



- **What is this settlement about?**

This matter relates largely to operations during the start-up, commissioning, and equipment and system optimization (“shakedown”) of the Fibrominn plant in Benson, Minnesota. It concerns performance of the Fibrominn facility under its Minnesota air permit. This is the resolution of a Notice of Violation (NOV) issued by the Minnesota Pollution Control Agency (MPCA) in October 2008. The NOV was based largely on a MPCA review of regular quarterly, bi-annual, and annual reporting information submitted to the Agency by Fibrominn for the first year of operation. With the announcement of this agreement with the MPCA, Fibrominn has successfully corrected past items and is now addressing its standard requirements under the permit. The plant continues to operate with emissions below its air permit limits.

- **What agreement was reached with the MPCA?**

This agreement process began soon after the MPCA issued the NOV in October 2008. Based on the NOV, Fibrominn and the Agency met several times, went over performance of the Fibrominn plant, and discussed the alleged violations issued in the NOV. As part of plant shakedown and during these discussions, Fibrominn completed a number of the corrective actions for items identified under the NOV and these actions were addressed to the satisfaction of the Agency. After these discussions were completed, Fibrominn and the Agency came to an agreement, identified as a stipulation agreement. This agreement was signed and submitted to the MPCA on December 2, 2009 and then signed by the MPCA Commissioner on December 11, 2009 and released on December 21, 2009.

- **What is a stipulation agreement and what does the stipulation agreement say?**

A stipulation agreement is a formal agreement between Fibrominn and the MPCA that resolves the alleged violations. Within the stipulation agreement is a summary of the items addressed under the agreement, a statement by the regulated party, an identification of the alleged violations, the actions taken to address these alleged violations, how these alleged violations have been settled, and other formal legal requirements.

- **Why are these called alleged violations?**

As part of the process, the MPCA outlined within the NOV the items which they believe were not in compliance with the Plants air permit – identified as alleged violations. During the subsequent discussions, the Agency sought to better understand the plant operating history and look at the context for these alleged violations. When the operation and performance of the Plant was better understood, Fibrominn and the MPCA agreed to settle this situation through a formal stipulation agreement. Within the agreement, both parties acknowledge that these are alleged violations and may not, therefore, be violations that Fibrominn fully agrees with. What the stipulation agreement does is resolve the NOV situation by specifying actions that Fibrominn has and will undertake.



- **Are there alleged violations that you do not agree with?**  
In most cases, the items identified in the NOV were items that Fibrominn had previously identified in periodic reporting to the MPCA, though there is not complete agreement with how all of these items have been interpreted by MPCA. As was explained to the MPCA during subsequent discussions, the NOV items were largely related to the initial challenges associated with the start-up, commissioning, and shakedown of the plant. The Fibrominn plant is a unique plant that uses improved combustion technology and advanced emissions control equipment, some of which had never been used for this type of fuel. The use of poultry litter with this equipment presented a number of challenges for the engineering, procurement, and construction (EPC) contractor responsible for startup and commissioning of the plant. Since Fibrominn took control of the plant from the EPC contractor in October 2007, a lot of valuable experience has been gained, improvements undertaken, and the plant has addressed the issues that resulted in this agreement.
- **What permit requirements were violated?**  
As indicated in the NOV and subsequent stipulation agreement with the MPCA, during the plant start-up, commissioning and early operation of the Fibrominn plant, there were alleged violations related to delays in testing, operating problems with an emissions monitor, a failed particulate stack test, excess SO<sub>2</sub> NO<sub>x</sub> and CO stack emissions, and several reporting deficiencies.
- **Have you had other air permit violations?**  
No - the NOV and stipulation agreement addresses all of the items identified by the MPCA and as reported in Fibrominn's quarterly, bi-annual, and annual reporting. As a result of the experience gained during start-up, commissioning, and shakedown of the plant, Fibrominn has greatly improved the performance of the plant's combustion system, has optimized plant performance, improved the emissions control system operations, and upgraded its environmental procedures. The plant is now operating in compliance with its air permit and is meeting the stringent emissions limits imposed on the plant based on the use of Best Available Control Technology (BACT).
- **Why did it take so long to resolve the situation?**  
The start-up, commissioning, and early shakedown of this plant was a very challenging time. As a result, it took a fair amount of time to optimize operations. Furthermore, it also took time for Fibrominn and MPCA to review the operation of the plant, the challenges that were experienced, and how this period of plant optimization was addressed. The MPCA, as always, is thorough in their review and therefore this was a very time consuming process. Fibrominn, and, one would expect, the MPCA, have learned a lot during this process and as a result, both parties will benefit from the time taken to resolve the NOV through the stipulation agreement process.



- **Did the plant get fined?**

As a result of the settlement reached through the stipulation agreement, a penalty of \$65,000 will be paid to the MPCA and the plant will complete a Supplemental Environmental Project (SEP) valued at \$80,000 for environmental improvements to the continuous emissions monitoring system. The SEP covers the installation of a second continuous emissions monitor for SO<sub>2</sub> located between the furnace and the emissions control equipment. This monitor will help the Agency assess the use of advanced monitors located in difficult to monitor locations.

Minnesota Pollution Control Agency: <http://www.pca.state.mn.us/>

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