



Minnesota Pollution Control Agency

STATE OF MINNESOTA

INDUSTRIAL DIVISION
PUBLIC NOTICE OF INTENT TO MAJOR MODIFY
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)/
STATE DISPOSAL SYSTEM (SDS) PERMIT MN0068161

Public Comment Period Begins: July 5, 2012
Public Comment Period Ends: August 6, 2012

Current Permit Issued: June 29, 2011
Current Permit Expiration Date: May 31, 2016

Name and Address of Permittee:
Valero Renewable Fuels Company LLC
One Valero Way
San Antonio, TX 78249

Facility Name and Location:
Valero Renewable Fuels Company LLC
1444 120th St
T102N, R31W, Section 5,
Welcome, Martin County, Minnesota

Receiving Water: unnamed ditch (Class 2B,3C,4A,4B,5,6 water)

Description of Permitted Facility

The Valero Renewable Fuels Company LLC facility (Facility) is located at SW 1/4 of Section 5, Township 102 North, Range 31 West, Welcome, Martin County, Minnesota. The Facility is located at Southwest 1/4 of Section 5, Township 102 North, Range 31 West, Welcome, Martin County, Minnesota.

Valero Renewable Fuels Company, LLC (Valero) is increasing the production capacity at an existing dry-mill corn-to-ethanol production facility one mile east of the city of Welcome, in Martin County. This permit authorizes production rates of up to 192 million gallons per year of undenatured ethanol, increased from the current permitted capacity of 136 million gallons per year. The increased production process will require up to approximately 71.2 million bushels of corn per year. As a by-product, Valero will produce up to approximately 640,000 tons per year of Dried Distiller's Grains with Solubles (DDGS) or Modified Distiller's Grains with Solubles (MDGS) from the solids remaining after fermentation. The DDGS/MGDS will be sold as feed. In case of an emergency shutdown of the Facility's dryers, Valero may also produce wet cake. In a worst case scenario with all dryers shut down, the Facility can produce up to approximately 164 tons of wetcake per hour. In that situation, the wetcake would be stored on-site with MDGS in a contained 80' by 100' concrete pad with walls (4' – 13.5' high) for no more than three days when the temperature is above 55 degrees, and sold as a product. The design capacity of the storage pad is approximately 1000 tons.

The incoming water sources for the Facility are two wells which supply water at average and maximum expected rates of 670 gallons per minute (gpm) and 1,090 gpm, respectively, and stormwater which is captured for reuse as make-up process water. This water is used in all of the internal processes of the Facility, and no wastewater from the Facility is released to any waters of the state.

Valero has an on-site storage basin which was authorized on an emergency back-up basis to store high-solids rinse or cleaning water (reject brine) from the water treatment system brine crystallizer that could not be recycled or stored in water treatment system tanks. Storage was allowed for a maximum holding time of ninety (90) days. There has been no use of the emergency storage brine pond since it was constructed. As part of the most recent permit reissuance, the Facility proposed to decommission the emergency storage basin and manage the brine waste from the water treatment systems at the Facility via other permitted disposal methods. As part of this permit modification, the Facility has proposed to convert the emergency storage basin to a storage basin to hold stormwater only, prior to use within the facility as a make-up process water.

As part of the construction of the storage basin, Valero was required to do groundwater sampling around the basin to establish background groundwater chemistry and groundwater flow. Since the pond is scheduled for conversion to a stormwater storage basin, these wells will be abandoned and sealed. As long as the pond remains unused for the storage of any material other than stormwater, no further groundwater monitoring is required.

The Facility has been authorized to periodically transport reject brine (as monitored through station WS001) to the Metropolitan Wastewater Treatment Facility (NPDES/SDS permit MN0029815), as authorized by the Metropolitan Council Industrial Discharge Permit (Special Discharges) Number 2303. Should any changes be made to the Metropolitan Council permit, this NPDES permit shall be modified to maintain consistency. The solids resulting from the evaporation/crystallization system are stored in covered, water-tight, metal containers, before transport off-site to a Minnesota Pollution Control Agency (MPCA)-authorized landfill for disposal.

This permit requires that all stormwater be collected, monitored, and if necessary, treated, prior to discharge to surface waters. Valero is authorized to operate two industrial stormwater retention basins with separate discharge points (SD 001 and SD 002). SD 001 discharges to a culvert that runs north under the rail line to an unnamed ditch, ultimately reaching County Ditch 52. SD002 discharges to an unnamed ditch that flows east to an on-site, constructed wetland; the wetland has a low-flow, notched weir that discharges to a culvert that runs north under the rail line to a railroad ditch. Flows then may enter a tile system; the tile system likely eventually discharges to County Ditch 71. Both County Ditch 52 and County Ditch 71 discharge into Lily Creek.

