

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

RAIN CII CARBON LLC

AI # 2557 and 3439

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

* Settlement Tracking No.
* SA-AE-18-0081
*
* Enforcement Tracking No.
* AE-CN-14-00303
* AE-PP-14-00864
*
* Docket No. 2016-2862-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 and Calcasieu Parishes, Louisiana (“the Facility”).

II

On January 7, 2016, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-14-00303, attached as Exhibit A.

On May 27, 2016, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-14-00864, attached as Exhibit B.

The following violations, although not cited in the foregoing enforcement action(s), are included within the scope of this settlement:

In correspondence dated August 26, 2016, the Respondent requested to add the following violations not addressed in AE-PP-14-00864, issued to Rain CII Lake Charles Facility, AI# 3439.

1. The facility's 2014 Second Semiannual Monitoring Report disclosed that petroleum coke sampling was not conducted for 6 hours from 10/26/14-10/27/14. The failure to perform two-hour sampling of petroleum coke for a composite daily analysis of sulfur content is a violation of SR 107 of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
2. The facility's 2015 First Semiannual Monitoring Report disclosed that the facility failed to maintain daily opacity records for CRG0001 (Dust Systems Vents) for 8 days - 1/1/15-1/8/15, and 28 days - 2/1/15-2/28/15; and for RLP0037 (WHB Baghouse) 2 days - 2/24/15-2/26/15, 1 day on 3/19/15, 1 day on 4/20/15, and 1 day on 6/18/15. Each failure to record daily opacity values is a violation of SR 4 for CRG0001, SR 113 for RLP0037 of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
3. The facility's 2015 First Semiannual Monitoring Report disclosed that RLP0037 (WHB) exceeded the 1,600 lb/hr permit limit of SO₂ for one hour on 2/11/15 with emission of 1,696.5 lb/hr (6.0% excess), and 2,231.3 lb/hr (39% excess) for one hour on 3/18/15. Each failure of RLP0037 to meet the permit limit for SO₂ is a violation of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(1).
4. The facility's 2015 First Semiannual Monitoring Report disclosed that RLP0006 (Kiln Stack) exceeded the SO₂ 3-hour average limit of 2,000 parts per million wet volume (ppmv) for 2 hours on 6/17/15. Additional correspondence dated 2/1/18 reported the emission rate was 2,027 ppmv from 3:00 am until 4:00 am and 2,010 ppmv from 4:00 am until 5:00 am. The failure of RLP0006 to meet the permit limit for SO₂ is a violation of SR 102 of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(1).
5. The facility's 2015 Second Semiannual Monitoring Report disclosed that the facility failed to maintain daily opacity records for RLP0037 (WHB) for 2 days - 7/14/15 - 7/15/15, 1 day on 7/26/15, and 1 day on 7/31/15. Each failure to record daily opacity values for RLP0037 is a violation of SR 113 for of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
6. The facility's 2015 Second Semiannual Monitoring Report disclosed that RLP0037 (WHB) exceeded the 1,600 lb/hr permit limit of SO₂ for one hour on 11/16/15 with emission of 1,647 (3% excess) lb/hr. The failure of RLP0037 to meet the permit limit for SO₂ is a

violation of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(1).

7. In the facility's 2014 Annual Compliance Certification dated 3/31/15, the Respondent reported an exceedance of the SO₂ 3-hour concentration limit on or about 3/14/14 for four (4) hours. The failure of RLP0006 to meet the permit limit for SO₂ is a violation of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(1).
8. The Respondent reported in the 2014 Annual Compliance Certification dated 3/31/15 that during an incident that occurred on or about 4/7/14, WHB/Baghouse Stack exceeded the 40 tpy feed rate limit for SCN 0003 (alternative operating scenario) for both Kiln 1 and Kiln 2. The cause was a malfunction of the Kiln 1 Weightfeeder speed control. Each failure to reduce the feed rate to each kiln, as required by SCN0003, is a violation of SR 140 of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

III

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request 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 THIRTY-FIVE THOUSAND AND NO/100 DOLLARS (\$35,000.00), of which Four Thousand Sixty-Four and 47/100 (\$4,064.47) 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 Order & Notice of Potential Penalty and the 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.

