

Commonwealth of Pennsylvania
Department of Environmental Protection
Air Quality Program
September 29, 2016

Subject: Perdue AgriBusiness, LLC
Conoy Township, Lancaster County
Plan Approval Application No. 36-05158B

To: William R. Weaver *WRW 9/30/16*
Regional Manager, Air Quality

Thru: Tom Hanlon *TH 9/29/16*
Environmental Engineering Manager, Air Quality Permitting

From: Brian Wetzel *BW*
Air Quality Permitting

Introduction/Facility Description

A Plan Approval (PA) Application was received on August 1, 2016 from Perdue AgriBusiness, LCC (Perdue) for the transfer and use of VOC emission reduction credits (ERCs) associated with the startup and operation of the soybean processing facility approved under Plan Approval No. 36-05158A in Conoy Township, Lancaster County.

In accordance with Plan Approval No. 36-05158A, Section C, Condition #021, Perdue must secure 257.11 tons of VOC ERCs prior to the startup of any sources. The 257.11 tons is based on the facility's VOC potential to emit (PTE) stack emissions of 82.11 tpy, the facility's VOC PTE fugitive emissions of 118.95 tpy and the offset ratios of 25 Pa Code §127.210.

$$89.11 \text{ tons VOC (stack)} \times 1.15 + 118.95 \text{ tons VOC (fugitive)} \times 1.3 = 257.11 \text{ tons VOC ERCs}$$

Element Markets, LLC VOC ERC Transfer and Use

The Department proposes to authorize the transfer and use of 174.0 tons per year (tpy) of VOC ERCs for offset purposes from Element Markets, LLC, Houston, Texas. The 174.0 tpy of VOC ERCs were generated by the source reduction related to wood furniture surface coating sources at Bush Industries, Inc., Orange County, Middletown, NY on May 1, 1992. The ERCs were certified by the New York State Department of Environmental Conservation (NYSDEC) on December 30, 1996 and were subsequently entered in the NYSDEC's ERC Registry system.

On July 25, 2016, the PADEP received a letter from NYSDEC requesting to transfer a total of 174.0 tpy of VOC ERCs from the NYSDEC's ERC Registry to PADEP's ERC Registry for use at the Perdue AgriBusiness, LLC facility in Conoy Township. As a result of the "Reciprocity Agreement" for the interstate trading of ERCs between PADEP and NYSDEC, the PADEP proposes to register the ERCs to Perdue AgriBusiness, LLC.

GST AutoLeather, Inc. VOC ERC Transfer and Use

The Department proposes to authorize the transfer and use of 94.0 tons per year (tpy) of VOC ERCs for offset purposes from Garden State Tanning, Inc. a.k.a. GST AutoLeather, Inc. (GST), Washington County, Maryland. The 94.0 tpy of VOC ERCs were generated by the shutdown of sources at GST on January 1, 2007. The ERCs were certified by the Maryland Department of the Environment (MDE) and entered into the MDE's ERC Registry system on February 12, 2014.

On June 27, 2016, the PADEP received a letter from MDE requesting to transfer a total of 94.0 tpy of VOC ERCs from MDE's ERC Registry system to PADEP's ERC Registry system for use at the Perdue AgriBusiness, LLC

facility in Conoy Township. As a result of the "Reciprocity Agreement" for the interstate trading of ERCs between PADEP and MDE, the PADEP proposes to register the ERCs to Perdue AgriBusiness, LLC.

Notifications

The scope of the application does not include NSPS, MACT, NESHAP, NNSR, or PSD permitting requirements. The application was deemed "administratively complete" on August 4, 2016. Conoy Township & Lancaster County received municipal notification on July 25, 2016. A PA Bulletin notice of the receipt of the application was published on August 20, 2016. A Compliance History Form was received with the application.

Nikolaus, Hohenadel, LLP, on behalf of the Conoy Township Board of Supervisors, submitted to DEP a letter dated 8/17/16, which stated that "*Conoy Township, without reservation, supports Perdue AgriBusiness, LLC in its Air Quality Plan Approval Application submitted to the Department of the Environmental Protection for consideration of approval. The Township urges the Department to approve Perdue's Air Quality Plan at its earliest opportunity.*" DEP acknowledges the Township's interest in this matter, and is proposing to approve the application based on its technical merits.

A notice of the Department's intent to issue Plan Approval No. 36-05158B will be published in the Pennsylvania Bulletin shortly. I recommend draft Plan Approval No. 36-05158B also be distributed to EPA and to Perdue for comment. Due to past public interest in this facility, DEP has scheduled a public hearing on the draft plan approval at 6:30 PM on Wednesday, November 16, 2016, at the Bainbridge Fire Hall.

