STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-13-0060**
LOUISIANA ENERGY AND	*	
POWER AUTHORITY	*	**Enforcement Tracking No.**
AI # 26328	*	**AE-CN-11-01081**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Louisiana Energy and Power Authority ("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 Governmental Entity that owns and/or operates a power plant located in Pointe Coupee Parish, Louisiana ("the Facility").

II

On December 20, 2012, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-11-01081, which was based upon the following findings of fact:

The City of New Roads owns New Roads Power Plant (the Facility) located at 215 Oak Street in New Roads, Pointe Coupee Parish, Louisiana. The Facility is operated by LEPA. The Respondent operates or has operated the facility under the following Title V Air Permits:

UNIT	PERMIT	ISSUE DATE	EXPIRATION DATE
New Roads Power Plant	2260-00057-V2	7/23/03	7/23/08
New Roads Power Plant	2260-00057-V3	10/6/08	10/6/13

On or about April 18, 2012, an Air Quality inspection was performed to determine the degree of compliance with the Act and the Air Quality Regulations. On or about December 16, 2012, the Department conducted a file review to determine the Respondent's degree of compliance with the Act, the Air Quality Regulations, and all applicable permits from April 16, 2007 through April 16, 2012. While the review is not complete, the Department noted the following violations:

A. In correspondence dated May 5, 2009, the Respondent reported the results of initial emission tests conducted on or about April 1–2, 2009 for C6 – Unit No. 6 Engine (EQT0006). Emission of Carbon Monoxide (CO) was 36.13 pounds per hour (lb/hr) compared to the permit limit of 25.52 lb/hr. During the course of the inspection, the run-time history of No.6 Engine was recorded. The engine ran 39 hours in 2010, 61 hours in 2011, and 10 hours in 2012, as of the date of the inspection. The failure to maintain the emission of CO below the permitted level is a violation of Title V Permit No. 2260-00057-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

B. The Respondent has not submitted an application to modify Title V Permit No. 2260-00057-V3 to incorporate the results of the emission tests conducted for Engine 6 on or about April 1–2, 2009 that indicate excess emissions of CO. The failure to request a permit modification within forty-five (45) days after receiving test results that demonstrate that the permit is inadequate is a violation of Title V Permit No. 2260-00057-V3, LAC 33:III.523.A, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

C. In correspondence dated March 31, 2010, the Respondent submitted the facility's 2009 Annual Compliance Certification, encompassing the period from January 1, 2009 through December 31, 2009, stating that no deviations occurred during the period. The Certification did not list the exceedance of CO for Engine 6 during the April 1–2, 2009 emission tests. The failure to submit a complete and accurate Annual Compliance Certification is a violation of Part 70 General Condition M of Title V Permit No. 2260-00057-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

D. The Respondent failed to submit the facility's 2009 First Semiannual Monitoring Report, encompassing the period from January 1, 2009 through June 30, 2009. The failure to submit a Semiannual Monitoring Report is a violation of Part 70 General Condition K, Title V Permit No. 2260-00057-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

E. In correspondence postmarked May 2, 2011, the Respondent submitted the facility's 2010 Criteria and Toxic Air Pollutant Emissions Certification Statement for the period encompassing January 1, 2010 through December 31, 2010. The failure to submit the Statement by the April 30, 2011 due date is a violation of LAC 33:III.919.F.1.d, LAC 33:III.501.C.4 and La. R.S. 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 THREE THOUSAND TWO HUNDRED SEVENTY AND 93/100 DOLLARS ($3,270.93) of which Seven Hundred Two and 49/100 Dollars ($702.49) 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 inspection report(s), the Consolidated Compliance Order & 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

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Pointe Coupee 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

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.

LOUISIANA ENERGY AND POWER AUTHORITY

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