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 and Calcasieu 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 C).

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:

[Handwritten Signature]

(Signature)

Rev M. Garbuno

(Printed)

TITLE: *Global VP Commercial*

THUS DONE AND SIGNED in duplicate original before me this 13 day of May, 20 19, at Covington, LA.



[Handwritten Signature]

NOTARY PUBLIC (ID # 128581)

Shane E Duplaisir

(stamped or printed)

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

BY:

[Handwritten Signature]

Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 5th day of Sept, 20 19, at Baton Rouge, Louisiana.

[Handwritten Signature]

NOTARY PUBLIC (ID # 19081)

Perry Theriot

(stamped or printed)

Approved:

[Handwritten Signature]

Lourdes Iturralde, Assistant Secretary

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

January 7, 2016

CERTIFIED MAIL (7004 2510 0006 3854 2836)
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 70122-1033

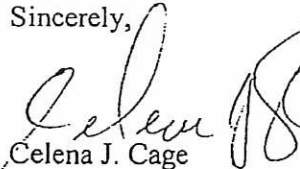
**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-14-00303
AGENCY INTEREST NO. 2557**

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 Mark E. Brown at (225) 219-3782.

Sincerely,

Celena J. Cage
Administrator
Enforcement Division

CJC/MEB/meb
Alt ID No. 2500-00006
Attachment



c: Rain CII Carbon LLC
Jimmy Delauneville, Plant Manager
700 Coke Plant Road
Chalmette, LA 70043

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

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

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ENFORCEMENT TRACKING NO.

AE-CN-14-00303

AGENCY INTEREST NO.

2557

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 Facility (the facility), a green petroleum coke calcining, storage, and transfer facility, located at 700 Coke Plant Road in Chalmette, St. Bernard Parish, Louisiana. The facility operates, or has operated, under Title V Air Permits, as shown in Table A:

TABLE A

Permit No.	Permit Issue Date	Permit Expiration Date
2500-0006-V0	August 7, 1997	August 7, 2002
2500-0006-V1	October 15, 2009	October 15, 2014
2500-0006-V2	March 21, 2012	October 15, 2014

II.

On or about February 11, 2014, an Air Quality inspection was performed to determine the degree of compliance with the Act and the Air Quality Regulations. On or about April 17, 2014, and on or about June 29, 2015, file reviews of the facility were performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the investigation by the Department is not yet complete, the following violations were noted during the course of the inspection and file reviews:

- A. During the course of the inspection, it is noted that the Pyroscrubber Stack, (EQT004), was used several times at a rate in excess of 500 hours for twelve consecutive months for the period of February 2011 until February 2014. The facility operated under variances allowing a limit of 836 hours for the period August 30, 2012 through September 14, 2012, and for the period November 30, 2012 through February 28, 2013. Utilizing the facility operating logs, operating hours of the pyroscrubber per 12 consecutive months are calculated as shown in Table B:

TABLE B

Ending Month of Year	Hours per 12 consecutive months
2500-0006-V1, effective October 15, 2009	
02-2011	613.70
03-2011	808.33
04-2011	807.23
05-2011	765.17
06-2011	759.21
07-2011	758.71
08-2011	820.31
09-2011	608.99
10-2011	609.20
11-2011	609.20
12-2011	784.70
01-2012	816.23
02-2012	682.31
2500-0006-V2, effective March 21, 2012	
03-2012	521.79
04-2012	615.36
05-2012	634.24
06-2012	687.40
07-2012	769.04
08-2012	739.20
09-2012	832.14
10-2012	923.31
11-2012	1083.47

TABLE B

Ending Month of Year	Hours per 12 consecutive months
12-2012	905.47
01-2013	831.21
02-2013	891.3
03-2013	936.55
04-2013	913.64
05-2013	856.94
06-2013	877.45
07-2013	830.84
08-2013	833.70
09-2013	725.58
10-2013	661.41
11-2013	501.25
12-2013	676.70
01-2014	736.17
02-2014	635.51

