PUBLIC NOTICE OF INTENT TO ISSUE AIR PERMIT

Florida Department of Environmental Protection
Division of Air Resource Management, Office of Permitting and Compliance

Draft Air Permit No. 0550061-004-AC / PSD-FL-406B
Highlands Ethanol, LLC
BP Biofuels – Highlands (BPH) Ethanol Facility
Highlands County, Florida

Applicant: The applicant for this project is Highlands Ethanol, LLC. The applicant's authorized representative and mailing address is: Mr. Dan Warden, BP Biofuels, 501 West Lake Park Boulevard Houston, Texas 77079.

Facility Location: Highlands Ethanol, LLC is in the process of constructing the BP Biofuels – Highlands (BPH) Ethanol Facility, which will be a greenfield project, located in Highlands County north of State Road 70, approximately 1.7 miles east, northeast of Brighton, Florida.

Project: The applicant is in the process of building the first large commercial application of a cellulosic ethanol process. Cellulosic ethanol is produced by converting the abundant cellulose and hemicellulose in biomass feedstock to sugars that are then fermented to produce ethanol. The feedstock will principally be dedicated energy crops, such as energy cane and other grasses, grown on surrounding farmland. The nominal design ethanol production capacity of the BPH facility is approximately 36 million gallons per year. The ethanol is denatured with gasoline, with a denaturant content ranging from 2 to 5 percent by volume. The capacity of the facility to produce this ethanol-gasoline blend, referred to as E95, is 41.49 million gallons per year when accounting for the denaturant. An updated permit is required to reflect the final engineering design of the project, which now includes a regenerative thermal oxidizer (RTO) to further control volatile organic compounds (VOC), greater natural gas firing capability and changes to the product loadout system.

The project is subject to preconstruction review for the Prevention of Significant Deterioration (PSD) of Air Quality in accordance with Rule 62-212.400, Florida Administrative Code (F.A.C.). Best Available Control Technology (BACT) determinations were conducted for the following pollutants: VOC, nitrogen oxides (NO_X), carbon monoxide (CO), sulfur dioxide (SO_2), particulate matter (PM) with an aerodynamic diameter less than or equal to 10 micrometers (PM_{10}), and PM with an aerodynamic diameter less than or equal to 2.5 micrometers ($PM_{2.5}$). Based on the air permit application, the project will result in the following maximum, worst case, annual emissions: 63.2 tons/year of VOC, 113.5 tons/year of NO_X, 138.9 tons/year of CO; 73.4 tons/year of SO_2; 20.1 tons/year of PM_{10}; and 19.7 tons/year of $PM_{2.5}$ and 17.8 tons/year of hazardous air pollutants (HAP). In addition to BACT emission standards and controls, the boilers, flare(s) and emergency engines will meet the applicable New Source Performance Standards (NSPS) and National Emission Standard for Hazardous Air Pollutants (NESHAP) contained in 40 Code of Federal Regulation, Parts 60 and 63.

The nearest PSD Class I area is the Everglades National Park (ENP), which is located 154 kilometers to the southeast of the proposed Highlands facility. PSD Class I multi-source air quality analyses for the ENP were not required because project impacts are less than the respective significant impact levels (SIL) for nitrogen dioxide (NO_2), PM_{10} and $PM_{2.5}$. PSD Class II multi-source air quality analyses were required in the vicinity of the project for NO_2 (annual average), PM_{10} (24-hour and annual averages), $PM_{2.5}$ (24-hour and annual averages) and SO_2 (3-hour, 24-hour and annual averages). The projected Class II increment consumption in micrograms per dry standard cubic meter ($\mu g/m^3$) of all projects in the area since 1977, including the proposed project, for these pollutants and averaging times is summarized below:

Pollutant	Averaging Time	Allowable Increment ($\mu g/m^3$)	Increment Consumed ($\mu g/m^3$)	Percent of Allowable Increment Consumed
NO_2	Annual	25	4.5	18%
PM_{10}	24-hour	30	10.8	36%
	Annual	17	1.7	10%
$PM_{2.5}$	24-hour	9	8.3	92%
	Annual	4	1.6	40%
SO_2	3-hour	512	96.5	19%
	24-hour	91	43.4	48%
	Annual	20	4.4	22%

Based on the required analyses, the Department has reasonable assurance that the proposed project will not cause or significantly contribute to a violation of any ambient air quality standard or PSD increment.

The details of the Department's BACT determination and the air quality analysis are provided in the Technical Evaluation and Preliminary Determination document that can be accessed by entering 0550061-004-AC in the permit number field at the following web link: http://www.dep.state.fl.us/air/emission/apds/default.asp .

Permitting Authority: Applications for air construction permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210 and 62-212, F.A.C. The proposed project is not exempt from air permitting requirements and an air permit is required to perform the proposed work. The Division of Air Resource Management's Office of Permitting and Compliance is the Permitting Authority responsible for making a permit determination for this project. The Permitting Authority's mailing address is: 2600 Blair Stone Road, MS #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/717-9000.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at address indicated above for the Permitting Authority. The complete project file includes the Draft Permit, the Technical Evaluation and Preliminary Determination, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed above. In addition, electronic copies of these documents are available at web site given above.

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue an air permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of the proposed equipment will not adversely impact air quality and that the project will comply with all applicable provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297, F.A.C. The Permitting Authority will issue a Final Permit in accordance with the conditions of the proposed Draft Permit unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57, F.S. or unless public comment received in accordance with this notice results in a different decision or a significant change of terms or conditions.

Comments: The Permitting Authority will accept written comments concerning the proposed Draft Permit and requests for a public meeting for a period of 30 days from the date of publication of the Public Notice. Written comments must be received by the Permitting Authority by close of business (5:00 p.m.) on or before the end of this 30-day period. In addition, if a public meeting is requested within the 30-day comment period and conducted by the Permitting Authority, any oral and written comments received during the public meeting will also be considered by the Permitting Authority. If timely received comments result in a significant change to the Draft Permit, the Permitting Authority shall revise the Draft Permit and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Petitions: A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within 14 days of publication of this Public Notice or receipt of a written notice, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within 14 days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention (in a proceeding initiated by another party) will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of when and how each petitioner received notice of the agency action or proposed decision; (d) A statement of all disputed issues of material fact; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action including an explanation of how the alleged facts relate to the specific rules or statutes; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Public Notice of Intent to Issue Air Permit. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation: Mediation is not available in this proceeding.

(Public Notice to be Published in the Newspaper)