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Timothy W. Hardy, Attorney at Law
thardy@roedelparsons.com

January 24, 2019

Hand Delivered

Mr. Elliott B. Vega
Assistant Secretary
Office of Environmental Services
Louisiana Department of Environmental Quality
Post Office Box 4313
Baton Rouge, LA 70821-4313

RE: Drax Biomass Inc. / Morehouse BioEnergy LLC
Agency Interest No. 183215

PER 20190001

Dear Mr. Vega:

As you are aware, I represent Drax Biomass Inc. / Morehouse BioEnergy LLC ("Drax"). Please find attached a signed Variance Request submitted on behalf of Drax.

We respectfully request that you expedite this Variance Request. If you have any questions, please contact me at the Baton Rouge address and/or phone number listed below or by email: thardy@roedelparsons.com.

Very truly yours,




TIMOTHY W. HARDY

TWH:tzc

Attachment

cc: Mr. Bryan Johnston
Ms. Sharon Killian, Trinity Consultants

2019 JAN 24 AM 10:19
COEN RECEIPT

Department of Environmental Quality Office of Environmental Services Air Permits Division P.O. Box 4313 Baton Rouge, LA 70821-4313 (225) 219-3417	<h1>LOUISIANA</h1> <h2>Application for Approval of Miscellaneous Permitting Actions</h2>	
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PLEASE TYPE OR PRINT

1. Facility Information

Facility Name or Unit Name (if any) Morehouse BioEnergy LLC		<input type="checkbox"/> All Process Units <input checked="" type="checkbox"/> Process Unit-Specific Action
Agency Interest Number (A.I. Number) 183215	Currently Effective Permit Number(s) 1920-00018-V2	
Company - Name of Owner Morehouse BioEnergy LLC		
Company - Name of Operator (if different from Owner)		
Parent Company (if Company – Name of Owner given above is a division) Drax Biomass Inc		
Parish(es) where facility is located: Morehouse		

2. Type of Request

Check only one box to indicate the type of request being made.

- | | |
|---|---|
| <input type="checkbox"/> Small Source Exemption*† | <input type="checkbox"/> Permit Rescission Date of closure: ____ / ____ / ____ |
| <input type="checkbox"/> Exemption To Test† | <input type="checkbox"/> Application Withdrawal |
| <input checked="" type="checkbox"/> Variance**† | <input type="checkbox"/> Change of Tank Service |
| <input type="checkbox"/> Letter of Response/Letter of No Objection† | <input type="checkbox"/> Relocation of a Portable Facility |
| <input type="checkbox"/> Administrative Amendment† | <input type="checkbox"/> Authorization to Construct and Operate (ATC)† |

* Fee required

† Justification required

** Fee required unless source is operating under an air permit.

Estimated date that requested activity will commence

When Title V renewal permit issued.

3. Application Fee

Complete this section if a fee is required for the request being made. Consult instructions.

Fee Code: N/A Amount Enclosed: \$ 0 → Facility is operating under Air Permit No. 920-00018-V2.

Electronic Fund Transfer (EFT): If paying the application fee using an Electronic Fund Transfer (EFT), please include the EFT Transaction Number, the Date that the EFT was made, and the total dollar amount submitted in the EFT. If not paying the application fee using EFT, leave blank.

EFT Transaction Number

Date of Submittal

Total Dollar Amount

\$ _____

4. Description of Exceptional Circumstances to Justify a Variance Request

Requested Duration of Variance: 12 Months _____ Days

Explain the need for the variance.

Identify the affected source(s), as well as the applicable regulation(s) from which the source(s) need a variance. Include relevant details as necessary (e.g., a description of the how the process normally functions and how it is operating now) and describe any measures undertaken or that will be undertaken to remedy the situation prompting the variance request. Recent engineering testing performed by a third-party emissions testing firm at Morehouse BioEnergy indicates that the VOC emissions from these tested sources exceed currently permitted VOC levels. Additionally, when the VOC emissions from the tested sources are combined with the VOC emissions from the remaining permitted VOC sources, it appears that the total VOC emission level exceeds the PSD threshold of 250 tpy.

Therefore, Morehouse BioEnergy is requesting this variance to authorize VOC emissions of 901.47 tpy above the currently permitted limit of 249.21 tpy (Permit No. 1920-00018-V2, issued 11/17/2017). Sources to which this variance request applies include the following: EQT 0008, EQT 0009, EQT 0010, EQT 0011, EQT 0012, EQT 0021, EQT 0022, EQT 023, EQT 0024, EQT 0025, EQT 0026, EQT 0027, EQT 0028, EQT 0029, and EQT 0030. Morehouse BioEnergy will submit a PSD permit application to increase the currently permitted VOC emission levels.

Identify the exceptional circumstances.

