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UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

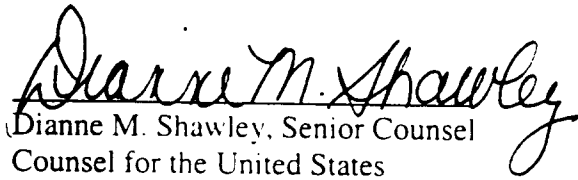
UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 HEARTLAND CORN PRODUCTS,)
)
 Defendant.)
 _____)

CIVIL ACTION NO. 02-3790
RHK/ATB

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing UNITED STATES' COMPLAINT, CONSENT DECREE, NOTICE OF LODGING, AND CERTIFICATE OF SERVICE in the above-styled action, has been sent on this day, the 2nd day of October, 2002, postage prepaid, by United States mail to the following for Defendant:

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Dianne M. Shawley, Senior Counsel
Counsel for the United States

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
 v.)
 HEARTLAND CORN PRODUCTS,)
)
 Defendant.)
_____)

CIVIL ACTION NO. 02-3790
RHL/ADP

COMPLAINT

The United States of America, by the authority of the Attorney General of the United States and through the undersigned attorneys, acting at the request of the Administrator of the United States Environmental Protection Agency ("EPA"), alleges:

NATURE OF ACTION

1. This is a civil action brought against Heartland Corn Products ("Heartland" or "Defendant"), pursuant to Section 113(b) of the Clean Air Act ("CAA" or the Act), 42 U.S.C. § 7413(b), for alleged environmental violations at an ethanol plant owned and operated by Defendant in Winthrop, Minnesota. As set forth below, Defendant has been and is in violation of EPA's regulations implementing the following Clean Air Act statutory and regulatory requirements applicable to the ethanol industry: Part C of Title I of the Act, 42 U.S.C. § 7470-7492, Prevention of Significant Deterioration ("PSD"); New Source Performance Standards ("NSPS"), 40 C.F.R. Part 60, Subparts Dc, Kb, and VV; National Emission Standards for Hazardous Air Pollutants

("NESHAP"), 40 C.F.R. Part 63, pursuant to Sections 112(d) and 112(g) of the Act; and the Minnesota state implementation plan ("SIP") which incorporates and/or implements the above-listed federal regulations.

2. The United States seeks an injunction ordering Defendant to comply with the above statutes and the laws and regulations promulgated thereunder, and civil penalties for Defendant's past and ongoing violations.

JURISDICTION AND VENUE

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1345 and 1355; Section 113(b) of the CAA.

4. Venue is proper in this District pursuant to 28 U.S.C. § 1391(c) and Section 113(b) of the CAA, 42 U.S.C. § 7413(b), because the Defendant is located and is doing business in this district.

NOTICE TO STATE

5. Actual notice of the commencement of this action has been given to the State of Minnesota as required under Section 113(b) of the CAA, 42 U.S.C. § 7413(b).

DEFENDANT

6. Heartland owns and operates a chemical manufacturing plant for the production of ethanol in Winthrop, Minnesota.

7. The Defendant is a "person" as defined in Section 302(e)

of the CAA, 42 U.S.C. §7602(e), and the federal and state regulations promulgated pursuant to these statutes.

8. The ethanol manufacturing process at the Defendant's facility results in emissions of significant quantities of regulated air pollutants, including nitrogen oxides ("NOx"), carbon monoxide ("CO"), particulate matter ("PM" and "PM₁₀"), sulfur dioxide ("SO₂"), volatile organic compounds ("VOCs") and hazardous air pollutants ("HAPs"). The primary sources of these emissions are the feed dryers, fermentation units, gas boilers, cooling cyclones, ethanol load-out systems, grain terminal elevator, and fugitive dust emissions from facility operations, including roads.

STATUTORY AND REGULATORY BACKGROUND
CLEAN AIR ACT REQUIREMENTS

9. The Act established a regulatory scheme designed to protect and enhance the quality of the nation's air so as to promote the public health and welfare and the productive capacity of its population. Section 101(b)(1) of the Act, 42 U.S.C. § 7401(b)(1).

