

1
2 ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
3 INFORMATIONAL PERMIT PUBLIC HEARING

4 IN RE: AIR POLLUTION CONTROL)
5 CONSTRUCTION PERMIT:)
6 MARQUIS ENERGY, LLC)

7 TRANSCRIPT OF PROCEEDINGS had at the
8 hearing of the above-entitled cause, taken before
9 Paula A. Morsch, C.S.R. License No. 84-002965, a
10 Certified Shorthand Reporter in the State of
11 Illinois, on the 17th day of May, 2011, at the hour
12 of 7:00 p.m., at 400 E. Silverspoon Street, Putnam
13 County High School, in the City of Granville, County
14 of Putnam County, State of Illinois.

15 BEFORE HEARING OFFICER DEAN STUDER.

16 APPEARANCES:

17 MR. DEAN STUDER
18 Hearing Officer, IEPA
19 Office of Community Relations
20 1021 North Grand Avenue East
21 P.O. Box 19276
22 217-558-8280
23 Springfield, Illinois 62794

MR. MINESH PATEL
Bureau of Air, IEPA
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794

1 MR. STUDER: Good evening. We're
2 going to go ahead and get started. My name is Dean
3 Studer and I'm the hearing officer for the Illinois
4 Environmental Protection Agency. On behalf of
5 Interim Director, Lisa Bonnett, I welcome you to
6 tonight's hearing. Can you all hear me in back?

7 Okay. My purpose tonight is to ensure
8 that these proceedings run properly and according to
9 rules. This is an informational permit hearing
10 before the Illinois EPA in the matter of an air
11 pollution control construction permit for an
12 expansion of an existing plant for Marquis Energy,
13 LLC.

14 The Illinois EPA has made a preliminary
15 determination that the project meets the
16 requirements for obtaining a permit and has prepared
17 a draft permit for review. Illinois EPA is holding
18 this hearing for the purpose of explaining this
19 draft permit, responding to questions, and accepting
20 comments from the public on the proposed air
21 pollution control construction permit for this
22 project prior to actually making a final decision on
23 the permit application.

1 This public hearing is being held under
2 the provisions of the Illinois EPA's procedures for
3 permit and closure plan hearings which can be found
4 at 35 Illinois Administrative Code, Part 166,
5 Subpart A. Copies of these procedures can be
6 accessed on the website for the Illinois Pollution
7 Control Board at www.ipcb.state.il.us or, if you do
8 not have easy access to the worldwide web, they can
9 be obtained from me upon request.

10 An informational public hearing means just
11 that. It is an opportunity for you to provide
12 information to the Illinois EPA concerning this
13 permit action. This is not a contested case
14 hearing.

15 I would like to explain how tonight's
16 hearing is going to proceed. First, Illinois EPA
17 staff will introduce themselves and identify their
18 responsibility within the agency and then make a
19 brief statement. Following this, Mark Marquis from
20 Marquis Energy will make a brief statement.
21 Following this overview, I will allow the public to
22 ask questions or provide comments.

23 You are not required to provide your

1 comments orally. Written comments are given the
2 same consideration and may be submitted to the
3 Illinois EPA at any time during the comment period
4 which ends at midnight on June 1st, 2011. All
5 comments submitted by mail must be postmarked by
6 then, which is June 1st, 2011. Although we will
7 continue to accept comments through that date,
8 tonight is the only time that we will accept oral
9 comments.

10 The Illinois EPA would like to take final
11 action on this matter yet this summer. However, the
12 actual decision date will depend upon the number of
13 comments received, the substantive content of those
14 comments, as well as a number of other factors. Any
15 person who wants to make an oral comment this
16 evening may do so as long as statements are relevant
17 to the issues at hand and they have indicated on the
18 registration card that they would like to comment.
19 If you have not completed a registration card at
20 this point, please see Brad Frost in the
21 registration area and you will be provided a
22 registration card. You may indicate on the card
23 that you would like to make oral comments.

1 All those registering tonight or
2 submitting documents during the comment period will
3 be notified of the final decision in this matter and
4 will be told how they may access a copy of the
5 summary of this hearing. If you have lengthy
6 comments or questions, please submit them to me in
7 writing before the end of the comment period, and
8 that is again June 1st, 2011, and I will ensure that
9 they are included in the hearing record as an
10 exhibit.

11 Please keep your comments and questions
12 relative to, relevant to the issue at hand. If your
13 comments fall outside of the scope of this hearing,
14 I may ask you to proceed to another issue. The
15 permit applicant, Marquis Energy, LLC, is also free
16 to answer questions if willing to do so, but I am
17 not in a position to require them to answer
18 questions. Our panel will make every attempt to
19 answer the questions presented but I will not allow
20 the speakers to argue or engage in prolonged
21 dialogue with our panel or with other members of the
22 public. All comments and questions are to be
23 directed to the panel and to the court reporter so

1 that an accurate record can be taken of the issues
2 that are raised.

3 For the purpose of allowing everyone to
4 have a chance to speak who desires to do so, I will
5 initially limit questions, responses, and comments
6 to five minutes. This should give everyone who
7 desires to speak that opportunity. Once the
8 opportunity to speak has been extended to all who
9 have indicated their desire to do so on the
10 registration card, I will ask if there are others
11 who have not spoken that would like to do so
12 provided that time allows. After everyone has had
13 an opportunity to speak and provided the time would
14 still allow, I will allow those who either ran out
15 of time during their initial comments or who have
16 additional comments to speak.

