STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-11-0051**
VERENIUM BIOFUELS LOUISIANA LLC	*	
	*	**Enforcement Tracking No.**
AI No. 3245	*	**AE-CN-10-00903**
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Verenium Corporation ("Respondent"), which, at the time the alleged violations occurred, was the parent corporation of Verenium Biofuels Corporation, which was the parent corporation of Verenium Biofuels Louisiana LLC ("Respondent (VBL)"), and the Department of Environmental Quality ("DEQ" or "Department"), under the authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("Act").

I.

At the time of the alleged violations, Respondent (VBL) was a limited liability company that owned and/or operated a fuel grade ethanol demonstration facility located in Jennings, Jefferson Davis Parish, Louisiana ("the Facility").

II.

On June 30, 2010, the Department issued to Respondent (VBL) a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-10-00903, which was based upon the following findings of fact:

Respondent (VBL), now named BP Biofuels Louisiana LLC, owns and/or operates the Jennings Ethanol Plant, a fuel grade ethanol demonstration facility, located at 11107 Campbell Wells Road, Jennings, Jefferson Davis Parish, Louisiana. The facility currently operates under Air Permit No. 1360-00071-01 issued on May 13, 2008.

On or about June 9, 2010, a meeting was held with the Respondent (VBL). A follow up letter was received on June 11, 2010. The following violations were disclosed during the course of the meeting and file review:

> According to the Respondent, the demonstration plant was not constructed as described in the permit application and in Air Permit No. 1360-00071-01. During construction none of the tanks were routed to the scrubber as indicated in the permit and therefore, all emissions vented to the atmosphere and not to the scrubber. Tank 312, Tank 322, Tank 350 and Tank 355 have since been routed to the scrubber. Four (4) tanks currently are not routed to the scrubber and vent directly to the air. These are Tank 340, Tank 345, Tank 360 and Tank 365. From August 1, 2009 to May 31, 2010, the Respondent released 2.59 lbs of VOC and 0.50 lbs of Hazardous and Toxic Air Pollutants (HAP/TAP) to the air. Failure to install the equipment as specified in the application and supplemental information is a violation of General Condition I of Air Permit No. 1360-00071-01, LAC 33:III.501.C.4, LAC 33:III.905, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The release of unpermitted emissions to the atmosphere is a violation of Air Permit No. 1360-00071-01, LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

III.

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV.

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of EIGHT THOUSAND AND NO/100 DOLLARS ($8,000.00), of which EIGHT

HUNDRED FIFTY-SIX AND 64/100 DOLLARS ($856.64) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V.

Respondent further agrees that the Department may consider the permit record(s), the Consolidated Compliance Order and Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI.

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII.

This settlement is being made in the interest of settling the State's claims and avoiding, for both parties, the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R.S. 30:2025(E) of the Act.

VIII.

Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Jefferson Davis Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

IX.

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

X.

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XI.

The undersigned representative of each party certifies he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

VERENIUM CORPORATION

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED, in duplicate original, before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: _____
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED, in duplicate original, before me this _____ day of _____, 20 _____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
Cheryl Sonnier Nolan, Assistant Secretary