

Louisiana Environmental Action Network | Environmental Integrity Project | Dogwood Alliance | Our Children's Earth | Partnership for Policy Integrity

April 26, 2018

The Honorable John Bel Edwards
Louisiana Office of the Governor
P.O. Box 94004
Baton Rouge, LA 70804

Dear Governor Edwards:

We, the undersigned community and environmental groups who work to protect the health and wellbeing of Louisiana's citizens and environment, call on Louisiana officials to address the dangerous and unlawful air pollution emitted by wood pellet facilities in the state, including taking the specific steps set forth in this letter to address existing deficiencies and to take proactive measures in the future to address new facilities.

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 US, including in Louisiana, emits vast amounts of unlawful air pollution and systematically evades Clean Air Act requirements to reduce that pollution. These factories, including two in Louisiana, 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, but states—including Louisiana—are not doing enough to bring these facilities into compliance with the Clean Air Act.

First, Louisiana Must Eliminate Existing, Unlawful Air Pollution and Require Adequate Emissions Testing Requirements.

The Drax Morehouse BioEnergy wood pellet mill north of Monroe is regulated as a "minor" emissions source based on Drax's acceptance of permit limits prohibiting the mill from releasing air pollution that equals or exceeds the "major source threshold." One of the air pollutants at issue is volatile organic compounds (VOCs), which interacts with sunlight and other gases to form ground-level ozone, the primary constituent of smog. The major source threshold for VOCs is 250 tons per year. Unfortunately, the Drax Morehouse facility has almost certainly been emitting massively more VOC pollution than believed and exceeding its permitted emissions limits several times over.

The primary sources of Drax Morehouse's excess VOC emissions are units known as "pellet coolers." For reasons that are not clear, Louisiana has never required Drax perform emissions testing on the Morehouse plant's pellet coolers, despite the fact that testing at other plants reveals that pellet coolers are huge VOC emitters. In fact, uncontrolled pellet coolers at similar facilities

have been found to emit more than 400 tons of VOCs per year. Yet Drax claims that its pellet coolers emit just 20 tons per year. Drax explains in permit applications that its emissions estimate is based on “stack testing conducted at Morehouse BioEnergy LLC February 10-16, 2016.” However, neither those tests nor the accompanying Louisiana Department of Environmental Quality (DEQ) test review mention VOC testing on the pellet coolers. In a letter to Mississippi officials concerning another Drax plant, Drax describes the same February 2016 testing, but notes that the pellet cooler tests were “engineering testing data” conducted in March of 2016. Such in-house testing is not subject to the rigorous regulations and review procedures meant to ensure testing is an accurate reflection of true emissions. For instance, unlike legitimate testing, Drax did not need to comply with any EPA-approved methodology, did not need to submit data and records from the test for review, did not need to test at full capacity (in fact the testing occurred at 35% capacity, which is well below the 80% or 90% minimum required by most states), nor did Drax need to notify the state that they were conducting the testing in order to allow state oversight. Nonetheless, Louisiana accepted Drax’s proposed emissions rate without even reviewing Drax’s testing protocols or the actual test results.

Without adequate testing, it is hard to believe that Drax’s self-reported emission rate, which is 10 to 25 times lower than similar facilities, is trustworthy. The table below shows how Drax’s emission factor compares to similar facilities:

Drax’s “Engineering Test” Emission Factor is Unrealistically Low Compared to Facilities That Have Conducted Legitimate Testing					
Facility	State	Facility Production Rate at the Time of Testing (tons per year)	Uncontrolled Pellet Cooler VOC Emissions (tons per year)	Uncontrolled Pellet Cooler VOC Emission Factor (lb/ton)	Comparison to Drax Morehouse’s Self-Reported Emission factor of .065 lb/ton
Drax Morehouse “engineering testing data”	LA	578,000	20	.065	-
Enviva Amory	MS	99,000	101	1.6	25 times higher
German Pellets	TX	578,000	446	1.54	23 times higher
Enviva Cottondale	FL	610,000	460	1.5	23 times higher
Georgia Biomass (with steam injection)	GA	820,000	533	1.3	20 times higher
Hazlehurst Wood Pellets	GA	525,000	166	.62	9.5 times higher
			Average Emission Factor:	1.09	16.4 times higher

Table adopted from EIP’s report. Drax Morehouse has claimed their pellet coolers emit vastly lower levels of VOCs than similar plants, yet the facility has never conducted legitimate emissions testing on the units for VOC emissions.