17 In addition, I'd like to stress that we
18 want to avoid unnecessary repetition. If anyone
19 before you has already presented testimony that is
20 contained in your written or oral comments, please
21 skip over them when you speak. Please remember all
22 written comments, whether or not you say them out
23 loud, will become part of the official record in

1 this matter and will be considered. Once a comment
2 is made here tonight at the hearing, it is contained
3 in the record and when others make the same point,
4 it adds nothing further to the record.

5 In the responsiveness summary for this
6 proposed permit action, the Illinois EPA will
7 attempt to respond to all relevant and significant
8 issues that were raised at this hearing or submitted
9 to me prior to the close of the comment period. The
10 written record in this matter again closes on
11 June 1st, 2011. I will accept written comments as
12 long as they are postmarked by that date.

13 While the record is open, all relevant
14 comments and documents or data will be placed into
15 the hearing record as exhibits. Please send all
16 written documents to my attention. You can send
17 them to Dean Studer. That's D-E-A-N, last name is
18 S-T-U-D-E-R, Hearing Officer, Office of Community
19 Relations regarding Marquis Energy, Illinois EPA,
20 1021 North Grand Avenue East, P.O. Box 19276,
21 Springfield, Illinois, 62794-9276. This address is
22 also listed on the public notice for this hearing
23 tonight.

1 I would like to remind everyone that we do
2 have a court reporter here who is taking a record of
3 this proceeding for the purpose of us putting
4 together our administrative record. Therefore, for
5 the benefit of the court reporter, please keep the
6 general background noise in the room to a minimum so
7 that she can hear everything that is said. Once I
8 receive the transcript for this proceeding, I will
9 arrange to have it posted on the Illinois EPA
10 website in the same general location that the notice
11 for this hearing was posted.

12 Please keep in mind that any comments from
13 someone other than a person who is up front may not
14 be recorded by the court reporter. If you speak
15 over someone, the court reporter will not be able to
16 take down everyone's comments. The same rule
17 applies to both the members of the audience and also
18 when someone from the Illinois EPA or anyone else is
19 speaking.

20 When it is your turn to speak, please come
21 forward to the microphone and state your name and,
22 if applicable, any governmental body, organization,
23 or association that you are representing. If you do

1 not represent any governmental body, organization,
2 or association, you may simply state that you are a
3 concerned citizen or local resident.

4 For the benefit of the court reporter, I
5 also ask that you spell your last name. If there
6 are alternate spellings for the first name, then you
7 may want to spell that as well. Those who have
8 requested to speak will be called upon in the order
9 based upon the cards that I have before me. After I
10 have gone through the cards and assuming that there
11 is time, if anyone else wishes to comment, I will
12 allow them to speak. Are there any questions on how
13 I will proceed with this hearing tonight?

14 For the record there was no hands raised.
15 I have admitted the following exhibits into the
16 record. The notice of public hearing is Exhibit 1.
17 The draft revised permit is Exhibit 2, and the
18 project summary is Exhibit 3. Other letters
19 requesting a hearing in this matter and letters also
20 rescinding prior requests for hearing are also
21 contained in the record as exhibits.

22 I now ask the Illinois EPA staff to
23 introduce themselves and if they would like to make

1 a short opening statement, they may do so at this
2 time. This will be followed by Mark Marquis,
3 President of Marquis Energy making a brief statement
4 this evening.

5 MR. PATEL: Thank you. Good evening,
6 ladies and gentlemen. My name is Minesh Patel,
7 P-A-T-E-L. I'm a permit engineer with the Bureau of
8 Air. I will be giving you a brief description of
9 the proposed expansion of the ethanol plant.

10 Marquis Energy, LLC, has requested a construction
11 permit for expansion of its existing ethanol plant
12 in Hennepin, which began operation in 2008. The
13 principal products produced at this plant are fuel,
14 ethanol, and distillers grain or feed. Currently
15 the plant is permitted to produce up to
16 140 million gallons of ethanol per year.

17 The proposed expansion would generally be
18 designed to function as a stand-alone plant with
19 additional capacity of 140 million gallons per year,
20 with the nominal capacity of expanded plant to
21 280 million gallons per year. The ethanol would
22 also increase the amount of corn processed and feed
23 produced at the plant.

1 The expansion would have new facilities
2 and equipment to perform activities such as grain
3 receiving and storage, grain milling, mash
4 preparation, fermentation, distillation of stillage,
5 feed drying, storage and loadout of feed, additional
6 storage of ethanol and natural gas fired boilers.
7 These facilities and their control equipment will be
8 similar to those at the existing plant.

9 The expansion and original plant will have
10 certain operations that are shared. For the
11 expansion, ethanol will be stored in existing day
12 tanks or storage tanks. Ethanol will be shipped out
13 to customers using existing loading racks. The
14 expansion would also provide redundancy and backup
15 capability for certain operations for the original
16 plant, including boilers, grain receiving and
17 storage and feed loadout operation.