Each failure to restrict operation of the Pyroscrubber Stack to less than 500 hours per 12 consecutive month period, or to operate within the limits granted in a variance, is a violation of Specific Requirement 103 of Title V Permit No. 2500-0006-V1, Specific Requirement 104 of Title V Permit No. 2500-0006-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- B. During the course of the inspection, it was noted that the Respondent failed to calculate the hours of operation per 12 consecutive month period of the Pyroscrubber Stack (EQT004). Each failure to calculate the hours per consecutive 12-month period of operation is a violation of Specific Requirement 104 of Title V Permit No. 2500-0006-V1, Specific Requirement 106 of Title V Permit No. 2500-0006-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- C. During the course of the inspection and file review, it was noted that the Respondent failed to report to the Department each time the Pyroscrubber Stack, exceeded the 500 hours limit for any 12 consecutive month period, as shown in Table B. Each failure to report the exceedance is a violation of Specific Requirement 103 of Title V Permit No. 2500-0006-V1, Specific Requirement 104 of Title V Permit No. 2500-0006-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- D. During the course of the inspection, the Respondent stated that both the Pyroscrubber Stack (EQT004) and the waste heat boiler stack (EQT003) were operated during startup periods. Also, the Department regional staff had observed visible emissions concurrently from the two stacks on December 21,

2012, and December 3, 2013. Each concurrent use of the two stacks is a violation of Specific Requirement 103 of Title V Permit No. 2500-0006-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- E. During the course of the inspection, the Department notified the Respondent that visible Pyroscrubber Stack emissions were observed by Department regional staff on or about January 17, 2014 while the facility was not in operation. The Respondent stated not all of the coke can be emptied from the pyroscrubber when the unit is shut down, and smolders until it cools below the self-combustion temperature. It was also noted during the inspection that the Respondent does not count the hours that the smoldering coke emissions vent through the Pyroscrubber Stack as operational hours. Each failure to include the hours of smoldering as hours of Pyroscrubber Stack operation is a violation of Specific Requirement 105 of Title V Permit No. 2500-0006-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- F. During the course of the inspection, it was noted that the deposition smoldering coke in the settling area of the pyroscrubber was a result of the Respondent dismantling a corkscrew conveyer which previously removed coke from the pyroscrubber. The Respondent did not notify the Department of the modification. The failure to submit an application to modify the permit prior to any modification which potentially may alter emissions is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- G. During the course of the inspection, the Department noted the results of a third-party audit commissioned by the Respondent. The audit was required by Administrative Order, AE-AO-13-00034, issued on or about March 20, 2013. The audit reported unpermitted emissions from permitted emission sources, and from unpermitted sources as shown in Table C:

TABLE C

Permitted Sources	
EQT No.	Emission Source
001	Cooler Scrubber Stack
003	Waste Heat Boiler/Baghouse
004	Pyroscrubber Stack
005	Cooling Tower No. 1
007	Cooling Tower No. 2
008	Cooling Tower No. 3
009	Auxiliary Kiln Drive Engine No. 1
010	Auxiliary Generator Engine No. 2
011	Auxiliary Engine No. 3
012	Auxiliary Engine No. 4
013	Calcined Coke Storage Tank 1A
014	Calcined Coke Storage Tank 1B

TABLE C

016	Gasoline Storage Tank
FUG1	Unloading and Loadout Fugitives
FUG3	Lime Storage and Handling System

Previously Unpermitted Sources

Emission Point ID	Emission Source
1-13	Green Coke Pelletizing System
2-13	Green Coke Pelletizing System Fugitives
3-13	Green Coke Dryer
4-13	Green and Calcined Coke Handling Fugitives
1-A1	Scrap Coke Storage Pile
1-A2	Reclaim Coke Storage Pile

In correspondence dated November 15, 2013, the Respondent submitted an application to modify Title V Permit No. 2500-00006-V2 to incorporate the following emissions from the Table C sources. Emission rates were added to the permit for previously unpermitted pollutants, some rates were increased, some were unchanged (U). The rates, in tons per year (tpy), per pollutant, are shown in Table D and in Table E:

TABLE D

Pollutant, tpy	Emission Sources														
	0001	0003	0004	0005	0007	0008	0009	0010	0011	0012	0013	0014	0016	FUG1	FUG3
PM2.5	21.70	67.92	10.52	0.16	0.15	0.15	0.020	0.01	0.01	0.01	0.004	0.004		1.22	2.06
PM10	U	U	10.52	0.27	0.25	0.25	0.020	0.01	0.01	0.01	0.03	0.03		1.22	13.60
SO2	149.08	U	400.00				0.07	0.01	0.04	0.04					
NOx		U	18.25				0.38	0.03	0.25	0.21					
CO	370.36	7.79	0.44				0.29	0.020	0.16	0.16					
VOC Total		U	0.05				0.06	<0.01	0.03	0.03			0.34		
Carbon Disulfide	1.02														
Hydrogen Sulfide	1.05														
Sulfuric Acid	31.90	223.21													
Hydrochloric Acid	0.21	14.14	0.70												
Hydrogen Fluoride	0.10	0.62	0.59												
Antimony	0.01	0.02	<0.001												0.004
Arsenic	0.002	0.01													0.001
Barium	0.01	0.02	<0.001												0.006
Beryllium	0.04	0.07	0.002												
Cadmium		<0.001													
Chlorine	4.44	37.27	1.22												
Chromium VI	0.01	0.05	0.002												0.001
Cobalt	<0.001	0.01													0.003
Copper	0.002	0.01	<0.001												0.001
Lead	0.002	0.03	<0.001												0.010
Manganese	0.10	0.02	<0.001												0.004
Mercury	<0.001	0.005													
Nickel	0.02	0.27	0.01												0.070

TABLE D

Emission Sources															
Pollutant, tpy	0001	0003	0004	0005	0007	0008	0009	0010	0011	0012	0013	0014	0016	FUG1	FUG3
PM2.5	21.70	67.92	10.52	0.16	0.15	0.15	0.020	0.01	0.01	0.01	0.004	0.004		1.22	2.06
Selenium		0.01	<0.001												0.001
Zinc	0.04	0.19	0.01												0.030

TABLE E

Previously Unpermitted Sources						
Pollutant	1-13	2-13	3-13	4-13	1-A2	1-A2
PM2.5	<0.01	0.01	0.10	2.45	<0.001	<0.001
PM10	<0.01	0.05	0.10	7.55	<0.001	<0.001
SO2			0.01			
NOx			1.29			
CO			1.08			
VOC Total			0.07	1.56		
Formaldehyde			0.001			
Nickel				0.10	<0.001	<0.001

Each failure to submit a permit application which includes an accurate and complete list of each potential pollutant and emission rate is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- H. The operation, of each unpermitted emission source shown in Table E, is a violation of Title V Permit No. 2500-0006-V2, LAC 33:III.501.C.2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- I. In correspondence dated April 26, 2013, the Respondent submitted an Unauthorized Emissions Report detailing a release intermittently through the Pyroscrubber Stack (EQT004) during normal operations (non-startup operations). Emissions from the Pyroscrubber Stack are not allowed when the Waste Heat Boiler Stack (EQT003) is in service. The details of the release of Sulfur Dioxide (SO₂), Particulate Matter 10 microns or less (PM₁₀), Particulate Matter 2.5 microns or less (PM_{2.5}), Nitrogen Oxides (NO_x), Carbon Monoxide (CO), and Volatile Organic Compounds (VOC), in pounds (lbs), are shown in Table F:

TABLE F

Discharge began	Discharge ended	Duration	Pollutant released	Quantity reported, lbs	Reported cause
April 19, 2013 9:30 am	April 22, 2013 10:30 am	49 hours	SO ₂	4,234.00	Operator error, incorrect setting on the draft damper. Failure to timely monitor for visible emissions.
			PM ₁₀	104.03	
			PM _{2.5}	104.03	
			NO _x	180.81	
			CO	<0.003	
			VOC	0.52	

The concurrent use of the two stacks is a violation of Specific Requirement 103 of Title V Permit No. 2500-0006-V2, LAC 33:III.905.A, 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 Air Quality Regulations, and Title V Permit No. 2500-0006-V2.

