

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

RAIN CII CARBON LLC

AI NOS. 44866, 2557, 3439, 32804

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT

LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-AE-18-0013
*
* Enforcement Tracking Nos.
* AE-CN-11-00380
* AE-CN-12-00155
* AE-CN-13-00169
* AE-CN-13-00206
*
* Docket No. 2013-11470-EQ

SETTLEMENT

The following Settlement is hereby agreed to between Rain CII Carbon LLC (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a limited liability company that owns and/or operates a coke calcining facility located in St. Bernard, Calcasieu, St. Charles and St. James Parishes.

II

On March 1, 2013, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-11-00380, attached as Exhibit A.

On March 25, 2013, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-12-00155, attached as Exhibit B.

On March 1, 2013, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-13-00169, attached as Exhibit C.

On April 1, 2013, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-13-00206, attached as Exhibit D.

III

In response to the Consolidated Compliance Orders & Notices of Potential Penalty, Respondent made timely requests for a hearing.

IV

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

V

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 EIGHTY TWO THOUSAND TWO HUNDRED EIGHTY-FIVE AND 47/100 DOLLARS (\$82,285.47), of which Seven Thousand Two Hundred Eighty-Five and 47/100 Dollars (\$7,285.47) 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).

VI

Respondent further agrees that the Department may consider the inspection report(s)/permit record(s), the Consolidated Compliance Orders & Notices 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.

VII

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.

VIII

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.

IX

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Bernard, Calcasieu, St. Charles and St. James parishes, Louisiana. The advertisement, in form and wording 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.

XI

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 E).

XII

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

XIII

Each undersigned representative of the parties certifies that 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.

Rain CII Carbon LLC

BY: [Signature]
(Signature)

Ron M. Gomborino
(Printed)

TITLE: Chief Strategy Officer

THUS DONE AND SIGNED in duplicate original before me this 18 day of July, 20 18, at Covington LA.

[Signature]
NOTARY PUBLIC (ID # _____)

Salvadore A. Mortillaro, II
Notary Public for Life
Parish of St. Tammany, LA
Notary ID #88181

(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 11th day of Jan, 20 19, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary



BOBBY JINDAL
GOVERNOR

PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

March 1, 2013

CERTIFIED MAIL (7004 2510 0005 5768 6956)
RETURN RECEIPT REQUESTED

RAIN CII CARBON LLC
c/o Elwood F. Cahill, Jr
Agent for Service of Process
Sher Garner Cahill Richter, et.al.
909 Poydras Street, 28th Floor
New Orleans, LA 70112-1033

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-11-00380
AGENCY INTEREST NO. 44866**

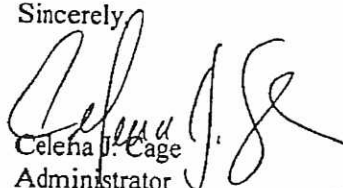
Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **RAIN CII CARBON LLC (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Trisha Barbay at (225) 219-3169.

Sincerely


Celesta J. Cage
Administrator
Enforcement Division

CJC/TAB/tab
Alt ID No. 2520-00003
Attachment



c: Rain CII Carbon, LLC
c/o Jimmy Delaneuville, Plant Manager
801 Prospect Avenue
Norco, LA 70079

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF	*	
	*	
RAIN CII CARBON LLC	*	ENFORCEMENT TRACKING NO.
SAINT CHARLES PARISH	*	
ALT ID NO. 2520-00003	*	AE-CN-11-00380
	*	
	*	AGENCY INTEREST NO.
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT,	*	44866
La. R.S. 30:2001, ET SEQ.	*	

CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **RAIN CII CARBON LLC (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates the Norco Coke Plant (the Facility), Agency Interest No. 44866, located at 801 Prospect Avenue in Norco, St. Charles Parish, Louisiana. The Facility operates or has operated under the authority of the following Title V Air Permits and Prevention of Signification Deterioration Permits:

PERMIT	ISSUE DATE	EXPIRATION DATE
2520-00003-V0	12/10/2004	12/10/2009
2520-00003-V1	6/16/2009; Administratively Amended on 8/19/2009 and 6/1/2012	6/16/2014
PSD-LA-582 (M-2)	12/10/2004	
PSD-LA-582 (M-3)	6/16/2009	

II.