18 The expansion is not considered a major
19 project for federal rules for prevention of
20 significant deterioration, PSD. This is because the
21 combination of the existing plant and expansion
22 would continue to be a non-major source for the PSD.
23 In particular, the potential emissions of each

1 regulated pollutant other than greenhouse gasses
2 from the sources, source, would be less than the
3 applicable major source threshold of PSD rules;
4 i.e., less than 250 tons per year.

5 MR. STUDER: Just for the record, it
6 is PSD, which is prevention of significant
7 deterioration.

8 MR. PATEL: In addition, the existing
9 boiler as a group and the proposed boiler as a group
10 will both not be a major source of emissions for
11 purposes of PSD because the potential emissions of
12 regulated pollutants other than greenhouse gasses
13 from each group of boiler would be less than
14 100 tons per year.

15 The expansion is also not considered a
16 major modification for emission of hazardous air
17 pollutants; that is, HAP, under Section 112(g) of
18 the federal Clean Air Act. In particular, HAP
19 emissions from the expansion and/or original plant
20 each would be less than ten tons per year for the
21 individual HAP and less than 25 tons per year for
22 aggregate HAPS.

23 However, the combination of the original

1 plant and the proposed expansion, when considered
2 together, would be classified as a major source for
3 HAPs. Accordingly, certain operations at the
4 expansion and/or original plant would become subject
5 to applicable National Emission Standards for
6 Hazardous Air Pollutants.

7 Illinois EPA has reviewed the materials
8 submitted by Marquis Energy and has determined that
9 the application for expansion shows that it will
10 comply with applicable state and federal standards.
11 The conditions of the proposed draft permit contain
12 limitations and requirements on the activities of
13 the expansion. The permit also establishes
14 appropriate testing, monitoring, recordkeeping, and
15 reporting requirements.

16 In closing, the Illinois EPA is proposing
17 to grant a construction permit for the proposed
18 expansion. We welcome any comments or questions
19 from the public on our proposed action. Thank you.

20 MR. STUDER: Thank you, Minesh. As
21 is customary in a permit hearing, the first person
22 that normally speaks, that opportunity is given to
23 the permit applicant and so I would ask that

1 Mr. Marquis, if you'd come forward with your opening
2 statement to the microphone and if you would state
3 your name and spell your last name for the record,
4 please.

5 MR. MARQUIS: My name is Darrell L.
6 Marquis, M-A-R-Q-U-I-S, better known as Mark
7 Marquis. I live at 602 Poplet Hollow Road in
8 Peoria, Illinois. I am the President of Marquis
9 Energy, Marquis Holdings, and the CEO of Marquis
10 Management. I was born and raised on a farm in
11 Bureau County and I've been a business owner in
12 Bureau County since the 1970's and a Putnam County
13 business owner since the 1990's.

14 As the representative of the applicant,
15 Marquis Energy, LLC, for the expansion air permit,
16 I'd like to review some of the history of the
17 company and the company vision going forward.
18 Marquis Energy, LLC, was formed on July 7, 2006, but
19 my dad and my uncle and myself formed the first
20 Marquis family business in the 1970's. I'd like to
21 acknowledge my uncle, Donald Bo Marquis who has been
22 sadly missed since he passed two years ago, and my
23 dad, Darrell Marquis.

1 Our company's simple business philosophy
2 was to hire talented, ambitious staff, provide them
3 with training and a vision of the company's goals
4 and to give them the opportunity to create their own
5 career. The company strives to build mutually
6 beneficial business relationships with customers,
7 vendors, and the community based on honesty and
8 integrity. I'd like to recognize the shareholders
9 of Marquis Energy and Marquis Holdings who are
10 present tonight and ask that they would stand: Tom
11 Marquis, Jason Marquis, Dennis Throneburg, and
12 Marcus Throneburg. Additionally, I'd like to
13 acknowledge our staff in attendance tonight and ask
14 that they all stand.

15 Throughout the Marquis companies we employ
16 more than 100 staff creating quality jobs for three
17 counties, including a Ph.D., four CPA's who
18 graduated from local area high schools including
19 Hall and Princeton, half a dozen business graduates
20 and employees from 23 local communities and four
21 counties. Our staff also includes many familiar
22 names to the local area like Coleman, Kelsey, Doyle,
23 Buckman, Miller, and Jamison, to name a few.

1 The company has created a premium price
2 market for 44 million bushels of corn supplied by
3 more than 500 local corn growers and 25 area grain
4 dealers and transported by more than a 100 local
5 truckers. The company now produces nearly
6 400,000 gallons per day of clean burning high
7 octane, low cost fuel for both U.S. and
8 international motorists. Our ethanol is sold at a
9 cost of about 60 cents per gallon less than
10 gasoline. Additionally, the company provides annual
11 production of about 350,000 tons of high quality,
12 high protein animal feed for use both domestically
13 and around the world. Our feed product improves the
14 diets of people in China, North Africa, Europe,
15 Indonesia, South Korea, and Vietnam.

16 Our company's ideal location at Hennepin
17 on the Illinois River with its connection to the
18 ocean transportation has allowed us to deliver
19 ethanol to destinations including the port of
20 Rotterdam for distribution throughout Europe as well
21 as ports in Brazil and Nigeria. These exports of
22 ethanol and distillers grain help balance the
23 extraordinary trade deficit within the United States

1 economy.