II.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to calculate and record the operational hours, on a 12-month rolling basis, of the Pyroscrubber Stack, if such steps have not yet been taken.

III.

To submit, within 30 days of receipt of this **COMPLIANCE ORDER**, to the Permits Division, a proposal for calculating emissions of pollutants from smoldering coke in the pyroscrubber following a shutdown, or submit a proposal for removing the smoldering coke to prevent emission of pollutants through the Pyroscrubber Stack, if such submittals have not yet been done .

IV.

To submit, within 30 days of receipt of this **COMPLIANCE ORDER**, to the Permits Division, an application to amend Title V Permit No. 2500-00006-V2, adding the emissions calculated in Paragraph III of the Compliance Order section of this enforcement action, if such application has not yet been submitted.

V.

To submit, within 30 days of receipt of this **COMPLIANCE ORDER**, to the Permits Division, an application to modify Title V Permit No. 2500-00006-V2 to reflect the removal of the crossover conveyer from the Pyroscrubber, if such submittal has not been done. Submit a copy of the cover letter to the Enforcement Division, attention to Mark E. Brown.

VI.

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 Portion of this **COMPLIANCE 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: Mark E. Brown
Re: Enforcement Tracking No. AE-CN-14-00303
Agency Interest No. 2557

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-14-00303
Agency Interest No. 2557

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 violations 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 violations, 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 violations 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 violations described herein. Written comments may be filed regarding the violations 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 violations. If you would like to have such a meeting, please contact Mark E. Brown at (225) 219-3782 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 violations 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 7 day of January, 2018



D. Chance McNeely
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: Mark E. Brown



JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

May 27, 2016

CERTIFIED MAIL (7004 2510 0006 3854 2898)
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 70122-1033

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-14-00864
AGENCY INTEREST NO. 3439**

Dear Sir:

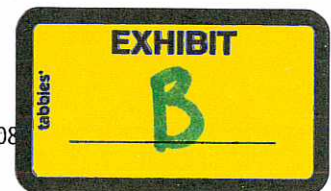
On or about April 3, 2014, an inspection of the **LAKE CHARLES CALCINING PLANT** (the facility), a coke calcining plant, owned and/or operated by **RAIN CII CARBON LLC (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. On or about May 23, 2016, a file review was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The facility is located at 1920 Tak Plant Road in Sulphur, Calcasieu Parish, Louisiana.

The facility operates, or has operated, under the Title V Air Permits shown in Table A:

TABLE A

Permit No.	Permit Issue Date	Permit Expiration Date
0520-00048-V0	January 23, 2006	September 11, 2006
0520-00048-V0AA	September 11, 2006	-
0520-00048-V1	March 16, 2010	April 13, 2012
0520-00048-V2	April 13, 2012	November 5, 2012
0520-00048-V3	November 5, 2012	April 13, 2017

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection and subsequent file reviews:



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 Rain CII Carbon LLC
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- A. In correspondence dated October 2, 2014, the Respondent submitted the facility's Amended 2013 Annual Specific Requirements Report as required by Specific Requirement 98, Specific Requirement 108, and Specific Requirement 122, for the period encompassing January 1, 2013 through December 31, 2013. The report disclosed that daily SO₂ concentration, based on 3-hour averages, exceeded the permit limit for the Kiln Stack (RPL 0006), as shown in Table B:

TABLE B

Date, Time	Permit Limit, ppmv	Actual Concentration, ppmv	
		Average	Maximum
February 10, 09:00	2,000	2,016	2,026
February 21, 03:00		2,089	2,168
March 1, 05:00		2,068	2,113
March 3, 05:00		2,004	2,009
March 16, 04:00		2,058	2,080
April 7, 00:00		2,006	2,006
April 19, 08:00		2,343	2,395
July 9, 00:00		2,108	2,018
October 19, 05:00		2,004	2,010