On or about December 22, 2010, an inspection and subsequent file review on October 17, 2012, of the Respondent's facility was performed to determine the Respondent's degree of compliance with the Act, the Air Quality Regulations, and all applicable permits from January 1, 2006 through October 17, 2012. While the review is not complete, the Department noted the violations found in paragraphs III-VII of the Findings of Fact portion of this enforcement action.

III.

The Respondent reported the following deviations from permitted operating parameters:

	REPORT (date)	PERMIT NUMBER	EMISSION POINT	DURATION	OPERATING PARAMETER	POLLUTANTS INVOLVED	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
A.	2006 Annual Compliance Certification (3/27/2007) & Letter (10/4/2011)	2520-00003-V0	Calcined Coke Loadout Spout EQT 002	11/5/2006 - 12/31/2006	PM10 \geq 98 percent removal efficiency.	PM10	Loadout system was damaged and non-operational due to an operator failing to raise the chute following loading operations of trucks.	LAC 33:III.905
B.	2007, 2008, and 2009 Annual Compliance Certifications (3/18/2008; 3/31/2009; & 3/19/2010)	2520-00003-V0	Rotary Cooler Scrubber EQT 0012	1/1/2007 - 6/15/2009	Amperage \geq 160 and \leq 252 ampre	PM10	Fan amperage operated outside of the permit conditions. The Respondent applied for and was granted a permit modification, Title V Permit No. 2520-00003-V1, on June 16, 2009, to remove the fan amperage limitation, monitoring, and recordkeeping requirements for EQT12.	Limitations Table
C.	2009 Annual Compliance Certification (3/19/2010)	2520-00003-V1 & 2520-00003-V1A	Rotary Cooler Scrubber EQT 0012	6/16/2009 - 11/9/2009	Flow rate \geq 30 gpm.	PM10	Flow Rate fluctuated below 30 gpm. After the installation of the flow meter, it was determined the scrubber was inconsistent. Pumps were installed. A variance issued on November 10, 2009, allowed the scrubber flow to be greater than or equal to 25 gpm until November 30, 2009.	Specific Requirement 71
D.	2011 Annual Compliance Certification (3/28/2012)	2520-00003-V1A	Rotary Cooler Scrubber EQT 0012	4/14/2011 (24 hours)	Flow rate \geq 30 gpm.	PM10	The operator failed to review the electronic log and make adjustments. The average flow was 29.3 gpm.	Specific Requirement 71
E.	2011 Annual Compliance Certification (3/28/2012)	2520-00003-V1A	Rotary Cooler Scrubber EQT 0012	4/21/2011 (24 hours)	Flow rate \geq 30 gpm.	PM10	The operator failed to review the electronic log and make adjustments. The average flow was 29.8 gpm.	Specific Requirement 71
F.	2011 Annual Compliance Certification (3/28/2012)	2520-00003-V1A	Rotary Cooler Scrubber EQT 0012	10/26/2011 (24 hours)	Flow rate \geq 30 gpm.	PM10	The operator failed to review the electronic log and make adjustments. The average flow was 29.4 gpm.	Specific Requirement 71

Each deviation from permitted operating parameters is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

IV.

The Respondent reported the following deviations from monitoring requirements:

	REPORT (date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE	MONITORING PARAMETER	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
A.	2006 Annual Compliance Certification (3/27/2007)	2520-00003-V0	Calcined Coke Loadout Spout EQT 002	1/1/2006 - 12/31/2006	Filter elements (bags) monitored by technically sound method once every six months or whenever visual checks indicate maintenance may be necessary.	Six-month technically sound monitoring of filter elements was not completed.	Monitoring Requirements Table
B.	2008 Annual Compliance Certification (3/31/2009) & 2008 First Semiannual Monitoring Report (9/29/2008)	2520-00003-V0	Rotary Cooler Scrubber EQT 0012	5/1/2008 - 6/17/2008	Amperage monitored by ammeter continuously.	The fan amperage was found to be incorrect as a result of noise and erroneous signal from a power supply that was incorrectly installed after the fan scrubber drive was relocated. The Respondent applied for and was granted a permit modification, Title V Permit No. 2520-00003-V1, on June 16, 2009, to remove the fan amperage limitation, monitoring, and recordkeeping requirements for EQT12.	Monitoring Requirements Table

Each failure to monitor as required is a violation of Title V Permit No. 2520-00003-V0, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

V.