2 Water transportation is the most
3 economical and environmentally friendly form of
4 transportation in the world. Several independent
5 studies have shown that without the ten percent of
6 the U.S. fuel supply provided by corn ethanol, U.S.
7 gasoline prices would likely be 50 cents per gallon
8 higher according to studies supported by the U.S.
9 Department of Energy. U.S. corn growers now produce
10 a fuel quantity equal to that of all of our imports
11 from Saudi Arabia.

12 Clean, clear 116-octane ethanol helps
13 reduce tail pipe emissions allowing cities in air
14 quality non-attainment areas to significantly
15 improve their air quality as well as provide clean
16 air for all Americans. I am pleased that the
17 Illinois EPA, after extensive review, has indicated
18 their intent to issue our expansion of our permit
19 pending the outcome of this hearing.

20 I was very pleased that there weren't any
21 objections from any local residents with regard to
22 the air permit application or requests from any
23 Putnam County residents to this hearing. The six

1 requests for the hearing were all limited to six
2 labor unions located outside of Putnam County.

3 The new expansion project has an estimated
4 budget of \$170 million and will again, like our
5 first plant, provide an economic stimulus to those
6 involved in the construction. There will be many
7 opportunities for companies to support Marquis
8 Energy and this permitting process, to bid to supply
9 materials and labor during the new construction.

10 While the project of this scale attracts
11 many supporters and a few detractors, promoters of
12 the project, including those in this hearing
13 process, will have an opportunity to bid for
14 segments of the project while opponents of our
15 construction may be disgruntled, as they will not be
16 allowed to participate in the plant construction.

17 Throughout our previous construction and
18 three years of operation of Marquis Energy, scores
19 of local businesses and organizations have
20 participated in mutually beneficial relationships
21 with Marquis. I would like to acknowledge some of
22 Illinois-based vendors who have supported and
23 benefited from our projects; AA Soil Consultants of

1 Geneseo, ADS of Mendota, Albrecht Well Drilling of
2 Ohio, Area Steel Service of Wenona, ATMI Dynacore,
3 Lockport, Brandt Construction of Milan, Builders
4 Choice of LaSalle, Chamlin & Associates of Peru,
5 Columbia Pipe & Supply, East Peoria; Complete
6 Industrial of Peru, County Materials Corporation of
7 Champaign, Crescent Electric of Princeton, Elmore
8 Electric of Dover, Fastenel of Peru, Garber Heating
9 and Air Conditioning of Morton, Graphic Images of
10 Peru, Grassers Plumbing & Heating in McNabb,
11 Hennepin Food Mart of Hennepin, Hitchcock Iron of
12 Canton, Illinois Cement Company of LaSalle, Illinois
13 Valley Gutters of Mark, Illinois Valley Surveying of
14 Hennepin, Judd Construction of Hennepin, Key
15 Builders of Princeton, LaHood Construction of
16 Washington, Manlius Oil Company of Manlius, MBI
17 Construction of Effingham, McClure Engineering
18 Associates of Ottawa, Midwest Material Company of
19 Lacon, Midwest Testing Services of Peru, Mostardi
20 Platt Environmental of Oakbrook, MTCO Communications
21 of Metamora, Nalco of Naperville, Powerscreen of
22 Naperville, Prairie Lake Construction of Normal,
23 Putnam County Title Company of Hennepin, RSC of

1 Peru, Rippel Enterprises of Rutland, Riverstone
2 Group of Vermilion, Stack Test Group of Ottawa,
3 Sullivan Door Company of Kewanee, Sunbelt Rentals of
4 East Peoria, Taylor Made Machining of Mark, Toedter
5 Oil Company in Granville, TomKat Roofing in
6 Streator, Tower Equipment Rental of Princeton,
7 Tribune Printing in Princeton, Tri-Con Materials of
8 Princeton, V-Mix of Washington, Veatch Brothers of
9 Roanoke, Wallace Engineering of Toulon, Weaver Boos
10 of Springfield, and Whitney & Associates of Peoria.

11 We value the relationships that these
12 suppliers, customers, and vendors have had with
13 Marquis Energy. The issuance of this air permit
14 followed by the successful construction and startup
15 of the expansion will position Marquis Energy as the
16 largest or one of the largest dry mill ethanol
17 plants in the world. This should be a proud
18 distinction for our staff, the community, the
19 village of Hennepin, Putnam County, and the state of
20 Illinois. Thank you.

21 MR. STUDER: Thank you, Mr. Marquis.

22

23

1 (Applause.)

2 MR. STUDER: One thing I will ask is
3 that we do not applaud during the hearing tonight.
4 It will help things move a little bit faster and
5 we'll be moving along in a more expedient manner.
6 The first person that will be speaking tonight will
7 be David Raikes. Mr. Raikes, if you'd come forward
8 to the podium and state your name and spell your
9 last name for the record, please.