Identify the exceptional circumstances that preclude strict conformity with the regulation(s) identified above. Explain how strict conformity with such regulations would cause would 1.) cause undue hardship; 2.) be unreasonable; 3.) be impractical; or 4.) not be feasible under the circumstances; or would otherwise result in the practical closing and elimination of any lawful business, occupation, or activity without sufficient corresponding benefit or advantage to the people of the state.

Prior to Morehouse BioEnergy initiating operations in Urania, LA, Urania was a very depressed community. Closure of facilities in the wood products industry had resulted in the loss of the majority of jobs in the area as well as the closure of several local businesses. The start-up of Morehouse BioEnergy revived Urania by bringing in both direct and indirect jobs to sustain operations at the facility.

Based on the recent emissions testing data, operating at the currently permitted VOC emission rate of 249.1 tpy would result in significant curtailment of production at Morehouse BioEnergy, causing a significant loss of direct jobs at the facility as well as the loss of indirect jobs in the local community. It would also affect third-party suppliers such as local loggers who supply raw materials to the facility..

Note: It is important that the reason for the variance request be made plain. The explanation of extenuating circumstances will form the primary basis upon which LDEQ will either grant or deny the variance request.

5. Required Information

Submittal of this Information Is Not Optional

For all requests:

Detailed description of the proposed activity is included.

Justification for the request is included. (Justification may include supporting calculations, reasoning to support a determination of why strict conformity with the regulations is not feasible, etc)

For Relocation of a Portable Facility requests only:

Documentation is attached that shows compliance with all applicable zoning criteria for the proposed location (for Relocation of a Portable Facility requests only). [Required per LAC 33:III.513.C.1.a]

A map showing the proposed location of the Portable Facility is included (for Relocation of a Portable Facility requests only) [Required per LAC 33:III.513.C.2]

Enter the **current** location of the facility (for Relocation of a Portable Facility requests only):

_____ **Street** _____ **City** _____ **Parish**

_____ **Latitude** _____ **Longitude** _____

Enter the **proposed** location of the facility (for Relocation of a Portable Facility requests only):

Street
City
Parish

Latitude
Longitude

Enter the Make, Model, and Serial Number of each portable combustion emissions source to be permitted. Otherwise, leave blank. Do *NOT* list any motor vehicles. Add rows as necessary (for Relocation of Portable Facility requests only).

Make
Model
Serial Number

6. Emissions Summary Table

For each pollutant, enter the pre-project emission rate in the "Before" column and enter the post-project emission rate in the "After" column. Enter the difference between the "Before" and "After" values in the "Change" column. Add rows as necessary to show any Toxic Air Pollutant (TAP) or Hazardous Air Pollutant (HAP) emissions. All values in this table should be represented in tons per year or per variance period (if applying for a variance).

Pollutant	Before (tons per year/variance period)	After (tons per year/variance period)	Change (tons per year/variance period)
PM _{2.5}	137.33	137.33	0
PM ₁₀	138.95	138.95	0
SO ₂	42.79	42.79	0
NO _x	190.95	190.95	0
CO	106.16	106.16	0
VOC	249.21	1085.78	901.47
CO ₂ e	Not in permit	Not in permit	Not in permit

7. Contact Information

a. Person to contact with written correspondence						b. Person who prepared this report					
Name		Michael Bellow, CSP				Name		Sharon Killian			
Title		Director of EHS - Risk				Title		Principal Consultant			
Company		Drax Biomass Inc				Company		Trinity Consultants			
Suite, mail drop, or division		Suite 7				Suite, mail drop, or division		1030			
Street or P.O. Box		2571 Tower Drive				Street or P.O. Box		One Galleria Blvd			
City	Monroe	State	LA	Zip	71201	City	Metairie	State	LA	Zip	70001
Business phone		337-254-0216				Business phone		504-828-5845 ext 1001			
Email address		michael.bellow@draxbiomass.com				Email address		skillian@trinityconsultants.com			

8. Certification of Compliance With Applicable Requirements

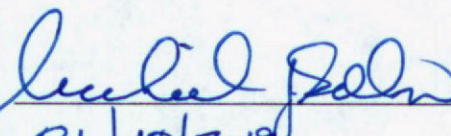
For corporations only: By signing this form, I certify that, in accordance with the definition of Responsible Official found in LAC 33:III.502, (1) I am a president, secretary, treasurer, or vice-president in charge of a principal business function, or other person who performs similar policy or decision-making functions; or (2) I am a duly authorized representative of such person; am responsible for the overall operation of one or more manufacturing, production, or operating facilities addressed in this permit application; and either the facilities employ more than 250 persons or have gross annual sales or expenditures exceeding \$25 million (in second quarter 1980 dollars); or the delegation of authority has been approved by LDEQ prior to this certification.*

I certify, under provisions in Louisiana and United States law which provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information contained in this Application for Approval of Miscellaneous Permitting Actions, including all attachments thereto, are true, accurate, and complete. Further, I have been informed that any written approval from LDEQ does not relieve the proposed activity from the requirement to comply with any other city, parish, state, and/or federal requirements.