In addition to discharging stormwater through SD001 and SD002, Valero is authorized to route stormwater from the industrial stormwater retention basins to the stormwater storage basin, (previously referred to as the emergency brine storage pond, as discussed above). The stormwater stored within the storage basin will be used by the Facility as a make-up process water. Valero is also authorized to route stormwater from the east stormwater retention basin (which drains at Outfall SD002) directly to the cooling tower for use within that system.

No drain tile system exists on-site, therefore all stormwater is directed to on-site ponds and discharges from the Facility at outfalls SD001 and SD002 or is retained for reuse as a make-up process water. None of the Facility wastes or by-products, including stillage, syrup, wetcake, MDGS, DDGS, or other products are land applied by the Facility. Because the Facility operates as a zero liquid discharge facility, no chemical additives have been sought for approval to be discharged from the Facility. No chemical dust suppressants are used at the Facility.

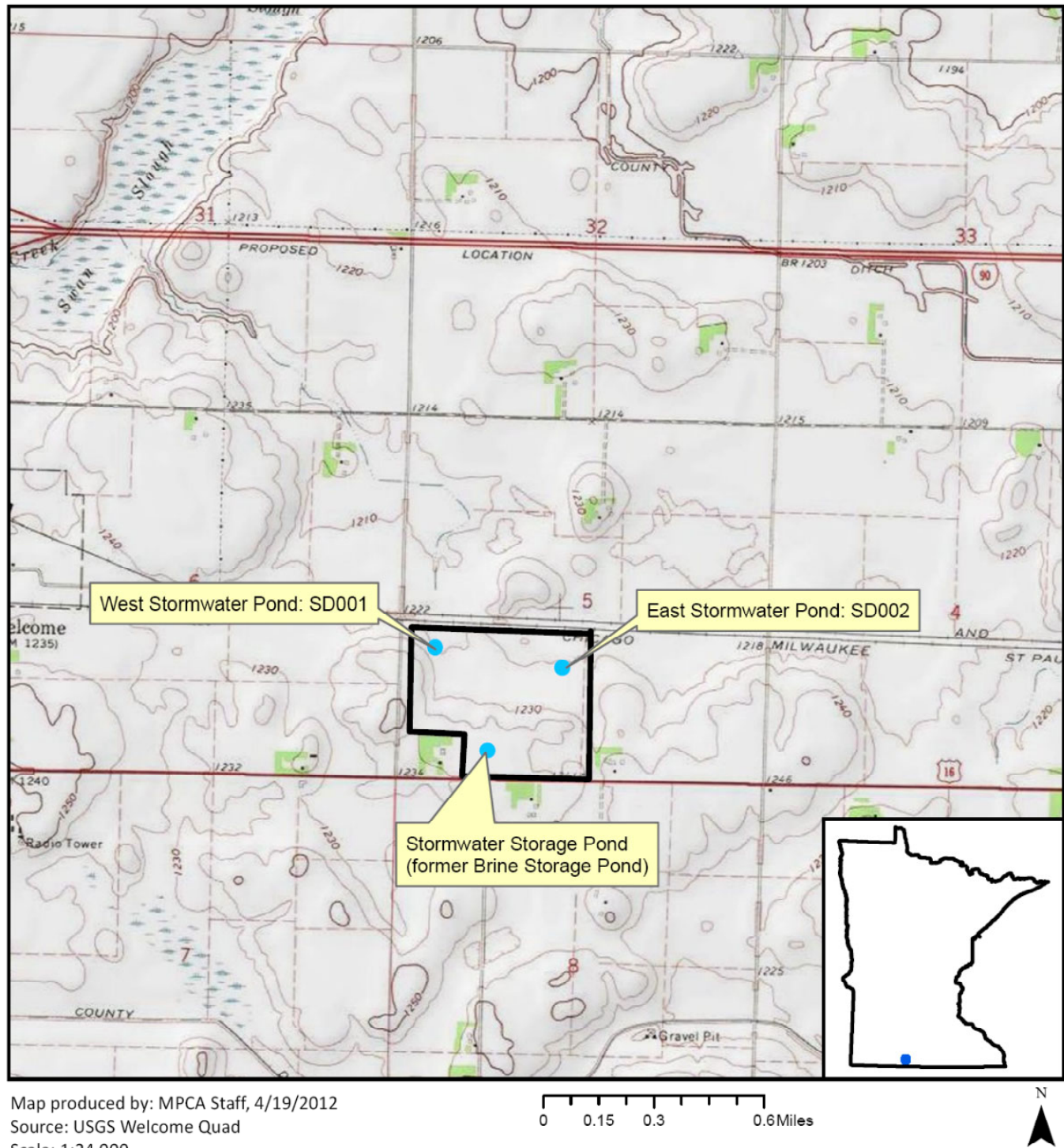
Valero has been approved to discharge sanitary wastes to the city of Welcome's wastewater treatment facility. The sanitary discharge is regulated by the city of Welcome, and not regulated by this permit.