10 MR. RAIKES: My name is David Raikes,
11 R-A-I-K-E-S.

12 MR. STUDER: Thank you.

13 MR. RAIKES: Thank you, Mr. Studer.

14 Good evening. I appreciate the opportunity to speak
15 before you tonight. I'd like to go on record on
16 behalf of the members of Laborers Local Union 393
17 here in the Illinois Valley who I represent over a
18 thousand members throughout the Illinois Valley
19 here. We want to go on record in full support of
20 the expansion of the Marquis Energy ethanol plant
21 for the construction permit.

22 Also, according to the recent
23 environmental reports of the existing plant, by the

1 reports I've gotten from Prairie Rivers Network and
2 both the state and federal EPA, Marquis Energy has
3 been in compliance throughout the continued
4 operation of the plant with the reports that I've
5 gotten. Also, I want to add that the jobs here in
6 our direct area of the Illinois Valley, we're in
7 desperate need of living wage union jobs that
8 provide health and welfare and pension benefits.
9 The construction will be good for local union
10 workers and local union contractors. It will be a
11 boost for our local economy, for our local
12 government bodies, for our local businesses, our
13 local schools, our farmers, and our local workers
14 and their families. Thank you very much.

15 MR. STUDER: Thank you, Mr. Raikes.
16 The next person is Joseph Santarella.
17 Mr. Santarella, if you'd come forward to the
18 microphone, please.

19 MR. SANTARELLA: Good evening. My
20 name is Joseph Santarella, spelled
21 S-A-N-T-A-R-E-L-L-A. Thank you for the opportunity
22 to speak this evening and comment on the
23 environmental compliance of this proposed permit.

1 The following comments and questions are made on
2 behalf of the Illinois Pipe Trades and the United
3 Association Local 597 whose individual members work,
4 reside, or recreate in the vicinity of the Marquis
5 Energy facility.

6 Our initial review of the draft
7 construction permit raises concerns as to whether
8 IEPA's conclusion that the expansion of the plant is
9 not subject to case by case determination of MACT
10 pursuant to Section 112(g) of the Clean Air Act is
11 legally proper. We, therefore, seek additional
12 information from IEPA to verify that the proposed
13 emission limits of acetaldehyde and other pollutants
14 from all emission units have been accurately
15 calculated and are practically enforceable. In
16 addition, we seek additional information to
17 ascertain as to why IEPA is not regulating PM2.5,
18 also known as PM Fine, a pollutant that causes
19 heart/lung impairment, in the draft permit as an
20 Ambient Air Quality Standard per Section 201.102 of
21 the IEPA rules. As such, I would like to pose the
22 following questions, recognizing I probably don't
23 have enough time to ask all of them.

1 First of all, please identify the source
2 of the emission factors for the flares.

3 MR. PATEL: Which flare are you
4 talking about?

5 MR. SANTARELLA: I'm sorry. I could
6 not hear you, sir.

7 MR. PATEL: Which flare?

8 MR. SANTARELLA: Which flares?

9 MR. PATEL: Uh-huh.

10 MR. SANTARELLA: All of the flares.

11 MR. STUDER: Is that something you'll
12 have to respond to in writing?

13 MR. EUFPLT: And with any of these
14 questions, to answer any of them, would it be
15 possible for you to follow-up with an E-mail with
16 this information?

17 MR. PATEL: Sure.

18 MR. STUDER: What we'll do on these
19 is in the responsiveness summary we'll provide that
20 information, in the written responsiveness summary.

21 MR. SANTARELLA: I'd like to have the
22 information now because we believe that you're
23 utilizing AP-42 for non-oxygenated hydrocarbons and

1 we don't understand why this would be a
2 representative emission factor for oxygenated fuels.
3 So if you could verify that, that would very much
4 help our ability to put comments together and be
5 responsive and focus on what we state to the IEPA.

6 MR. PATEL: We can do that.

7 MR. SANTARELLA: Thank you, sir. In
8 addition, could you tell me what is the assumed
9 control efficiency for the flare and what is the
10 basis for the assumed control efficiency? We have
11 not been able to find that in the information
12 provided to us.

13 MR. PATEL: The assumed efficiency
14 for the flare is 95 percent for UM and that test is
15 standard AP-42 type emission factors that we have
16 used for the flares.

17 MR. SANTARELLA: Again is that for
18 oxygenated or non-oxygenated fuels?

19 MR. PATEL: It's for the oxygenated
20 fuel.

21 MR. SANTARELLA: It's for oxygenated
22 fuels. I'd appreciate the citation for that if you
23 could. That would very much be helpful.

1 MR. PATEL: Sure.

2 MR. SANTARELLA: Along the same
3 lines, could you please explain how the criteria and
4 HAP emission rates are to be verified for the
5 following emission units; the fermentation scrubber?

6 MR. PATEL: How is it verified?

7 MR. SANTARELLA: Yes.

8 MR. PATEL: Fermentation scrubber,
9 the emission factor is based on the scrubber testing
10 at similar facilities of ethanol plants.

11 MR. SANTARELLA: So the emission rate
12 is based on the emissions factor, AP emissions
13 factor, is that correct?

14 MR. PATEL: Not AP-42, no.

15 MR. SANTARELLA: Not AP-42?

16 MR. PATEL: It's for the emission,
17 stack test emission testing at a similar facility.

18 MR. SANTARELLA: How would that be
19 verified during compliance inspection to ensure that
20 it's indeed compliant with the terms of the permit?