Cc: SCRO, 36-05158B
Lancaster District
Permits
EPA

NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Division of Air Resources, Bureau of Stationary Sources
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RECEIVED

JUL 25 2016

Division of Permits

JUL 19 2016

Mr. Krishnan Ramamurthy
Chief, Divisions of Permits
Pennsylvania Department of Environmental Protection
Rachel Carson State Office Building
P.O. Box 8468
Harrisburg, PA 17105

Interstate Transfer of Emission Reduction Credits
Element Markets, LLC to Perdue AgriBusiness, LLC (Pennsylvania)

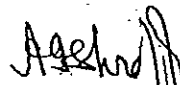
Dear Mr. Ramamurthy:

On December 30, 1996 the New York State Department of Environmental Conservation (NYSDEC) certified 175.70 tons per year of VOC emission reduction credits (ERCs) in the name of Bush Industries, Inc. (DEC ID # 9-0454-00001). These ERCs were created as a result of Source Reduction on May 1 1992. Subsequently, Bush Industries, Inc. sold 175.70 tpy of these credits to Element Markets, LLC. Recently, Element Markets, LLC notified NYSDEC of its intent to sell and transfer 174.00 tpy of these credits to Perdue AgriBusiness, LLC, for the use at a facility in the State of Pennsylvania.

Pursuant to the "Reciprocity Agreement" for the interstate trading of ERCs between PADEP and the NYSDEC, the Department has approved the transfer of 174.00 tpy of Element Markets, LLC's VOC ERCs from NYSDEC's ERC registry to PADEP's ERC registry. Your assistance in processing the transfer and registration of these credits in the name of Perdue AgriBusiness, LLC, is greatly appreciated.

If you have any questions or require additional information, please contact me at (518) 402-8413.

Sincerely,



Ajay Shroff, P.E.
Environmental Engineer II
Bureau of Stationary Sources
Division of Air Resources

c: Randall Lack, Element Markets, LLC
RAPCE-Region 9
Ajay Shroff



Department of
Environmental
Conservation



Maryland
Department of
the Environment

Larry Hogan
Governor
Boyd Rutherford
Lieutenant Governor
Ben Grumbles
Secretary

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JUN 27 2016

Division of Permits

JUN 23 2016

Mr. Krishnan Ramamurthy, Chief
Division of Permits
Bureau of Air Quality
Rachel Carson State Office Building
P.O. Box 8468
Harrisburg, PA 17105-8468

Re: Interstate Transfer of Emission Reduction Credits (ERCs) from GST AutoLeather, Inc. to Perdue AgriBusiness LLC, Marietta, Lancaster County, Pennsylvania

Dear Mr. Ramamurthy:

This letter is in response to recently received letters from Garden State Tanning, Inc a.k.a. GST AutoLeather, Inc ("GST"), and Perdue AgriBusiness LLC ("Perdue"), requesting transfer of volatile organic compounds (VOC) emission reduction credits (ERCs). GST AutoLeather, Inc. has requested the Maryland Department of Environment (MDE) to transfer 94.0 tpy of VOC ERCs to Perdue AgriBusiness LLC, of Lancaster County, Pennsylvania. The Department has certified 94.0 tpy of VOC ERCs in the name GST on February 12, 2014. These ERCs were generated by the facility shutdown of GST's facility in Williamsport, Washington County, Maryland on January 1, 2007.

Pursuant to the "Reciprocity Agreement" for the interstate trading of ERCs between MDE and the Pennsylvania Department of Environmental Protection (PADEP), the MDE has approved the transfer of GST AutoLeather, Inc 94.0 tpy of VOC ERCs from MDE's ERC registry to PADEP's ERC registry for the use in the Perdue AgriBusiness LLC facility in Marietta, Lancaster County, Pennsylvania for their proposed project. Please note that these ERCs have an expiration date of January 1, 2017, therefore the credits need to be used in the Perdue AgriBusiness LLC facility's permit prior to the expiration date.

If you have any questions or require additional information, please contact Mr. Christopher Mentzer at 410-537-4417 or christopher.mentzer@maryland.gov.

Sincerely,

Karen G. Irons, Program Manager
Air Quality Permits Program
Air & Radiation Management Administration

KGI/cm

cc: Eric Evans, GST AutoLeather, Inc
Wayne Black, Perdue Agribusiness LLC
Angelo Bianca, MDE

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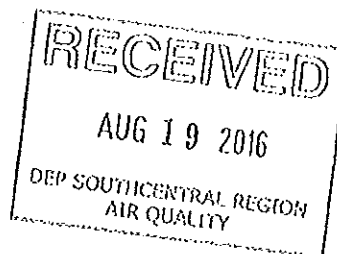
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August 17, 2016

Thomas J. Hanlon, P.E.
Environmental Engineering Manager
PA DEP - South Central Regional Office
Air Quality Program
909 Elmerton Avenue
Harrisburg, PA 17110-8200

Re: Perdue Agribusiness LLC - Soybean Processing Facility
Notification: PA DEP Air Quality Plan Approval Application -
Request for Transfer and Use of ERcs (Emission Reduction Credits)
associated with Plan Approval 36-05158A

Dear Mr. Hanlon:

I am writing as the Solicitor for Conoy Township Lancaster County Pennsylvania. At their regular meeting of August 11, 2016 the Conoy Township Board of Supervisors authorized me to submit this letter in their behalf and on behalf of the Township.

Conoy Township, without reservation, supports Perdue Agribusiness LLC in its Air Quality Plan Approval Application submitted to the Department of the Environmental Protection for consideration of approval.

The Township urges the Department to approve Perdue's Air Quality Plan at its earliest opportunity.

Thank you for your attention to this letter.

Very truly yours,

Matthew J. Creme, Jr.

MJC, Jr./neg

cc: Conoy Township
C. Wayne Black - Director of Perdue AgriBusiness Environmental