10. Prevention of Significant Deterioration. - Section 109 of the Act, 42 U.S.C. § 7409, requires the Administrator of EPA to promulgate regulations establishing primary and secondary national ambient air quality standards ("NAAQS" or "ambient air quality standards") for certain criteria air pollutants. The primary NAAQS are to be adequate to protect the public health,

and the secondary NAAQS are to be adequate to protect the public welfare, from any known or anticipated adverse effects associated with the presence of the air pollutant in the ambient air.

11. Section 110 of the Act, 42 U.S.C. § 7410, requires each state to adopt and submit to EPA for approval a SIP that provides for the attainment and maintenance of the NAAQS.

12. Under Section 107(d) of the Act, 42 U.S.C. § 7407(d), each state is required to designate those areas within its boundaries where the air quality is better or worse than the NAAQS for each criteria pollutant, or where the air quality cannot be classified due to insufficient data. These designations have been approved by EPA and are located at 40 C.F.R. Part 81. An area that meets the NAAQS for a particular pollutant is classified as an "attainment" area; one that does not is classified as a "non-attainment" area.

13. Part C of Title I of the Act, 42 U.S.C. §§ 7470-7492, sets forth requirements for the prevention of significant deterioration of air quality in those areas designated as attaining the NAAQS standards. These requirements are designed to protect public health and welfare, to assure that economic growth will occur in a manner consistent with the preservation of existing clean air resources and to assure that any decision to permit increased air pollution is made only after careful evaluation of all the consequences of such a decision and after

public participation in the decision-making process. These provisions are referred to herein as the "PSD program."

14. Section 165(a) of the Act, 42 U.S.C. § 7475(a), prohibits the construction and subsequent operation of a major emitting facility in an area designated as attainment unless a PSD permit has been issued and air pollution control equipment is installed and operated. Section 169(1) of the CAA, 42 U.S.C. § 7479(1), defines "major emitting facility" for certain listed stationary sources, such as chemical manufacturing plants, as a source with the potential to emit 100 tons per year ("TPY") or more of any criteria air pollutant.

15. As set forth at 40 C.F.R. § 52.21(k), the PSD program generally requires a person who wishes to construct or modify a major emitting facility in an attainment area to demonstrate, before construction commences, that construction of the facility will not cause or contribute to air pollution in violation of any ambient air quality standard or any specified incremental amount.

16. As set forth at 40 C.F.R. § 52.21(i), any major emitting source in an attainment area that intends to construct a major modification must first obtain a PSD permit and install and operate best available air pollution control technology. "Major modification" is defined at 40 C.F.R. § 52.21(b)(2)(i) as meaning any physical change in or change in the method of operation of a major stationary source that would result in a significant net

emission increase of any criteria pollutant subject to regulation under the Act. "Significant" is defined at 40 C.F.R.

§ 52.21(b)(23)(i) in reference to a net emissions increase or the potential of a source to emit any of the following criteria pollutants, at a rate of emissions that would equal or exceed any of the following: for ozone, 40 TPY of volatile organic compounds ("VOC"s); for carbon monoxide ("CO"), 100 TPY; for nitrogen oxides ("NO_x"), 40 TPY; for sulfur dioxide ("SO₂"), 100 TPY, for particulate matter ("PM"), 25 TPY, and for particulate matter at or below 10 microns ("PM₁₀"), 10 TPY, (hereinafter "criteria pollutants").

17. As set forth at 40 C.F.R. § 52.21(j), a new major stationary source or a major modification in an attainment area shall install and operate best available control technology ("BACT") for each pollutant subject to regulation under the Act that would have the potential to emit in significant quantities.

18. Section 161 of the Act, 42 U.S.C. § 7471, requires SIPs to contain emission limitations and such other measures as may be necessary, as determined under the regulations promulgated pursuant to these provisions, to prevent significant deterioration of air quality in attainment areas.