Responsible Official:

Name (please print or type):
Michael Bellow, CSP

Signature:



Title: Director EHS - Risk

Date:

01/18/2019

*Approval of a delegation of authority can be requested by completing a Duly Authorized Representative Designation Form (Form_7218) available on LDEQ's website at <http://deq.louisiana.gov/page/air-permit-applications>.

Morehouse BioEnergy - VOC Emissions for Variance Request					
Total Permitted VOC Emissions	249.21	tpy			
EQT No.	Emission Source Name	VOC Emission Factor (lbs/hr)	VOC Emissions (tons/year)	VOC Emissions with a 20% safety factor	Emissions Reference
Emission Rates - From Engineering Testing					
EQT 0008	PC1 - Pellet Cooler Pneumatic System 1	23.8	104.2	125.1	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0009	PC2 - Pellet Cooler Pneumatic System 2	23.8	104.2	125.1	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0010	PC3 - Pellet Cooler Pneumatic System 3	23.8	104.2	125.1	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0011	PC4 - Pellet Cooler Pneumatic System 4	23.8	104.2	125.1	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0012	PC5 - Pellet Cooler Pneumatic System 5	23.8	104.2	125.1	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0030	PC6 - Pellet Cooler Pneumatic System 6	23.8	104.2	125.1	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0021	HPS1 - Primary Hammermill Pneumatic System 1	6.7	29.3	35.2	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0022	HPS1 - Primary Hammermill Pneumatic System 2	6.7	29.3	35.2	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0023	HPS1 - Primary Hammermill Pneumatic System 3	6.7	29.3	35.2	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0024	HPS1 - Primary Hammermill Pneumatic System 4	6.7	29.3	35.2	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0025	HPS1 - Primary Hammermill Pneumatic System 5	6.7	29.3	35.2	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0026	HPS1 - Primary Hammermill Pneumatic System 6	6.7	29.3	35.2	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0027	SHPS1 - Secondary Hammermill Pneumatic System 1	7.8	34.2	41.0	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0028	SHPS1 - Secondary Hammermill Pneumatic System 2	7.8	34.2	41.0	Based on engineering testing performed at Morehouse on October 3, 2018.
EQT 0029	SHPS1 - Secondary Hammermill Pneumatic System 3	7.8	34.2	41.0	Based on engineering testing performed at Morehouse on October 3, 2018.
	Railcar Loading	0.18	0.79	0.95	Based on engineering testing performed at Morehouse on November 15, 2018.
VOC Emissions from Testing (source above)				1085.78	tpy

Morehouse BioEnergy - VOC Emissions for Variance Request					
Total Permitted VOC Emissions	249.21	tpy			
EQT No.	Emission Source Name	VOC Emission Factor (lbs/hr)	VOC Emissions (tons/year)	VOC Emissions with a 20% safety factor	Emissions Reference
Currently Permitted VOC Emission Rates					
EQT 0003	RTO	N/A	40.00	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
EQT 0004	HFS - Primary Hammermill Feed Silo	N/A	5.81	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
EQT 0006	SHFS1 - Secondary Hammermill Feed Silo 1, Bin Vent	N/A	3.87	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
EQT 0007	SHFS2 - Secondary Hammermill Feed Silo 2, Bin Vent	N/A	1.94	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
EQT 0015	PS1 - Pellet Storage Silo 1, Bin Vent	N/A	2.90	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
EQT 0016	PS2 - Pellet Storage Silo 2, Bin Vent	N/A	2.90	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
EQT 0017	SMS - Screened Materials Return System	N/A	0.58	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
EQT 0019	FIR1 - Fire Pump Engine	N/A	0.02	N/A	I
EQT 0020	EGN1 - Emergency Generator	N/A	0.04	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
EQT 0031	PLS - Pellet Loading System Pneumatic System Filter	N/A	5.80	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
EQT 0033	GT1 - Gasoline Tank	N/A	0.46	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
EQT 0034	DB - Dryer Burner (50 MMBTU/hr)	N/A	0.39	N/A	From current Title V Permit issued 11/17/17, Permit No. 1920-00018-V2.
	Dryer Burner (24 MMBTU/hr)	N/A	0.19	N/A	
Permitted VOC Emissions (for sources above)			64.90		
Total Facility VOC Emissions			1150.68 tpy		
Total VOC Emissions for Variance = (1150.68-249.21) tpy			901.47 tpy		