

**Dogwood Alliance | Environmental Integrity Project | Our Children's Earth | Partnership
for Policy Integrity**

April 26, 2018

The Honorable Nathan Deal
Office of the Governor
206 Washington Street
111 State Capitol
Atlanta, GA 30334

Dear Governor Deal,

We, the undersigned community and environmental groups who work to protect the health and wellbeing of Georgia's citizens and environment, call on Georgia officials to continue addressing the substantial and harmful air pollution emitted by the wood pellet manufacturing industry. Georgia has frequently been a leading state in terms of requiring this emerging industry to comply with the Clean Air Act and take reasonable steps to reduce emissions. We request that Georgia continue its laudable track record of ensuring that wood pellet manufacturing facilities fully account for and control their air pollution. In addition, we urge Georgia to expand its leadership role by taking proactive measures to reduce the risk of fires and explosions at these plants—incidents that plague the industry and release massive amounts of uncontrolled air pollution.

Today, Environmental Integrity Project (EIP) released a report, "Dirty Deception: How the Wood Biomass Industry Skirts the Clean Air Act," which reveals how the wood pellet manufacturing industry in the southern United States emits vast amounts of unlawful air pollution and systematically evades Clean Air Act requirements to reduce air pollution. These factories convert millions of tons of trees into wood pellets to be shipped to Europe, where they are burned for electricity under the false premise that doing so is carbon neutral. It turns out this emerging industry emits substantially more air pollution here in the US than anybody expected.

Georgia was the first state to recognize that wood pellet plants emit far more air pollution than originally expected; in fact, Georgia discovered that the state's largest wood pellet plant, Georgia Biomass, emitted four to five times more volatile organic compound (VOC) pollution than authorized under its construction permit. Following that discovery, Georgia environmental officials took prompt action requiring Georgia Biomass to install pollution controls that greatly reduced its VOC emissions. These additional controls also reduced the facility's emissions of hazardous air pollutants, which can cause serious health impacts at relatively small exposure levels. Georgia Biomass is now an industry leader in controlling VOC and hazardous air pollutant emissions. Furthermore, recognizing that underestimation of VOC pollution is an industry-wide problem, Georgia regulators took the initiative to develop emission factors for use by other wood pellet manufacturing facilities. These emission factors now serve as a reference point not only for Georgia facilities, but also for similar facilities locating elsewhere in the United States. By helping to ensure that all wood pellet manufacturing plants adequately account for their full VOC pollution, Georgia's development of these emission factors protects public

health and promotes equal regulatory treatment of wood pellet manufacturing plants throughout the country.

Given the heavy burden this industry places on the citizens and environment of Georgia, the undersigned groups oppose the issuance of future permit for the construction or expansion of wood pellet plants in the state. However, in light of Georgia's positive track record, the undersigned groups hope that the state will continue to lead the way by taking the following steps to further protect Georgia's citizens and environment from the substantial harms and risks associated with the wood biomass industry:

- 1. Georgia should revoke outdated and inadequate air permits for facilities that have not begun construction.** Given the rapid expansion of knowledge concerning VOC emissions from this emerging industry, as well as the steps Georgia has taken to improve recent permits, Georgia should revoke older, outdated permits for facilities that have not begun construction. This includes the Fulghum Graanul facility in Screven County which was issued a permit in 2012. That permit does not contain any accounting of VOCs from units other than the wood dryer. Georgia now understands that additional units emit hundreds of tons VOCs per year, enough to push the facility well over the 250 ton per year threshold for New Source Review. This facility's permit is therefore severely deficient and does not comply with the Clean Air Act. Despite this, the facility could still begin construction at any time. Georgia should revoke this permit immediately. Georgia EPD should also review other existing but outdated permits and revoke those that either do not reflect current understandings of VOC emissions or do not contain sufficient permit terms to ensure the facility will not violate the Clean Air Act.
- 2. Georgia EPD should revise Appling County Wood Pellets' draft Title V permit to assure compliance with the Clean Air Act.** EIP and other groups filed comments on two draft Title V permits for wood pellet plants in Georgia in 2017: Varn Wood Products and Appling County Pellets. Georgia EPD thus far has issued only a revised draft for Varn Wood Products. With exceptions noted in EIP's 2018 comments on the revised draft permit, we are generally encouraged by Georgia's response to the Varn comments. The undersigned groups request that Georgia EPD make equally vital revisions to the Appling County Pellets permit. In particular, Georgia EPD must include an annual rolling limit on VOC and carbon monoxide emissions, must implement better monitoring, record keeping, and reporting requirements including the equation and emission factors utilized to demonstrate compliance, and must clarify that the facility may not utilize lower emission factors than the highest emission factor established by testing unless the facility applies for a significant permit modification. In addition, because the Appling County plant's potential to emit hazardous air pollution exceeded the major source threshold from the time of construction, the facility should have been required to control that pollution using "maximum achievable control technology." Georgia EPD should remedy that oversight and require the facility to install the required controls. These revisions, along with the other revisions requested in EIP's comments, are necessary to assure the facility's compliance with the Clean Air Act.