21 MR. PATEL: How do you mean?

22 MR. SANTARELLA: During compliance
23 inspection, how do you verify indeed that this unit

1 is indeed not exceeding the limit that's been
2 established in the permit?

3 MR. PATEL: We require them to
4 monitor the emission, monitor the parameters for the
5 scrubber which would be equated to the emission rate
6 during the stack testing, so the scrubbers are
7 required to be stack tested.

8 MR. SANTARELLA: The scrubbers, but
9 what about the oxidizers on the feed dryer?

10 MR. PATEL: The oxidizer also is
11 required to be stack tested.

12 MR. SANTARELLA: Stack tested?

13 MR. PATEL: Yes.

14 MR. SANTARELLA: How about the
15 component leaks and the flares?

16 MR. PATEL: Component leak would be
17 based, if the Illinois EPA requests any test, it
18 does require Marquis to monitor and for the leak
19 detection they are required to have a program which
20 would indicate that their emissions would not be in
21 excess of the rules.

22 MR. SANTARELLA: Would these be
23 continuous monitors? How would they comply with the

1 CAM rule?

2 MR. PATEL: CAM rule is something
3 that would be addressed in the Title V permit. As
4 far as continuous monitoring, thermal oxidizer does
5 require NOx monitoring on a continuous basis.

6 MR. SANTARELLA: To be clear, our
7 fundamental concern is that the proposed limit for
8 acetaldehyde is very close to the HAP limit and we
9 believe that many of these components are not
10 enforceable from a practical matter and we believe
11 the permit does not comply with these requirements
12 and, therefore, we believe that the state is in
13 error at this point concluding that Section 112(g)
14 does not apply. We believe that case by case MACT
15 determination needs to be done and we believe that
16 this permit is not practically enforceable and does
17 not meet the requirements of federal common law, the
18 statute, or the regulations and we will submit more
19 comments along those lines.

20 Moving on to another question, I am
21 curious as to why the state has not regulated PM2.5
22 in the permit. Could you elaborate?

23 MR. PATEL: We'll look into that,

1 yes.

2 MR. SANTARELLA: Could you tell me
3 what the status of the PM2 --

4 MR. STUDER: Chris, did you want to
5 respond on the 2.5? I'm going to ask that you come
6 forward to the mic just to make sure that what you
7 said is heard by everyone. For the record, this is
8 Chris Romaine, R-O-M-A-I-N-E.

9 MR. ROMAINE: My name is Chris
10 Romaine. I work with the Illinois EPA Permit
11 Section. We have not established explicit limits
12 for PM2.5 because it is addressed by the limits on
13 PM10. The PM2.5 would be a fraction of emissions of
14 PM10.

15 MR. SANTARELLA: I don't believe that
16 answers my question, but I appreciate you responding
17 to that though. From our standpoint, it appears
18 that in light of the regulation that I cited to you,
19 that PM2.5 had been incorporated into the IEPA
20 authority and jurisdiction and we believe
21 accordingly that it needs to be regulated directly.
22 I would also counter that PM2.5 is often in the form
23 of condensables which are not actually able to be

1 captured by many of the emissions or control
2 equipment that's intended to be used. So again we
3 have concerns about that, but I do appreciate your
4 efforts to answer these questions and we will
5 elaborate on these questions and issues when we
6 submit our written comments.

7 Thank you for your time, sir, and I
8 appreciate all the responses and treating me with
9 courtesy and respect. I hope you felt that I've
10 done the same. Thank you again.

11 MR. STUDER: Thank you,
12 Mr. Santarella. The next person is -- yes, go
13 ahead.

14 MS. STEINHOOR: Hello, my name is
15 Beth Steinhour. I'm with Weaver Boos Consultants.
16 We were the consulting engineering firm responsible
17 for preparation of the application and I wanted to
18 respond to some of the comments that were just made.
19 The emission factors for determining whether the
20 source is a major source of hazardous air
21 pollutants, it is not a Section 112(g) source
22 because it is not major for HAPS.

23 This facility tested their fermentation

1 scrubber on October of 2008. The acetaldehyde
2 emissions were 0.29 pounds per hour. The limit is
3 1.36 pounds per hour. They tested the RTO in
4 October of 2008. Once again, the acetaldehyde
5 emissions were half of what the permitted limit is.
6 The RTO was -- the scrubber was tested. One of the
7 tests was run during a fermentation draw. That is
8 the highest emissions that you will see coming off
9 of the fermentation scrubbers. At the time that we
10 tested we monitored the sodium bisulfide that was
11 added along with the water flow through the
12 scrubber. The scrubber is a once pass through water
13 flow so we are not recycling the water. We do not
14 have any of the loss of our efficiency as a result
15 of the cycling. We track the amount of sodium
16 bisulfide use, the amount of water usage. They have
17 the data control system, which there are alarms set
18 on the system to ensure that they are continuing
19 with the proper sodium bisulfide usage and water
20 usage through the scrubber. Their dryers are steam
21 two dryers. They do not operate off of any natural
22 gas. The emissions from the dryers are routed to
23 the thermal oxidizer. We tested the thermal

1 oxidizer. They were well below their emission
2 limits.