Aboveground storage tanks are covered under Aboveground Storage Tank (AST) Major Facility Permit Number 124184. This AST permit includes requirements for tank secondary containment drainage. Accumulated stormwater is removed as necessary to retain sufficient containment volume for a worst-case release from the largest AST. The drainage that accumulates in the tank secondary containment area is inspected and tested for fuel-related contaminants before being manually pumped out and routed to the stormwater pond, which discharges to SD002.

The location of the Facility is shown on the attached map.

Topographic Map of Permitted Facility

MN0068161 Valero Renewable Fuels Company, LLC
T102N, R31W, Southwest 1/4 of Section 5
City of Welcome, Martin County, Minnesota



Preliminary Determination on the Draft Permit

The MPCA Commissioner has made a preliminary determination to major modify this NPDES/SDS permit for a term of approximately five years. The proposed permit modification is described above.

A draft permit is available for review at the MPCA office at the St. Paul address listed below, at the Rochester regional office and on-line at <http://www.pca.state.mn.us/news/data/index.cfm?PN=1>.

A copy of the draft permit will be mailed to you if the MPCA receives your written or oral request at this office. If you have questions about this draft permit or the Commissioner's preliminary determination, please contact Kate Frantz at 651-757-2370.

Written Comments

You may submit written comments on the conditions of the draft permit or on the Commissioner's preliminary determination. Only comments or petitions concerning the proposed modification portions of the permit will be considered.

Written comments must include the following:

1. A statement of your interest in the permit application or the draft permit.
2. A statement of the action you wish the MPCA to take, including specific references to sections of the draft permit that you believe should be changed.
3. The reasons supporting your position, stated with sufficient specificity as to allow the Commissioner to investigate the merits of your position.

Petition for Public Informational Meeting

You also may request that the MPCA Commissioner hold a public informational meeting. A public informational meeting is an informal meeting that the MPCA may hold to solicit public comment and statements on matters before the MPCA, and to help clarify and resolve issues.

A petition requesting a public informational meeting must include the following information:

1. A statement identifying the matter of concern.
2. The information required under items 1 through 3 of "Written Comments," identified above.
3. A statement of the reasons the MPCA should hold a public informational meeting.
4. The issues that you would like the MPCA to address at the public informational meeting.

Petition for Contested Case Hearing

You also may submit a petition for a contested case hearing. A contested case hearing is a formal evidentiary hearing before an administrative law judge. In accordance with Minn. R. 7000.1900, the MPCA will grant a petition to hold a contested case hearing if it finds that: (1) there is a material issue of fact in dispute concerning the application or draft permit; (2) the MPCA has the jurisdiction to make a determination on the disputed material issue of fact; and (3) there is a reasonable basis underlying the disputed material issue of fact or facts such that the holding of the contested case hearing would allow the introduction of information that would aid the MPCA in resolving the disputed facts in making a final decision on the draft permit. A material issue of fact means a fact question, as distinguished from a policy question, whose resolution could have a direct bearing on a final MPCA decision.

A petition for a contested case hearing must include the following information:

1. A statement of reasons or proposed findings supporting the MPCA decision to hold a contested case hearing according to the criteria in Minn. R. 7000.1900, as discussed above.
2. A statement of the issues proposed to be addressed by a contested case hearing and the specific relief requested or resolution of the matter.

In addition and to the extent known, a petition for a contested case hearing should also include the following information:

1. A proposed list of prospective witnesses to be called, including experts, with a brief description of proposed testimony or summary of evidence to be presented at a contested case hearing.
2. A proposed list of publications, references, or studies to be introduced and relied upon at a contested case hearing.
3. An estimate of time required for you to present the matter at a contested case hearing.

MPCA Decision

You may submit a petition to the Commissioner requesting that the MPCA Citizens' Board (Board) consider the permit issuance. To be considered timely, the petition must be received by the MPCA by 4:30 p.m. on the date the public comment period ends, identified on page 1 of this notice. Under the provisions of Minn. Stat. § 116.02, subd. 6(4), the decision whether to issue the permit and, if so, under what terms will be presented to the Board for decision if: (1) the Commissioner grants the petition requesting the matter be presented to the Board; (2) one or more Board members request to hear the matter before the time the Commissioner makes a final decision on the permit; or (3) a timely request for a contested case hearing is pending. You may participate in the activities of the Board as provided in Minn. R. 7000.0650.

The written comments, requests, and petitions submitted on or before the last day of the public comment period will be considered in the final decision on this permit. If the MPCA does not receive written comments, requests, or petitions during the public comment period, MPCA staff as authorized by the Board, will make the final decision on the draft permit.

Comments, petitions, and/or requests must be submitted in writing on or before the end date of the public comment period identified on page 1 of this notice to:

Kate Frantz
Industrial Division 5th Floor
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, Minnesota 55155-4194