Each failure to maintain the concentration of SO₂ below the permitted level is a violation of Specific Requirement 102 of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- B. In correspondence dated October 2, 2014, the Respondent submitted the facility's Amended 2013 Annual Specific Requirements Report as required by Specific Requirement 98, Specific Requirement 108, and Specific Requirement 122, for the period encompassing January 1, 2013 through December 31, 2013. The report disclosed that SO₂ emissions, in pounds per hour (lb/hr), for the WHB/Baghouse System Stack (RPL 0037), exceeded the permit limits as shown in Table C:

TABLE C

Date, Time	Permit Limit, lb/hr, maximum	Actual Emission, lb/hr
April 8, 13:00	1,600	1,681
May 30, 18:00		1,609
June 23 22:00		1,832
June 23 23:00		2,026
July 4, 09:00		1,731
July 5, 03:00		1,989
July 9, 18:00		1,903
July 9, 19:00		2,003
August 13, 06:00		3,548
August 13, 07:00		2,763
August 13, 09:00		2,763

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 Rain CII Carbon LLC
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TABLE C

Date, Time	Permit Limit, lb/hr, maximum	Actual Emission, lb/hr
August 13, 10:00	1,600	1,888
August 23, 02:00		1,657

Each failure to maintain SO₂ emissions below the permitted level is a violation of Specific Requirement 116 Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- C. In correspondence dated April 14, 2014, the Respondent submitted a follow-up Unauthorized Discharge Report for an event that occurred on April 2, 2014. The report disclosed period events when the energy recovery system tripped requiring operators to divert the flue gas emissions from the WHB/Baghouse System Stack (ID 1-09) to the Kiln Stack (RLP 0006). Under those conditions, alternate operating scenario 0001 (SCN 0001) requires the operators to reduce the green coke feed rate for each kiln to less than 34 tons per hour (tph). The Respondent failed to provide operators with response instructions required by SCN0001. The operators failed to immediately reduce the feed rate. The actual operating rates during the conditions of SCN 0001 are shown in Table D:

TABLE D

Emission Source	Deviation began	Deviation ended	Event Production Rate, tph
Rotary Kiln No. 1 (EQT002)	11:01	12:00	39.37
Rotary Kiln No. 2 (EQT003)			39.14

Each failure to reduce the feed rate to each kiln, as required by SCN0001, is a violation of Specific Requirement 136 of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The failure to properly employ control measures is a violation of LAC 33:III.905, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

- D. In correspondence dated April 14, 2014, the Respondent submitted an Unauthorized Discharge Report disclosing excess 3-hour average concentrations of SO₂ emissions from the April 2, 2014 event described in Paragraph C. The excess concentrations and periods of the exceedance are shown in Table E:

TABLE E

Period, April 4, 2014	Permit Limit, ppmv	Actual Concentration, ppmv
10:01 – 13:00	2,000	2,233
11:01 – 14:00		2,069

Each failure to maintain the concentration of SO₂ emissions below the permitted level is a violation of Specific Requirement 102 of Title V Permit No. 0520-00048-V3, LAC 33:III.905, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

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 Rain CII Carbon LLC
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- E. In correspondence dated January 15, 2013, the Respondent reported 3-hour excess emissions greater than the 1,600 lb/hr permit limit during initial startup of the Waste Heat Boiler/Baghouse System Stack (RLP 0037) during the periods encompassing December 20, 2012 through December 27, 2012 as shown in Table G:

TABLE G

3-hour average excursion began	3-hour average excursion ended	Average SO₂, lb/hr
December 20, 20:00	December 21, 03:00	1680.63
		1755.99
		1757.16
		1710.62
		1668.84
		1618.97
December 22, 02:00	December 23, 14:00	1731.70
		1731.93
		1697.63
		1653.86
		1753.83
		1940.07
		2100.20
		2075.07
		2025.49
		1924.87
		1915.42
		1781.19
		1764.06
		1730.81
		1743.74
		1747.89
		1753.87
1771.93		
1781.75		
1771.30		
1742.88		
1714.46		
1694.31		
1724.35		
1731.54		

