



May 1, 2020

Mr. Elliott Vega  
Assistant Secretary  
Louisiana Department of Environmental Quality  
P.O. Box 4313  
Baton Rouge, LA 70821-4313

By email to: [elliott.vega@la.gov](mailto:elliott.vega@la.gov)

Re: South Louisiana Methanol LP, St. James Methanol Plant, Al No. 188074  
PSD-LA-780, PSD-LA-780(M-1)  
Denial of Request for Extension of Construction Discontinuance Period

Dear Assistant Secretary Vega:

RISE St. James and Louisiana Bucket Brigade submit this response to South Louisiana Methanol's (SLM's) request for an extension of the construction discontinuance period of its Prevention of Significant Deterioration preconstruction air permit PSD-LA-780 and urge LDEQ to deny SLM's request.

On April 22, 2020, SLM asked for yet another extension of its PSD permit,<sup>1</sup> exacerbating an already egregious situation that has resulted in an abuse of the Clean Air Act's PSD program and state regulations that implement the program. *See* 42 U.S.C. §§ 7470-7479; LAC 33:III.509. The PSD program, which is meant to manage industrial growth and prevent the worsening of air quality, limits the time for a facility to commence construction to 18 months from PSD permit approval unless extended "upon a satisfactory showing that an extension is justified." *See* LAC 33:III.509.R.2. But a facility cannot be given an unlimited amount of time to construct because PSD permits are time-sensitive. That is, the PSD analysis required for obtaining a permit relies on air quality data and the best available technology for controlling emission that exist at the time of the application. PSD emission limits, which are technology-driven, evolve over time, air quality for a given area changes, and as more industrial sources move to an area PSD increments become consumed. For these reasons, and others, a company cannot hold onto a PSD permit indefinitely hoping that one day market conditions will be right so that it can attract investors and begin construct in earnest. But this is exactly what SLM is trying to do.

The PSD permit that LDEQ issued to SLM in December 2013<sup>2</sup> was kept alive through permit

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<sup>1</sup> EDMS Doc. ID 12144013, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=12144013&ob=yes&child=yes>

<sup>2</sup> EDMS Doc. ID 9145852, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=9145852&ob=yes&child=yes>

extensions until December 2018—*or 60 months*—based on the company’s vague claim that “current global economic conditions” prevented it from constructing the plant as originally designed.<sup>3</sup> SLM claims that it commenced construction at its site sometime prior to December 2018.<sup>4</sup> But none the work that SLM listed satisfies the regulatory definition for “begin actual construction” in the PSD context, which is “initiation of physical on-site construction activities on an *emissions unit* that are of a permanent nature.” LAC 33:III.509.B (emphasis added). The work that SLM claims that it performed did not involve the construction of an emissions unit, rather it only listed land clearing and grubbing activities, work to build a central control building, among some other miscellaneous activities.<sup>5</sup>

Nonetheless, even if SLM could somehow show that it had begun construction within the meaning of Louisiana’s PSD regulations, SLM has not shown that a further extension is warranted. The regulations provide that “[a]pproval to construction shall become invalid . . . if construction is discontinued for a period of 18 months or more.” LAC 33:III.509.R.2. As mentioned above, the provision goes on to provide that “[LDEQ] may extend the 18-month period upon a satisfactory showing that an extension is justified.” *Id.* Here, SLM asks LDEQ to extend this construction discontinuance period for an additional 18 months—citing uncertain market conditions created by COVID-19 and its desire for more time to find new project partners and debt finance package.<sup>6</sup> But SLM fails to provide any information on the status of its construction activities or the date that it discontinued any activity that would meet the regulatory definition of “construction” within the PSD context. Furthermore, SLM admits that it “will be unable to secure any new partner interest in its project” as currently permitted, banking its hopes to attract new investors on somehow securing approval to build a rail/truck/ship terminal next to a public park in an area of St. James Parish that is now designated for “Residential Growth.”<sup>7</sup>

LDEQ must not extend the construction period yet again to allow SLM more time to revive its speculative project. SLM admits that its project as currently permitted is dead and it has already been given extensions far beyond any measure of reasonableness. Furthermore, LDEQ has been given no information by which it can establish an extension date because SLM has not even told

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<sup>3</sup> See SLM’s series of extension requests and LDEQ’s approvals at EDMS Doc. ID 9786463, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=9786463&ob=yes&child=yes>; EDMS Doc. ID 9810672, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=9810672&ob=yes&child=yes>; EDMS Doc. ID 10410068, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=10410068&ob=yes&child=yes>; EDMS Doc. ID 10433100, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=10433100&ob=yes&child=yes>; EDMS Doc. ID 11187471, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=11187471&ob=yes&child=yes>; EDMS Doc. ID 11359891, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=11359891&ob=yes&child=yes>. Note that in its Sept. 27, 2018 letter to SLM, LDEQ confirmed that PSD-LA-780(M-1), issued June 30, 2017, did not “reauthorize construction of the facility,” i.e., it did not establish a new 18-month construction period. The agency extended the 2013-issued PSD permit again until December 30, 2018. EDMS Doc. ID 11359891.

<sup>4</sup> See SLM ltr to LDEQ, Feb. 12, 2019, EDMS Doc. ID 11521502, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=11521502&ob=yes&child=yes>

<sup>5</sup> See SLM ltr to LDEQ, Feb. 12, 2019, EDMS Doc. ID 11521502, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=11521502&ob=yes&child=yes>

<sup>6</sup> EDMS Doc. ID 12144013, <https://edms.deq.louisiana.gov/app/doc/view.aspx?doc=12144013&ob=yes&child=yes>

<sup>7</sup> SLM seeks additional permit approvals to build a rail/truck/ship terminal because its plans to contract with a third party terminal also fell through.

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the agency when it suspended construction. For the foregoing reasons, LDEQ must deny SLM's request to extend the construction discontinuance period.

Sincerely,



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*On behalf of RISE St. James and Louisiana Bucket Brigade*

Cc: Bryan Johnston, LDEQ Air Permits Administrator, [bryan.johnston@la.gov](mailto:bryan.johnston@la.gov)