- 3. Lead the way on reducing the risk of fires and explosions.** Since 2014, more than half of the large pellet mills in the South have had news-worthy fires or explosions. That number includes a 2017 silo fire at a Texas facility that burned for more than 50 days, sickening dozens of nearby residents and leading to multiple lawsuits. Facilities in Georgia have not been immune from serious incidents. For instance, a “flash fire” at the Hazlehurst pellet mill in Hazlehurst, Georgia—the facility’s second fire since commencing operations in 2013—seriously injured four employees.¹ A wood dust explosion at another Georgia pellet mill “rattled windows in homes about five miles away.”² While it is fortunate that there have been no fatalities from wood dust explosions in Georgia, a wood dust explosion at a Canadian mill in 2012 killed an employee.

Georgia should take the lead in applying the Clean Air Act’s powerful General Duty Clause to the wood pellet manufacturing industry to lessen the risk of dangerous fires and explosions. The General Duty Clause, found in Section 112(r)(1) of the Act, requires facilities producing or handling extremely hazardous substances to design, maintain, and operate their facilities in a safe manner. As the long list of fires and explosions at wood pellet facilities show, wood dust clearly qualifies as an extremely hazardous substance. Unfortunately, permits in Georgia and other states do not identify 112(r)(1) as an applicable requirement. All too often, owners and operators of industrial facilities only learn that they are subject to the General Duty Clause after a tragic or serious accident occurs when EPA brings an enforcement action.

The undersigned groups believe that Georgia EPD has a legal obligation to revise air permits for wood pellet mills to add conditions that assure compliance with the General Duty Clause, including conditions that specifically address wood dust. However, even if Georgia EPD disagrees that doing so is mandatory, Georgia EPD certainly has discretionary authority to including conditions in facility air permits that ensure adequate implementation of General Duty Clause requirements. The undersigned groups strongly urge Georgia to do so. Permits should require the facility to perform specific steps that are sufficient to ensure that workers and others who live, work, recreate in the facility’s vicinity are protected from the dangers posed by combustible dust. At a minimum, the permit should:

- A. Identify the Clean Air Act’s General Duty Clause as an applicable requirement with respect to the facility’s handling of combustible dust.
- B. Specifically require the facility to prepare a hazard analysis identifying the hazards associated with explosive dust and the facility’s processes, potential fire and explosion scenarios, and the consequences of a fire or explosion.
- C. Establish specific design and operation standards that the facility must meet to prevent a dust-related fire or explosion.

¹ “2 Burn Victims Remain Hospitalized after Hazlehurst Flash Fire,” WALB, (June 4, 2015), (available at <http://www.walb.com/story/28983516/4-seriously-burned-after-fire-at-hazlehurst-wood-pellets>).

² Stepzinski, Teresa, “Explosion Damages Waycross Plant; No Injuries Reported,” jacksonville.com (June 21, 2011) (available at <http://www.jacksonville.com/news/crime/2011-06-21/story/explosion-damages-waycross-plant-no-injuries-reported>).

D. Establish recordkeeping and reporting requirements sufficient to demonstrate that the facility is meeting its General Duty Clause obligations.