The Respondent reported the following emission exceedances:

	REPORT (date)	PERMIT NUMBER or UNIT	EMISSION POINT	INCIDENT DATE (DURATION)	POLLUTANTS RELEASED (MAX PERMIT LIMIT)	QUANTITY REPORTED	REPORTED CAUSE
A.	2009 Annual Compliance Certification (3/19/2010) & 2009 First Semiannual Monitoring Report (9/14/2009) & Letter (10/4/2011)	2520-0003-V0	Heat Recovery Boiler Stack EQT 0005	5/3/2009	NOx (130 lb/hr)	0.6 lbs over permit limit	Operator Error. During the event, an operator may not have reacted soon enough in reducing the kiln feed rate in response to the NOx alarm. The Respondent reported to have modified its operating system to include low, medium, and high level alarms to allow for additional time to make process changes, as well as, conducted training on the improved system.
B.	2011 Annual Compliance Certification (3/28/2012)	2520-0003-V1A	Heat Recovery Boiler Stack EQT 0005	9/22/2011 (0.67 hours)	Sulfur Trioxide (6 lbs/hr)	19.31 lbs	A front end loader accidentally severed the baghouse electrical wiring. The baghouse went to automatic bypass. An obstruction prevented the driver of front end loader from clearly seeing his work area.

Each emission exceedance is a violation of any applicable permit, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

VI.

The Respondent failed to meet the following reporting requirements:

	REPORT (date)	PERMIT NUMBER	REPORTING REQUIREMENT	DUE DATE	POSTMARK DATE	REGULATORY or PERMIT REQUIREMENTS
A.	2006 First Quarter Deviation Report	2520-00003-V0	Due quarterly, by June 30, September 30, December 31, March 31. Submit reports of all permit deviations.	6/30/2006	10/06/2011	Specific Requirement 16
B.	2006 Second Quarter Deviation Report	2520-00003-V0	Due quarterly, by June 30, September 30, December 31, March 31. Submit reports of all permit deviations.	9/30/2006	10/06/2011	Specific Requirement 16
C.	2006 Third Quarter Deviation Report	2520-00003-V0	Due quarterly, by June 30, September 30, December 31, March 31. Submit reports of all permit deviations.	12/31/2006	10/06/2011	Specific Requirement 16
D.	2006 Fourth Quarter Deviation Report	2520-00003-V0	Due quarterly, by June 30, September 30, December 31, March 31. Submit reports of all permit deviations.	3/31/2007	10/06/2011	Specific Requirement 16
E.	2006 Second Semiannual Monitoring Report (9/9/2011)	2520-00003-V0	Submit Title V monitoring results report: Due semiannually, by March 31 st and September 30 th for the preceding periods encompassing July through December and January through June, respectively.	3/31/2007	10/06/2011	Specific Requirement 15
F.	2007 First Quarter Deviation Report	2520-00003-V0	Due quarterly, by June 30, September 30, December 31, March 31. Submit reports of all permit deviations.	6/30/2007	10/06/2011	Specific Requirement 16
G.	2007 Third Quarter Deviation Report	2520-00003-V0	Due quarterly, by June 30, September 30, December 31, March 31. Submit reports of all permit deviations.	12/31/2007	10/06/2011	Specific Requirement 16
H.	2008 Third Quarter Deviation Report	2520-00003-V0	Due quarterly, by June 30, September 30, December 31, March 31. Submit reports of all permit deviations.	12/31/2008	10/06/2011	Specific Requirement 16
I.	2009 Fourth Quarter Sulfur Content Analysis Report (9/6/2011)	2520-00003-V1AA	Due quarterly, by 30 th of January, April, July, and October. Submit a report summarizing the results of the sulfur content analyses required by this permit.	1/30/2010	10/06/2011	Specific Requirement 31

Each deviation from reporting requirements is a violation of applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

VII.

In the Respondent's 2009 Title V Annual Compliance Certification dated March 19, 2010, the Respondent reported the Performance/Emissions test conducted on November 2, 2009, was not submitted within 90 days after completion of the initial operational test of the sulfur dioxide continuous emission monitor (CEM). The Respondent reported the results of the performance test were submitted to the Department on February 24, 2010. The Department has not received the results of the performance test. This is a violation of Specific Requirement 33 of Title V Permit No. 2520-00003-V1, LAC 33:III.1513.A.2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

COMPLIANCE ORDER

Based on the foregoing, the Respondent is hereby ordered:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Act, the Air Quality Regulations, and all applicable permits.