The issue of Drax Morehouse’s pellet cooler emissions is not trivial. At the emission factors Louisiana accepted from Drax, Louisiana states that the facility is currently emitting 249.21 tons per year. This means even a minute error in the pellet cooler emission rate would push the facility above the 250 ton per year major source threshold. In fact, applying any of the above test-derived emission rates to Drax Morehouse’s pellet cooler results in a facility-wide VOC

emission rate of at least 300 tons per year, and could be as high as 691 tons per year. Applying the average mission factor from the table above places the facility's total VOC emissions at 544 tons per year.

Louisiana must require that Drax Morehouse conduct legitimate emissions testing for VOC emissions from its pellet coolers. Louisiana should further revise Drax Morehouse's permit to make such testing a regular requirement, like the permit currently requires for the rest of the emission units. Finally, Louisiana should bring an enforcement action against Drax in the extremely likely event that the facility has been exceeding both its permit limits and the major source threshold for years.

Next, Louisiana Must Address the Industry's Terrible History of Fires and Explosions.

Since 2014, more than half of the large pellet mills in the South have had news-worthy fires or explosions. These fires can produce massive amounts of harmful air pollution; for instance, a recent silo fire at a Texas pellet facility burned for more than 50 days, sickening dozens of nearby residents and leading to multiple lawsuits. Many of these fires and explosions are caused by combustible wood dust, an extreme hazard at wood pellet mills.

The Clean Air Act gives Louisiana a powerful tool to address wood dust explosions and fires. The Act contains a General Duty Clause which 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, the permits for the two pellet mills in Louisiana do not even reference the General Duty Clause. Louisiana must revise these permits to specify that the General Duty Clause applies to the facility's handling of explosive dust and 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:

- (1) Identify the Clean Air Act's General Duty Clause as an applicable requirement with respect to the facility's handling of combustible dust.
- (2) 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.
- (3) Establish specific design and operation standards that the facility must meet to prevent a dust-related fire or explosion.
- (4) Establish recordkeeping and reporting requirements sufficient to demonstrate that the facility is meeting its General Duty Clause obligations.

Finally, Louisiana Must Issue Better Permits for Future Wood Pellet Mills.

Given the heavy burden this industry places on the citizens and environment of Louisiana, the undersigned groups oppose the issuance of permits for new wood pellet mills. However, if the state does issue permits for new facilities or for modifications at existing facilities, officials must

ensure new permits require facilities to comply with all requirements under the Clean Air Act. The undersigned groups call for the following specific actions in future permitting:

- 1. Require “major” sources of air pollution to install the best available control technology.** As EIP’s report reveals, many pellet mills with major source permits, including the Drax LaSalle facility north of Alexandria, 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. Louisiana must not reward companies for refusing to install controls that would reduce facility emissions to minor levels. Rather, Louisiana 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. If facilities in Georgia and Alabama can do this, so can Louisiana facilities.
- 2. Ensure Communities are Notified of and Able to Participate in Permitting Decisions.** Many of the air permits EIP surveyed from across the South 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. This means communities were not informed of the decision to allow sources of air pollution to locate in their backyard. States should ensure that the public has a meaningful opportunity to participate in any permitting decisions for new or modified wood pellet mills.
- 3. 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 Clean Air Act only serves to protect health and the environment when state agencies are fully implementing all of the Act’s requirements. The undersigned groups call on Louisiana 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 Louisiana’s citizens.

Sincerely,

Marylee Orr
Executive Director
Louisiana Environmental Action Network

Eric Schaeffer, Executive Director

Keri N. Powell, Of Counsel
Patrick J. Anderson, Of Counsel
Environmental Integrity Project

Emily Zucchini
Community Network Manager
Dogwood Alliance

Annie Beaman
Director of Advocacy & Outreach
Our Children's Earth Foundation

Dr. Mary S. Booth
Director
Partnership for Policy Integrity

CC:

Chuck Carr Brown, Secretary, Louisiana DEQ (by email at deq-
www.officeofthesecretarycontact@la.gov);

Elliott Vega, Assistant Secretary, Office of Environmental Service (by email at
Elliot.vega@la.gov);

Bryan Johnston, Administrator, Air Permits Division (by email at bryan.johnston@la.gov);

Lourdes Iturralde, Assistant Secretary, Environmental Compliance Division (by email at
lourdes.iturralde@la.gov).