19. A state may comply with Section 161 of the Act either by being delegated by EPA the authority to enforce the federal PSD regulations set forth at 40 C.F.R. § 52.21, or by having its

own PSD regulations approved as part of its SIP by EPA, which must be at least as stringent as those set forth at 40 C.F.R. § 51.166, Minnesota, Minn. R. 7007.300.

20. New Source Performance Standards. - Section 111 of the CAA, 42 U.S.C. § 7411, requires EPA to promulgate standards of performance for certain categories of new air pollution sources ("New Source Performance Standards" or "NSPS"). Pursuant to Section 111(b), 42 U.S.C. § 7411(b), EPA promulgated general regulations applicable to all NSPS source categories. Those general regulations are set forth at 40 C.F.R. Part 60 Subpart A.

21. EPA's NSPS regulations applicable to ethanol plants are contained in 40 C.F.R. Part 60, Subparts Db, Dc, DD, Kb, and VV.

22. National Emission Standards for Hazardous Air Pollutants ("NESHAP"). - The Act requires EPA to establish emission standards for each category or subcategory of major sources of hazardous air listed for regulation pursuant to Section 112(b)(1), 42 U.S.C. § 7412(b)(1).

23. Under to Section 112(a)(1) of the CAA, 42 U.S.C. § 7412(a)(1), a source is "major" if it has the potential to emit, in the aggregate, 10 tpy or more of any hazardous air pollutants ("HAPS") or 25 tpy or more of any combination of HAPS. Ethanol plants are "major sources" because they have the potential to emit 25 tpy or more of the following HAPs: acetaldehyde, methanol, acrolein, formaldehyde, lactic and acetic acid.

24. Major sources of HAPs are required to reduce emissions by the application of maximum achievable control technology ("MACT") for the control of emissions. 42 U.S.C. §112(2) and (3).

25. Pursuant to Section 113(b) of the CAA, 42 U.S.C. §7413(b), EPA may commence a civil action for injunctive relief and civil penalties for violations of the Act, not to exceed \$25,000 per day of violation for violations of the CAA. Pursuant to Pub. L. 104-134 and 61 Fed. Reg. 69369, civil penalties of up to \$27,500 per day per violation may be assessed for violations occurring on or after January 30, 1997.

FIRST CLAIM FOR RELIEF
PSD and NSR Requirements

26. Paragraphs 1 through 25 are realleged and incorporated by reference.

27. Heartland owns and operates the ethanol plant identified in Paragraph 6, which receives whole corn that is milled, cooked, and fermented. After fermentation, the raw product is distilled to produce ethanol. Distillation also separates the liquid ethanol from the corn meal, which Heartland may dry or sell as wet mash for animal feed.

28. EPA and the Minnesota Pollution Control Agency ("MPCA") have conducted investigations of a number of ethanol plants in Minnesota, including Defendant's facility, which included site inspections, review of permitting history and emissions data, and

and operation of these facilities. The United States alleges the following based on the results of the EPA and MPCA investigation, information and belief:

29. The Defendant's ethanol plant operations result in emissions of significant quantities of criteria air pollutants, including NOx, CO, PM, PM₁₀, SO₂, VOCs and a number of HAPS. The primary sources of these emissions are the feed dryers, fermentation units, gas boilers, cooling cyclones, ethanol load-out operations, and fugitive dust from facility operations, including roads.

30. The Defendant's facility is a "chemical manufacturing facility" in accordance with Section 169(1) of the CAA, 42 U.S.C. § 7479(1), which defines "major emitting facility" for certain listed stationary sources as a source with the potential to emit 100 TPY or more of any criteria air pollutant. Heartland's ethanol plant is a major emitting facility with the potential to emit in excess of 100 TPY of VOC, PM, and CO, which are listed criteria air pollutants.

31. At all times relevant to this Complaint, the Defendant's ethanol plant was and is located in an area that was designated as "Class II" under Section 162(b) of the Act, 42 U.S.C. § 7472(b), and that has attained the National Ambient Air Quality Standards for Ozone, of which VOC is a precursor, SO₂, NOx, PM, PM₁₀, and CO, under Section 107(d) of the Act, 42 U.S.C.

