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Air Enforcement: Arkansas Department of Energy & Environment - Division of Environmental Quality and Pine Bluff Pellet Mill Facility Enter into Consent Administrative Order

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The Arkansas Department of Energy & Environment - Division of Environmental Quality ("DEQ") and Highland Pellets, LLC ("Highland") entered into a November 6th Consent Administrative Order ("CAO") addressing alleged violations of an air permit. See LIS No. 23-088.

The CAO provides that Highland owns and operates a pellet mill facility ("Facility") in Pine Bluff, Arkansas.

The Facility operates pursuant to an air permit.

Trinity Consultants ("Trinity") is stated to have self-reported violations of conditions in a Highland air permit on July 5, 2022. The correspondence is stated to have indicated that an initial performance test on four Pellet Cooler baghouses would not be completed within 180 days after initial start-up. This is alleged to violate Specific Condition 45 and Plantwide Condition 3 of the air permit.

Trinity is stated to have subsequently provided on behalf of Highland certain updates regarding compliance actions:

- Test ports had been installed.
- Engineering tests had been run.
- Simultaneous inlet and outlet data should have been collected during the initial engineering tests. However, the performance test company failed to follow guidance for that testing; therefore, a second round of engineering tests would need to be conducted.

Trinity in correspondence dated September 22, 2022, stated on behalf of Highland additional updates regarding inconsistencies between Facility operations and an air permit. A description of these inconsistencies is found in paragraph 12 of the Findings of Fact of the CAO. A "fix" by Trinity is also discussed.

DEQ personnel are stated to have performed a routine compliance inspection at the Facility on September 26, 2022. The inspection addressed the period September 2021 through August 2022.

Highland is stated to have failed to maintain .007 inches of water for five occurrences in July 2022, violating Specific Condition 19 of the air permit. Such inspection is also stated to have indicated that

Highland failed to maintain the minimum temperature limit at RTO Train A on seven occurrence and RTO Train B on eight occurrences, violating Specific Conditions 31 and 32 of the permit.

Highland is also stated to have failed to conduct performance testing on two RTO discharge stacks within 180 days of initial startup. This is alleged to violate Specific Condition 33 of the air permit. In addition, Highland is stated to have failed to maintain the minimum pressure differential limit on 53 occurrences from July 2021 through May 2022, violating Specific Condition 42 of the air permit. Also, Highland is stated to have failed to perform initial performance tests for VOC on certain Pellet Storage Silos within 180 days of initial startup, violating Specific Condition 51 of the air permit.

Highland provided in correspondence dated December 16, 2022, in regard to the inspection, the following:

- Acknowledged violations identified during the inspection and requested that DEQ exercise enforcement discretion.
- Acknowledged violations identified during the inspection and stated that an addendum to the permit modification submitted to DEQ would be made to request that the instantaneous compliance required by Specific Conditions 31 and 32 be revised to allow for the 3-hour averaging period and requested DEQ exercise enforcement discretion.
- Acknowledged require performance tests were not completed and stated that the performance tests for the RTO discharge stacks cannot be completed until after the issues with the pellet cooler baghouse self-reported are resolved. Enforcement discretion was again requested.
- Acknowledged 53 occurrences of the pressure differential below the minimum limit, but provided that the failure to maintain the minimum pressure differential limit was 14 occurrences in January 2022 and two occurrences in September 2022 and not the monthly occurrences provided by DEQ. Enforcement discretion was again requested.
- Acknowledged that the initial performance tests for VOC at the Pellet Storage Silos were not completed within 180 days of startup due to the sources not operating at that time. It further stated that the sources cannot be stack tested due to a lack of airflow and have only been used for emergency purposes due to quality issues. The permit modification includes a request to remove the performance test requirement for these sources and enforcement discretion was again requested.

A subsequent air permit (Permit R5) was issued. Specific Condition 51 regarding the initial performance tests for VOC at certain sources was removed.

Highland, in August 25th correspondence, stated that it had discovered a mistake in the new air permit stating that Specific Condition 17 and 37 were intended to be removed from the air permit in the modification application from October 2022.

Highland neither admits nor denies the factual and legal allegations contained in the CAO.

The CAO requires that within 30 calendar days of its effective date that Highland submit a compliance plan and implementation schedule addressing Paragraph 9 of the Findings of Fact. Such plan will be reviewed by DEQ and additional information requested. Further, within 30 calendar days of the completion of the tasks outlined in the compliance plan and implementation schedule, Highland is required to demonstrate compliance with Specific Condition 40 of the air permit by conducting initial performance testing of certain sources and meeting permitted VOC emission limits.

The CAO requires that within 60 calendar days of the completion of the initial performance testing of certain sources that the test results be submitted in accordance with the air permit. Further, within 60 calendar days after the completion of the initial performance testing outlined in Paragraph 2 of the CAO's Order and Agreement, Highland is required to submit a Title V permit modification application to address any outstanding issues surrounding equipment, emission limits and initial performance testing of certain specified sources.

The CAO further requires that within 30 calendar days after the completion of the tasks outlined in the compliance plan and implementation schedule that the Facility demonstrate compliance with Specific Condition 30 of the air permit by conducting performance testing on the RTO discharge stacks. Further, within 60 calendar days after completion of the performance testing of the RTO discharge stacks, Highland must submit the test results in accordance with the air permit.

Finally, within 30 calendar days of the effective date of the CAO, Highland is required to submit a permit modification application to remove Specific Condition 17 and 37 from the air permit.

A civil penalty of \$25,180 is assessed.

A copy of the CAO can be downloaded [here](#).