3 As far as PM2.5, the hammer mill was
4 tested in August of '08. The emissions were less
5 than half of their permitted limit. It was once
6 again just recently tested in March of 2011, and I
7 am proud to say they have not changed. They're
8 still far below half of the pound per hour limit.
9 Grain receiving was tested. The grain receiving
10 emissions limits are two pounds per hour. They were
11 0.2 pounds per hour. We are confident that the
12 boilers were also tested. They were tested in '08
13 and they were tested in May of 2010 and the boiler
14 emissions were below permitted limits. We are
15 confident that this plant has demonstrated that it
16 is a minor source of hazardous air pollutants, and
17 that was the basis for the emission calculations
18 that were provided in our permit application. Thank
19 you.

20 MR. STUDER: Thank you, and could you
21 spell your name for the record?

22 MS. STEINHOOR: Beth, B-E-T-H,
23 Steinhour, S-T-E-I-N-H-O-U-R. Thank you.

1 MR. STUDER: Thank you. Jim Rapp,
2 Mr. Rapp, if you'd come forward to the microphone,
3 please.

4 MR. RAPP: Good evening. My name is
5 Jim Rapp, R-A-P-P, and I am a corn grower from
6 Princeton in Bureau County and my family farm
7 produces over 400,000 bushel of corn which is sold
8 for the production of feed, fuel, and food. I'm
9 also District IV Director of the Illinois Corn
10 Marketing Board and I represent the counties of
11 Bureau, Marshall, Putnam, Stark, Lee, and Whiteside.
12 I am here tonight to speak in strong support of the
13 new 140 million gallon ethanol plant expansion being
14 proposed by marquis Energy, LLC, here in Hennepin.
15 I strongly urge the Illinois EPA to approve the
16 final construction permit of this facility as
17 quickly as possible.

18 The residents and farmers in the
19 communities surrounding the ethanol plant are very
20 excited about this new economic opportunity for our
21 region. Since the downturn of our nation's economy
22 beginning in 2008, there have been no new green
23 field ethanol plants constructed. The fact that

1 Marquis energy has decided to expand their current
2 operation by another 140 million gallons of ethanol
3 production with the construction of a new plant on
4 the site is a tremendous win for this area and
5 Illinois.

6 The total direct and indirect economic
7 benefit of this plant will be over 450 million
8 dollars of new economic activity according to work
9 done previously by Western Illinois University.
10 There will be over 250 construction jobs and more
11 than 140 direct and indirect high paying jobs
12 created. This is very significant to Illinois in
13 this region since statistics show that between March
14 of '08 and March of '11, over 100,000 manufacturing
15 jobs have been lost in Illinois. This is due to
16 plant closings, downsizing, or plants moving their
17 operations out of the state. For Illinois to grow
18 we need these new plants and jobs.

19 This new ethanol plant will not only
20 produce 140 million gallons of ethanol but also
21 produce over 430,000 tons of dry distillers grains,
22 DDGs, for animal feed. The ethanol will be used to
23 reduce our dependence on foreign oil, clean our air,

1 and reduce our CO2 emissions and make us more energy
2 independent.

3 I spoke for the benefits of ethanol at the
4 last public hearing for the first Marquis Energy
5 ethanol plant less than three years ago. Then I
6 talked about rural development, new demand for my
7 increasing corn yields and the benefits to the
8 consumer. All of this has been realized. Our rural
9 sectors in Illinois on a whole have stayed strong
10 through the economic downturns and this has been due
11 to ethanol. I view ethanol has been the best rural
12 development engine we have had in the last 50 years.
13 Almost all of the gasoline sold in Illinois now
14 contains ten percent blends of ethanol. With the
15 addition of this ethanol plant, Illinois will have a
16 production capacity to substitute 40 percent of the
17 gasoline needs with ethanol if everyone in Illinois
18 drove a flexible fuel vehicle.

19 How does the consumer benefit? Just last
20 week the average commercial price of ethanol at the
21 rack was 92 cents per gallon cheaper than a gallon
22 of gasoline at the rack before the two were blended.
23 The consumers will begin realizing these savings

1 once the blends are increased.

2 On behalf of the Illinois Corn Growers
3 Association, we commend Marquis Energy for having
4 the foresight, the determination, the dedication to
5 move ahead with the development of another ethanol
6 production facility at their site. Everyone in
7 Illinois would like to see the business climate
8 improve in Illinois to grow our county, increase
9 employment opportunities, and reduce our budget
10 problems. Illinois Environmental Protection Agency
11 can move Illinois along this path finalizing the
12 construction permit. I thank you for this
13 opportunity to speak, and I did turn in a copy of
14 this to you.

15 MR. STUDER: Yeah, I'll take it.

16 MR. RAPP: No, I did turn in a copy
17 for her.

18 MR. STUDER: Okay, very good. I'll
19 give that to the court reporter. The next person to
20 speak will be Mike Morris. Mr. Morris, we ask that
21 you come forward to the microphone please.