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 Rain CII Carbon LLC
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TABLE G

3-hour average excursion began	3-hour average excursion ended	Average SO ₂ , lb/hr
December 22, 02:00	December 23, 14:00	1762.33
		1740.07
		1726.53
		1595.93
		1534.44
		1520.59
		1604.26
		1640.23
		1617.64
1606.77		
December 26, 18:00	December 26, 22:00	1879.66
		1802.48

Each failure to maintain SO₂ below the permitted level is a violation of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- F. In correspondence dated January 15, 2013, the Respondent reported excess emissions, of SO₂ from RLP 0037 during the period encompassing December 20, 2012 through December 27, 2012. The failure to submit a written report within seven days of the initial emission of any pollutant in excess of permit limits by an amount greater than the Reportable Quantity, is a violation of General Condition XI of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, LAC 33:I.3925.A.3, and La. R.S. 30:2057(A)(2).
- G. In correspondence dated June 21, 2013, the Respondent reported results of emission testing conducted on June 17, 2013, that showed excess emissions of Particulate Matter (PM₁₀ and PM_{2.5}) from RLP 0037. The Respondent shut down the unit, discovered several degraded bags in the baghouse, isolated the module containing the degraded bags, returned the unit to operation and repeated emission testing on June 18, 2013. In correspondence dated August 19, 2013, the Respondent reported results of the emission testing conducted on June 18, 2013, showing that RLP 0037 was compliant for emission of all pollutants. In correspondence dated August 2, 2013, the Respondent reported that degradation of the bags occurred due to high temperatures during the initial startup and shakedown period during December 2012 and startup/shakedown events in the interim. In electronic correspondence dated September 29, 2013, the Respondent disclosed that an internal investigation indicated that degradation began on or about June 8, 2013, when operators observed increased opacity readings from RLP 0037. Excess emission rates, in lb/hr, and total excess pounds (lb) reported from the June 17, 2013 testing, are shown in Table H:

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 Rain CII Carbon LLC
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TABLE H

Pollutant	Permit Limit, lb/hr	Actual Emission, lb/hr	Total excess, lb
PM ₁₀	58.70	1,067.90	220,005.6
PM _{2.5}	30.52	435.72	88,333.6

Each failure to maintain emission of PM below the permitted level, is a violation of Title V Permit No. 0520-00048-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- H. In correspondence dated May 5, 2014, the Respondent submitted an Unauthorized Discharge Notification 7-day Follow-up Report, disclosing that on or about May 1, 2014, while unloading a barge at the green coke dock (FUG 0001), particulate matter of green coke became airborne and was deposited in the Calcasieu River. The unloading event began at approximately 5:00 am, prior to daylight. Unloading was terminated at 6:30 am when the discharge was observed. The Respondent estimated the amount of PM₁₀ emitted to be 76 pounds (50.67 lb/hr), less than the permitted emission limit of 67.70 lb/hr. However, the PM₁₀ was deposited to waters of the State. The failure to prevent particulate matter from becoming airborne is a violation of LAC 33:III.905, LAC 33:III.1305, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). The failure to properly employ control measures is a violation of LAC 33:III.905, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). The failure to maintain the aesthetics of the waters of the state is a violation of LAC 33:IX.1113.B.1, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

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 violations described herein. Written comments may be filed regarding the violations 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.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violations. If you would like to have such a meeting, please contact Mark E. Brown at (225) 219-3782 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

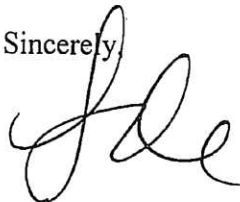
The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations 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 this statement.

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Rain CII Carbon LLC
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For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Iturralde', written in a cursive style.

Lourdes Iturralde
Assistant Secretary

LI/MEB/meb
Alt ID No. 0520-00048

c: Rain CII Carbon LLC
David Rhoden, Plant Manager
1920 Pak Tank Road
Sulphur, LA 70665