II.

To submit the Performance/Emissions test results for the initial operation of the Sulfur Dioxide CEM under Title V Air Permit No. 2520-00003-V1 to the Enforcement Division within thirty (30) days after receipt of this **COMPLIANCE ORDER** as noted in Paragraph VII of the Findings of Fact.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: Trisha Barbay
Re: Enforcement Tracking No. AE-CN-11-00380
Agency Interest No. 44866

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN:11-00380
Agency Interest No. 44866

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty

in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Trisha Barbay at (225) 219-3169 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

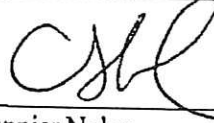
III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 01 day of March, 2013.



Cheryl Sonnier Nolan
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Trisha Barbay



BOBBY JINDAL
GOVERNOR

PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

March 25, 2013

CERTIFIED MAIL (7004 2510 0005 5768 6963)
RETURN RECEIPT REQUESTED

RAIN CII CARBON LLC
c/o Elwood F. Cahill, Jr
Agent for Service of Process
Sher Garner Cahill Richter, et.al.
909 Poydras Street, 28th Floor
New Orleans, LA 70112-1033

RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-12-00155
AGENCY INTEREST NO. 2557

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **RAIN CII CARBON LLC (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Guna Gunasekaran at (225) 219-3721.

Sincerely,

Celena J. Cage
Administrator
Enforcement Division



CJC/TAB/tab
Alt ID No. 2500-00006
Attachment

c: Rain CII Carbon, LLC
c/o Jamal Samarra'e, Plant Manager
PO Box 1306
Chalmette, LA 70044-1306

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF

RAIN CII CARBON LLC
ST BERNARD PARISH
ALT ID NO. 2500-00006

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ENFORCEMENT TRACKING NO.

AE-CN-12-00155

AGENCY INTEREST NO.

2557

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT,
La. R.S. 30:2001, ET SEQ.

CONSOLIDATED

COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **RAIN CII CARBON LLC (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates the Chalmette Coke Plant (the facility), a green petroleum coke calcining facility, located at 700 Coke Plant Road in Chalmette, St. Bernard Parish, Louisiana. The facility previously operated under Title V Permit No. 2500-00006-V0 issued on August 7, 1997, and Title V Permit No. 2500-00006-V1 issued on October 15, 2009, administratively amended on August 28, 2010. The facility currently operates under Title V Permit No. 2500-00006-V2 issued on March 21, 2012, expires October 14, 2014.

II.

On or about January 25, 2013, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. While the Department's investigation is not yet complete, the following violations were noted during the course of the file review:

- A. The Waste Heat Boiler (WHB) stack, Emission Point 199, is the primary stack at the Respondent's facility and is not used concurrently with the pyroscrubber "hot stack", Emission Point 200. Emission Point 200 is used 1) to bypass the baghouse system during start-up of the kiln until flue gas temperatures are above the dew point and 2) as a bypass stack during waste heat boiler and/or baghouse outages. State Only Specific Condition 1 of Title V Permit No. 2500-00006-V0 requires the Respondent to report unauthorized discharges in compliance with the provisions of LAC 33:III.927 when Emission Point 200 is used to vent gases to the atmosphere. LAC 33:III.927 requires that, "The unauthorized discharge of any air pollutant into the atmosphere shall be reported in accordance with the provisions of LAC 33:I.Chapter 39, Notification Regulations and Procedures for Unauthorized Discharges. Written reports pursuant to LAC 33:I.3925 must be submitted to the department. Timely and appropriate follow-up reports should be submitted detailing methods and procedures to be used to prevent similar atmospheric releases." The Respondent reported the following unauthorized releases:

