, their officers, agents, servants, employees, successors, and assigns, and upon those persons in active concert or participation with them who receive actual notice of this Agreement.

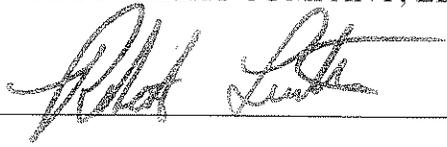
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IN WITNESS HEREOF the parties hereto have executed this Agreement of six (6) pages.

MAINE WOODS PELLET COMPANY, LLC

BY:  2-3-11
Title DATE

MAINE BOARD OF ENVIRONMENTAL PROTECTION

BY: _____
Susan M. Lessard, Chair DATE

MAINE OFFICE OF THE ATTORNEY GENERAL

BY: _____
Gerald Reid, Assistant Attorney General DATE