22 MR. MORRIS: Good evening. My name
23 is Mike Morris, M-O-R-R-I-S. I am a local person

1 from Spring Valley, Illinois. I represent Nalco
2 Company who provided all the water treatment
3 chemicals to Marquis Energy and I can attest to what
4 Mr. Marquis spoke to earlier in regards to them
5 doing a lot of business with local suppliers and
6 local providers. They are a fantastic customer.
7 They are a great employer in the area and are very
8 innovative in regards to technological advancements
9 as they pertain to the environment. They've
10 employed -- excuse me, they've deployed a few
11 technologies at the plant locally and have realized
12 a net reduction in water pulled out of the ground
13 and sent to the river, 50 million gallons per year
14 while at the same time increasing the production of
15 ethanol.

16 So I'm just here on their behalf to say
17 that they're doing a fantastic job and hopefully we
18 can get this thing done and passed through quickly.
19 Thank you.

20 MR. STUDER: Thank you, Mr. Morris.
21 Next person is, it looks like -- is it Terry Judy?

22 MR. JUDD: I should learn to write
23 better. My name is Terry Judd, J-U-D-D.

1 MR. STUDER: I'm sorry, J-U-D-D.

2 MR. JUDD: J-U-D-D. I'm the
3 president of the Hennepin Business and Betterment
4 Association, and I'd just like to -- I'm not going
5 to go through all this because a lot has been said,
6 but I would like to just read a condensed version of
7 the stand of our business association. I want you
8 to be advised that the Hennepin Business and
9 Betterment Association at the April 10th, 2011,
10 meeting unanimously voted in support of the Marquis
11 Energy addition to the Hennepin plant. Marquis is a
12 proven and outstanding member of our community and I
13 know this personally. I live in Hennepin and I
14 don't think you'd find a better neighbor. They are
15 also one of the best employers we have. Our friends
16 and neighbors, many of them are employed at that
17 plant.

18 In addition, Marquis Energy has been a key
19 financial supporter of many of our community
20 endeavors and in fact I don't know how some of them
21 would even have happened without them. So we are
22 pleased to enthusiastically endorse this needed and
23 important addition to Putnam County and to the

1 Hennepin business community. Thank you very much.

2 MR. STUDER: Thank you, Mr. Judd.

3 And the next person is Kevin Coleman.

4 MR. COLEMAN: Hi, Kevin Coleman,

5 C-O-L-E-M-A-N, President, Village of Hennepin.

6 Marquis Energy has been a very good neighbor to

7 Hennepin for many years, I want to say at least

8 ten years back when Mark first came to Hennepin and

9 fueled his endeavors. He's been a good neighbor.

10 Many of his employees live in town. I can't say

11 enough for the Marquis Energy and their endeavors.

12 I fully support them. By the way, Terry said just

13 about everything I wanted to say.

14 MR. STUDER: Thank you for your

15 comments, Mr. Coleman. The next person is Jay

16 William Shafer.

17 MR. SHAFER: Jay William Shafer

18 S-H-A-F-E-R, President of Illinois Valley Surveying

19 and Consultants. I'm a registered land surveyor and

20 a registered professional engineer both since the

21 mid-1970's. I'm giving away my age a bit. One of

22 the curses of being an engineer and involved in

23 construction throughout my career is that every time

1 you go on a site, you're critical of what somebody
2 is doing and how it's designed, how it's constructed
3 and how it's maintained. I have been on the Marquis
4 Energy site since before the beginning of the
5 initial construction. I have been on it probably
6 during the construction about every two to
7 three weeks and I have been on this site probably
8 every two to three months since that initial
9 construction doing various survey type activities.

10 I have no expertise in air quality but
11 from what I see from their construction of the
12 things that I am familiar with, foundations,
13 drainage, roads, other types of civil aspects of the
14 project, it's all been the best constructed, best
15 maintained plant, and I only can believe that it
16 goes over into the internal components that would
17 apply to the air emissions as well. So I fully
18 endorse -- although we work for them, my comments
19 were not requested, nor am I compensated for those
20 here tonight, and I fully endorse the expansion of
21 that plant. Thank you.

22 MR. STUDER: Thank you, Mr. Shafer.

23 That concludes those that had indicated on the

1 registration cards that they wanted to speak
2 tonight. As is customary at hearings, once we've
3 done that, I ask is there anyone that has not spoken
4 that would like to speak?

5 (No Response.)

6 MR. STUDER: Okay. Is there anyone
7 that has already spoken that has any additional
8 brief comments that they would like to make before I
9 close this evening?

10 All right. For the record, indicate that
11 there was no hands raised. I want to thank everyone
12 for your attendance here this evening. I remind you
13 that the comment period is open in this for written
14 comments through June 1st and the address was given
15 previously and is also in the notice for this public
16 hearing. Thank you for attendance this evening.
17 This hearing is adjourned.

18 (HEARING ADJOURNED.)

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1 STATE OF ILLINOIS :

:

2 COUNTY OF PEORIA :

3

4 I, Paula A. Morsch, a certified shorthand
5 reporter in and for the County of Tazewell, State of
6 Illinois, do hereby certify that the foregoing
7 transcription is true and correct to the best of my
8 knowledge and belief;

9 That I am not related to any of the
10 parties hereto by blood or marriage, nor shall I
11 benefit by the outcome of this matter financially or
12 otherwise.

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Paula A. Morsch, C.S.R. 84-002965

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