NOx, PM, PM₁₀, and CO, under Section 107(d) of the Act, 42 U.S.C. § 7407(d).

32. At all times relevant to this Complaint, and on numerous occasions since commencement of operations, the Defendant has failed to fully and accurately identify the emissions from its ethanol plants of one or more criteria pollutants.

33. Since construction of its ethanol plant, the Defendant has been in violation of Section 165(a) of the CAA, 42 U.S.C. § 7475(a), and 40 C.F.R. § 52.21, and the corresponding state implementation plans, by failing to undergo PSD review, by failing to obtain all appropriate permits, and failing to install the best available control technology for the control of VOC, CO, NOx, PM, and PM₁₀ from all feed dryers, fermentation units, gas boilers, cooling cyclones, fugitive dust emissions from facilities, and ethanol load-out operations.

34. Unless restrained by an Order of the Court, these violations of the CAA and the implementing regulations will continue.

35. As provided in 42 U.S.C. § 7413(b), the Defendant's violations, as set forth above, subject it to injunctive relief and civil penalties of up to \$25,000 per day for each violation of the Act prior to January 31, 1997, and \$27,500 per day for each violation after January 30, 1997, pursuant to the Federal

Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended by 31 U.S.C. § 3701.

**SECOND CLAM FOR RELIEF
NATIONAL EMISSIONS STANDARDS FOR
HAZARDOUS AIR POLLUTANTS**

36. Paragraphs 1 through 28 are realleged and incorporated by reference.

37. The Defendant's ethanol plant is a major source of HAPs because it has the potential to emit 25 tpy of the following listed HAPs: acetaldehyde, methanol, acrolein, formaldehyde, lactic and acetic acid. The primary sources of these emissions are the feed dryers, fermentation units, gas boilers, cooling cyclones, and ethanol load-out operations.

38. At all times relevant to this Complaint, and on numerous occasions since commencement of operations, the Defendant has failed to fully and accurately identify the HAP emissions from its ethanol plant.

39. Since construction of its ethanol plant, the Defendant has been in violation of Section 112(g) of the CAA, 42 U.S.C. § 7475(a), and the corresponding state implementation plan, by failing to install the maximum achievable control technology on all feed dryers, fermentation units, gas boilers, cooling cyclones, and ethanol load-out operations.

40. Unless restrained by an Order of the Court, these violations of the CAA and the implementing regulations will

continue.

41. As provided in 42 U.S.C. § 7413(b), the Defendant's violations, as set forth above, subject it to injunctive relief and civil penalties of up to \$25,000 per day for each violation of the Act prior to January 31, 1997, and \$27,500 per day for each violation after January 30, 1997, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended by 31 U.S.C. § 3701.

THIRD CLAIM FOR RELIEF
New Source Performance Standards
For Small Industrial Commercial-Institutional
Steam Generating Units

42. Paragraphs 1 through 28 are realleged and incorporated by reference.

43. Defendant operates one or more small industrial commercial-institutional steam generating units at its ethanol plant which are "affected facilities" pursuant to 40 C.F.R. Part 60, Subpart Dc, because they were constructed, modified or reconstructed after June 9, 1989.

44. Defendant's units are subject to the new source performance requirements for sulfur dioxide and PM emissions, demonstrations of compliance, recordkeeping and recording as set forth in Subpart Dc, 40 C.F.R. §§ 60.42c through 60.48c.

45. On one or more occasions, since December 31, 1997, the Defendant has failed to comply with all applicable requirements at its affected facilities, in violation of NSPS, 40 C.F.R. §§

60.42c through 60.48c.

46. Unless restrained by an Order of the Court, these violations of the Act and the implementing regulations will continue.

47. As provided in 42 U.S.C. § 7413(b), the Defendant's violations, as set forth above, subject it to injunctive relief and civil penalties of up to \$25,000 per day for each violation of the Act prior to January 30, 1997, and \$27,500 per day for each violation after January 30, 1997, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended by 31 U.S.C. § 3701.