	REPORT (date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (duration)	POLLUTANTS RELEASED	QUANTITY REPORTED	REPORTED CAUSE	VIOLATION (Permit Requirements/Regulations)
1.	Unauthorized Discharge Notification for Incident No. 107470 (7/29/2008)	2500-00006-V0	EPN 200	7/22/2008 (6.23 hours)	SO ₂	491 lbs	ID Fan trip on high amps.	Failure to maintain ID Fan from tripping (LAC 33:III.905)
	Unauthorized Discharge Notification for Incident No. 108395 (9/8/2008)	2500-00006-V0	EPN 200	9/6/2008	SO ₂	*Emissions were not reported for 9/6/2008	On 8/27/08 the facility shut down due to a tube leak in the Heat Recovery Boiler. After fixing leak the facility stayed shut down due to Hurricane Gustav. The facility started back to the Rotary Kiln on 9/5/08. On 9/6/08 the facility experienced more boiler problems and applied for variance that was granted on 9/7/2008.	Failure to maintain a control device (LAC 33:III.905)

	REPORT (date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (duration)	POLLUTANTS RELEASED	QUANTITY REPORTED	REPORTED CAUSE	VIOLATION (Permit Requirements/Regulations)
2.	Unauthorized Discharge Notification for Incident Nos. 111280, 111289, 111299 (12/11/2008) & Correspondence from Respondent (12/22/2011)	2500-00006-VO	EPN 200	12/06/2008 (1.90 hours)	SO ₂	53.29 lbs/hr	Boiler Feed Pump Failure. Debris accumulated in the cooling tower piping causing the boiler feed pump failure.	Failure to control accumulation of debris in cooling tower piping (LAC 33:III.905)
3.	Unauthorized Discharge Notification for Incident Nos. 111320 & 111321 (12/15/2008) & Correspondence from Respondent (12/22/2011)	2500-00006-VO	EPN 200	12/08/2008 (2.80 hours) & 12/09/2008 (9 minutes)	SO ₂	24.21 lbs/hr	Boiler Feed Pump Failure. Debris collected in the piping and debris accumulated in the cooling tower piping caused the boiler feed pump failure.	Failure to control accumulation of debris in cooling tower piping (LAC 33:III.905)
4.	Unauthorized Discharge Notification for Incident No. 112140 (1/23/2009)	2500-00006-VO	EPN 200	1/19/2009 (0.61 hours)	SO ₂	52.16 lbs/hr	Air conditioning malfunction to the ID Fan Drive Control.	Failure to maintain ID Fan from tripping (LAC 33:III.905)
5.	Unauthorized Discharge Notification (1/30/2009) & Correspondence from Respondent (10/04/2011)	2500-00006-VO	EPN 200	1/23/2009 (24.53 hours)	SO ₂	54.75 lbs/hr	Air problems with control valves for Waste Heat Boiler. Condensation of water in the air lines may affect operation of the valve.	Failure to control condensation of water in the air lines of the control valves (LAC 33:III.905) Failure to include estimate of amount of each specific pollutant (LAC 33:I.3925.B.5, LAC 33:III.927.A)
6.	Unauthorized Discharge Notification for Incident No. 112453 (2/04/2009 & 6/30/2009)	2500-00006-VO	EPN 200	2/02/2009 (3.89 hours)	SO ₂ NO _x	5164.13 lbs 284.70 lbs	Instrumentation failure on the ID Fan display screen due to power surge.	Failure to maintain ID Fan from tripping (LAC 33:III.905) Failure to include estimate of amount of each specific pollutant (LAC 33:I.3925.B.5, LAC 33:III.927.A)
7.	Unauthorized Discharge Notification for Incident No. 112483 (2/03/2009) & Correspondence from Respondent (12/22/2011)	2500-00006-VO	EPN 200	1/28/2009 (2.03 hours)	SO ₂	45.04 lbs/hr	Instrumentation failure on the D3 damper system. Rust and debris from the cooling tower plugged the cooling water flow meter.	Failure to control accumulation of rust and debris from the cooling tower to the cooling water flow meter (LAC 33:III.905)
8.	Unauthorized Discharge Notification for Incident No. 112758 (2/23/2009)	2500-00006-VO	EPN 200	2/18/2009 & 2/19/2009 (26 hours and 41 minutes)	SO ₂	45.625 lbs/hr	Kiln nozzle failure- the nozzle fell completely out and jammed the discharge of the Rotary Kiln.	Failure to include estimate of amount of each specific pollutant (LAC 33:I.3925.B.5, LAC 33:III.927.A) Failure to properly maintain the nozzle (LAC 33:III.905)
9.	Unauthorized Discharge Notification for Incident No. 113091 (3/06/2009)	2500-00006-VO	EPN 200	3/1/2009 (0.48 hours)	SO ₂	48.83 lbs/hr	ID Fan trip on high amps.	Failure to maintain ID Fan from tripping (LAC 33:III.905)

