



## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 7  
901 NORTH 5TH STREET  
KANSAS CITY, KANSAS 66101

APR 03 2012

W. Clark Smith  
Permitting Section Supervisor  
Air Quality Division  
Nebraska Department of Environmental Quality  
P.O. Box 98922  
Lincoln, Nebraska 68509-8922

RE: Cargill Lactic, Inc. draft Prevention of Significant Deterioration permit comments

Dear Mr. Smith:

On March 1, 2012, the United States Environmental Protection Agency received notice from the Nebraska Department of Environmental Quality (NDEQ) of its intent to issue a Prevention of Significant Deterioration (PSD) construction permit to Cargill Lactic, Inc. (CLA) located at 650 Industrial Park Drive, Blair, Nebraska.

The public notice that was published on March 6, 2012 included the following statement:

Cargill Lactic, Inc. has applied to the Department for a variance from Nebraska Air Quality Regulations that call for inclusion of biogenic CO<sub>2</sub> emissions in calculating whether greenhouse gases emissions from a project rise to the level where PSD and BACT rules are applicable. The Department proposes to grant a variance so that CO<sub>2</sub> emissions of biogenic origin are excluded from calculating PSD and BACT applicability to the same extent as such emissions are excluded under the EPA rule on Deferral for CO<sub>2</sub> Emissions from Bioenergy and Other Biogenic Sources Under the Prevention of Significant Deterioration (PSD) and Title V Programs published in Federal Register Vol. 76, No. 139 Wednesday, July 20, 2011.

We recognize that the federal Rule regarding deferral of application of the PSD and Title V Programs to CO<sub>2</sub> emissions from bioenergy and other biogenic sources has a temporary time limit in place, and that Nebraska has not adopted the recently promulgated federal rules. Until Nebraska adopts, and the EPA approves, revisions consistent with the federal rules, the Nebraska SIP does not include the temporary biogenics deferral. Issuing a variance to effectuate the deferral does not alter the requirements of the EPA-approved SIP. The appropriate resolution of this matter is to adopt and submit a State Implementation Plan (SIP) revision to provide a legal basis for NDEQ to implement the deferral.



As always, we appreciate the opportunity to provide what we hope you will find to be constructive comments. Please contact Patricia Scott at (913) 551-7312 if you have any questions or comments regarding this letter.

Sincerely,



Mark A. Smith, Chief  
Air Permitting and Compliance Branch  
Air and Waste Management Division