FOURTH CLAIM FOR RELIEF
New Source Performance Standards
Standards Of Performance for Equipment Leaks of VOC in the
Synthetic Organic Chemicals Manufacturing Industry

48. Paragraphs 1 through 28 are realleged and incorporated by reference.

49. Defendant operates a facility for synthetic organic chemical manufacturing which was constructed or modified after January 5, 1981. Defendant's facility is an "affected facility" as defined by Subpart VV, 40 C.F.R. § 60.480, which is subject to the leak detection, monitoring, and repair requirements set forth in 40 C.F.R. §§ 60.482-1 to 60-489.

50. On one or more occasions since December 31, 1996, the Defendant failed to accurately monitor the subject VOC valves and

other components at its ethanol plants, to report the VOC valves and other components that were leaking, and to repair all leaking VOC valves and other components in a timely manner, in violation of one or more requirements of 40 C.F.R. §§ 60.482-1 to 60-489.

51. Unless restrained by an Order of the Court, the Defendant's violations of the Act and the implementing regulations will continue.

52. As provided in 42 U.S.C. § 7413(b), the Defendant's violations, as set forth above, subject it to injunctive relief and civil penalties of up to \$25,000 per day for each violation of the Act prior to January 30, 1997, and \$27,500 per day for each violation after January 30, 1997, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended by 31 U.S.C. § 3701.

FIFTH CLAIM FOR RELIEF
New Source Performance Standards
Standards of Performance for Volatile Organic
Liquid Storage Vessels

53. Paragraphs 1 through 28 are realleged and incorporated by reference.

54. Defendant has one or more storage vessels that are "affected facilities" under this Subpart, with a capacity greater than or equal to 40 cubic meters that are used to store volatile organic liquids for which construction, reconstruction, or modification was commenced after July 23, 1984, as defined by 40 C.F.R. § 60.110b which is subject to the operational and emission

limits, testing, and recordkeeping and reporting requirements set forth in 40 C.F.R. §§ 60.110b to 60-117b.

55. On one or more occasions since December 31, 1996, the Defendant failed to comply with the applicable requirements of Subpart Kb, in violation of one or more provisions of 40 C.F.R. §§ 60.110b to 60-117b.

56. Unless restrained by an Order of the Court, the Defendant's violations of the Act and the implementing regulations will continue.

57. As provided in 42 U.S.C. § 7413(b), the Defendant's violations, as set forth above, subject it to injunctive relief and civil penalties of up to \$25,000 per day for each violation of the Act prior to January 30, 1997, and \$27,500 per day for each violation after January 30, 1997, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as amended by 31 U.S.C. § 3701.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, the United States, respectfully requests that this Court:

1. Order the Defendant to immediately comply with the statutory and regulatory requirements cited in this Complaint, under the Clean Air Act;

2. Order the Defendant to take appropriate measures to mitigate the effects of its violations;

3. Assess civil penalties against the Defendant for up to the amounts provided in the Clean Air Act; and
4. Grant the United States such other relief as this Court deems just and proper.

Respectfully submitted,

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UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

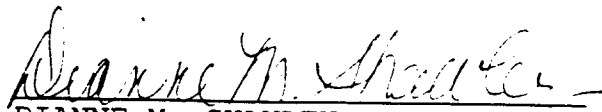
UNITED STATES OF AMERICA,)
)
 Plaintiff,)
 v.) CIVIL ACTION NO.
)
 HEARTLAND CORN PRODUCTS,)
)
 Defendant.)
_____)

NOTICE OF LODGING

Pursuant to the United States Code of Federal Regulations, 28 C.F.R. Section 50.7, a proposed Consent Decree, attached hereto, is being lodged with the Court in this civil action. After the requisite Federal Register Notice is published, the time period for comments has run, and the comments, if any, have been evaluated, the Court will be further advised as to any action which may be required by the Court at that time.

During the pendency of the public comment period under 28 C.F.R. Section 50.7, **no action is required of the Court.** Following the expiration of the public comment period (30 days), the United States will file a Motion to Enter the Consent Decree with the Court. The Consent Decree should not be signed by the District Judge until the Motion to Enter is submitted.

Respectfully submitted,



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