4. Ensure Communities are Notified of and Able to Participate in Permitting Decisions.

Many of the air permits EIP surveyed were issued without any public notice or the ability to comment, including permits for the initial construction of facilities, in contravention of the Clean Air Act. In particular, Georgia does not allow for public notice or comment on state construction permits. While Georgia does allow for limited comments on a facility's *application*, this is not the same as the ability to comment on the proposed permit. Permits are the key legal document that sets forth the quantity of pollution a facility is allowed to emit, the steps a facility must take to prevent accidents and accidental releases, and other vital operating parameters that directly impact the communities that surround these facilities. Further, given the rapid expansion of this particular industry in recent years and the general lack of knowledge about emissions from new pellet mills, allowing public comment on permits is an important step to ensure Georgia permits benefit from knowledge gained in neighboring states.

5. Reduce emissions of fugitive dust and particulate matter by strengthening permit requirements.

Permit requirements in Georgia for the control of fugitive dust and particulates are not sufficiently specific to actually reduce the large amount of dust and particulates emitted by wood pellet manufacturing. Wood pellet plants generate a lot of fugitive dust, i.e., airborne particulate matter. In fact, one of the most common air pollution complaints raised by residents of communities where wood pellet plants are located is the large amount of fugitive dust that escapes into surrounding neighborhoods. Major sources of fugitive dust at wood pellet plants include wood handling, wood storage piles, conveyor transfer points, yard dust, haul road dust and engine exhaust. Health problems associated with exposure to particulate matter pollution primarily involve damage to the lungs and respiratory system due to inhalation. Specifically, the inhalation of dust particles can irritate the eyes, nose and throat; cause respiratory distress, including coughing, difficulty in breathing and chest tightness; increase the severity of bronchitis, asthma and emphysema; cause heart attacks and aggravate heart disease; and lead to premature death in individuals with serious lung or heart disease. When exposed repeatedly over a longer time period, fugitive dust exposure can lead to severe illness such as cancer.

Despite these issues, permits for wood pellet mills in Georgia simply incorporate the same boiler plate language as used at other facilities without any tailoring to the actual sources of fugitive dust emissions at specific facilities. Further, these conditions are vague and overly permissive. For instance, permits for pellet plants in Georgia contain the condition “[r]easonable precautions that should be taken to prevent dust from becoming airborne include . . . application of asphalt, water, or suitable chemicals on dirt roads, materials, stockpiles, and other surfaces that can give rise to airborne dusts.” This is far too vague to be an enforceable method of reducing dust and particulate emissions. Permits should specifically identify individual sources of fugitive dust and specify the particular steps needed to reduce emissions, the frequency those steps should be taken, and necessary monitoring, recordkeeping, and reporting to assure compliance. Notably, in response to comments by EIP to the Varn Wood Products permit, Georgia EPD did include several

source-specific conditions. While the undersigned groups appreciate those revisions, Georgia must incorporate similar and additional requirements into that and other permits.

- 6. Institute pellet production limits at facilities that claim to be too “minor” for the best available pollution controls.** If pollution controls will not keep emissions below legal limits when a facility is operated at full capacity, the facility’s permit must restrict maximum production to a level that ensures the facility will not exceed the major source threshold. The undersigned groups appreciate that Georgia EPD has recently revised several permits to incorporate production limits. The undersigned groups request that Georgia EPD continue this legally-mandated practice in future permits or for permits that do not already have a production limit but require one, such as the permit for the Ogeechee River Pellet Mill.

- 7. Require “major” sources of air pollution to install the best available control technology.** As EIP’s report reveals, many pellet mills major source pellet mills evade using the best available control technology, or any control technology at all, while facilities with minor source permits, often the same size or larger, do utilize controls. Georgia must not reward companies for refusing to install controls that would reduce facility emissions to minor levels. Rather, Georgia must require new or modified major sources to reduce emissions using controls that are at least as effective as those utilized by the best-controlled minor sources. This includes using VOC controls that achieve at least 95% reductions on emissions on each of the major sources of pollution at the facility. Considering that a facility right here in the state, Georgia Biomass, utilizes these controls on each of its major emissions sources, Georgia must ensure any future major source facilities do the same.

The Clean Air Act only works to protect health and the environment when state agencies are fully implementing all of the Act’s requirements. The undersigned groups call on Georgia to address the errors and omissions identified in this letter and in EIP’s report, and to further make proactive moves to better understand and control emissions from this emerging industry in the future.

Please contact Patrick Anderson at panderson@powellenvironmentallaw.com or (470) 440-1124 to respond to our request or to obtain additional information. We thank you for your leadership on the environment and your concern for the health and well-being of Georgia’s citizens.

Sincerely,

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