	REPORT (date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (duration)	POLLUTANTS RELEASED	QUANTITY REPORTED	REPORTED CAUSE	VIOLATION (Permit Requirements/Regulations)
10.	Unauthorized Discharge Notification for Incident No. 113306 (4/13/2010)	2500-00006-VO	EPN 200	3/8/2009 (87 minutes)	SO ₂	1650.43 lbs	A trip of the facility's ID Fan.	Failure to submit written follow-up report within 7 days (LAC 33:I.3925.A, and LAC 33:III.927.A)
					NO _x	105.85 lbs		Failure to maintain ID Fan from tripping (LAC 33:III.905) Failure to include estimate of amount of each specific pollutant (LAC 33:I.3925.B.5, LAC 33:III.927.A)
11.	Unauthorized Discharge Notification for Incident No. 113467 (3/20/2009)	2500-00006-VO	EPN 200	3/17/2009 (0.10 hours and again for 8.88 hours) & 03/18/2009 (2.48 hours)	SO ₂	Not provided	Losing cooling water to D-3 Damper.	Failure to maintain the EPN 199 (LAC 33:III.905)
12.	Unauthorized Discharge Notification for Incident No. 115162 (5/27/2009)	2500-00006-VO	EPN 200	5/20/09 (81 minutes)	SO ₂	1826.53 lbs	ID Fan Trip due to unexpected high amps.	Failure to maintain ID Fan from tripping (LAC 33:III.905)
					NO _x	98.55 lbs		Failure to include estimate of amount of each specific pollutant (LAC 33:I.3925.B.5, LAC 33:III.927.A)
13.	Unauthorized Discharge Notification for Incident No. 115422 (6/15/2009)	2500-00006-VO	EPN 200	6/3/2009 (42 minutes)	SO ₂	425.16 lbs	ID Fan tripped offline due to instrumentation malfunction on the Boiler Drum Level Indicator.	Failure to submit written follow-up report within 7 days (LAC 33:I.3925.A, and LAC 33:III.927.A)
					NO _x	51.10 lbs		Failure to maintain ID Fan from tripping (LAC 33:III.905)
14.	Unauthorized Discharge Notification for Incident No. 115553 (4/13/2010)	2500-00006-VO	EPN 200	6/8/2009 (35 minutes)	SO ₂	557.34 lbs	A trip of the facility's ID Fan.	Failure to submit written follow-up report within 7 days (LAC 33:I.3925.A, and LAC 33:III.927.A)
					NO _x	42.58 lbs		Failure to maintain ID Fan from tripping (LAC 33:III.905) Failure to include estimate of amount of each specific pollutant (LAC 33:I.3925.B.5, LAC 33:III.927.A)
	Unauthorized Discharge Notification for Incident No. 115610 (6/18/2009)	2500-00006-VO	EPN 200	6/11/2009 (805 minutes)	SO ₂	18410.66 lbs	The facility performed a plant start up after repairing a cooler bearing.	Failure to maintain a control device (LAC 33:III.905)
					NO _x	979.42 lbs		
					PM	147.21 lbs		
					SO ₃	105 lbs		
	Unauthorized Discharge Notification for Incident No. 115861 (6/29/2009)	2500-00006-VO	EPN 200	6/19/2009 (109 minutes)	SO ₂	2089.04 lbs	The facility performed a plant start up after repairing a faulty wire on the Steam Turbine.	Failure to maintain a control device (LAC 33:III.905)
					NO _x	132.62 lbs		
15.	Unauthorized Discharge Notification for Incident No. 116228 (6/29/2009)	2500-00006-VO	EPN 200	6/23/2009 (18.88 hours)	SO ₂	21412.1 lbs	Start up after experiencing a cooler gear box internal part failure.	Failure to submit written follow-up report within 7 days (LAC 33:I.3925.A, and LAC 33:III.927.A)
					NO _x	1378.49 lbs		
					PM	81.15 lbs		

Each failure to operate according to the permitted requirements and each unauthorized emission is a violation of the applicable permit, any associated