

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

SID RICHARDSON CARBON, LTD.

AI # 4174

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

\* Settlement Tracking No.  
\* SA-AE-13-0048  
\*  
\* Enforcement Tracking No.  
\* AE-CN-12-00408  
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SETTLEMENT

The following Settlement is hereby agreed to between Sid Richardson Carbon, Ltd. (“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 partnership that owns and/or operates a carbon black manufacturing facility located in Addis, West Baton Rouge Parish, Louisiana (“the Facility”).

II

On April 5, 2013, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty (CONOPP), Enforcement No. AE-CN-12-00408, which was based upon the following findings of fact:

The Respondent owns and/or operates the Sid Richardson Carbon & Energy Company – Addis Plant (the Facility), a carbon black manufacturing facility located at 5121 Sid Richardson Road in Addis, West Baton Rouge Parish, Louisiana. The Facility operates or has operated under the authority of the following Title V Air Permits:

| PERMIT          | ISSUE DATE       | EFFECTIVE EXPIRATION DATE |
|-----------------|------------------|---------------------------|
| 3120-00006-V0   | October 15, 2003 | October 7, 2008           |
| 3120-00006-V1   | October 8, 2008  | June 6, 2012              |
| 3120-00006-V1AA | June 7, 2012     | October 8, 2013           |

The Respondent submitted a Title V Permit Renewal Application on or about July 31, 2012. The application was determined to be administratively complete on August 2, 2012; thereby administratively continuing Title V Permit 3120-00006-V1AA until the issuance of the new permit.

On or about June 1, 2012, and March 5, 2013, the Department conducted a file review to determine the Respondent's degree of compliance with the Act, the Air Quality Regulations, and applicable permit from January 2008 through July 2012; the review included the inspections conducted on or about December 21, 2011, and February 7, 2012. While the review is not complete, the Department noted the violations found in paragraphs III-VI of the Findings of Fact portion of this enforcement action.

The Respondent reported the following violations from permitted operating parameters:

|    | REPORT (date)  | PERMIT NUMBER | EMISSION POINT                | INCIDENT DATE (duration) | OPERATING PARAMETER                    | POLLUTANTS INVOLVED | REPORTED CAUSE  | REGULATORY OF PERMIT REQUIREMENTS |
|----|--|---------------|-------------------------------|--------------------------|--|---------------------|---|-----------------------------------|
| A. | 2009 Second Semiannual Monitoring Report (2.19.2010) | 3120-00006-V1 | B-2 – Unit #2 Flare (EQT0002) | 9.09.2009 (9 hours)      | continuously monitor presence of flame | N/A                 | Water accumulated in the gas line shutting off flare pilots | Specific Requirements 83 & 252    |
| B. |  |               |                               | 10.29.09 (1 hour)        |  |                     | Failure to monitor the flame due to a PLC malfunction       |                                   |

Each failure to operate according to permitted operating parameters is a violation of the applicable permit, the associated permit requirements and/or regulations listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and (2).

The Respondent reported the following violations from monitoring requirements:

|    | REPORT (date)                            | PERMIT NUMBER | EMISSION POINT                 | INCIDENT DATE (duration)         | MONITORING PARAMETER              | REPORTED CAUSE   | REGULATORY OF PERMIT REQUIREMENTS                  |
|----|--|---------------|--------------------------------|----------------------------------|-----------------------------------|--|--|
| A. | 2008 Second Semiannual Monitoring Report | 3120-00006-V0 | B-1 – Unit #1 Flare (EQT0001), | 9.19.2008 – 9.21.2008 (72 hours) | hourly record of flame operations | Distributive Control System (DCS) malfunctioned and failed to record flame | Specific Requirements 36,84, and 132 40 CFR 63.998 |

|    | REPORT (date)                                       | PERMIT NUMBER | EMISSION POINT   | INCIDENT DATE (duration) | MONITORING PARAMETER                                  | REPORTED CAUSE                            | REGULATORY or PERMIT REQUIREMENTS                   |
|----|---|---------------|--|--------------------------|---|---|---|
|    | (3.27.2009)   |               | B-2 -- Unit #2 Flare (EQT0002), & B-3 -- Unit #3 Flare (EQT0003) |                          |   | operations                                |   |
| B. | 2010 Second Semiannual Monitoring Report (3.7.2011) | 3120-00006-V1 | piping system on Unit 3  | not provided*            | inspect difficult to inspect flanges every five years | Failure to inspect the flange as required | Specific Requirement 123<br>40 CFR 63.983(b)(3)(ii) |

Each failure to monitor parameters as required is a violation of: the applicable permit, the associated permit requirements and/or regulations listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and (2).

The Respondent reported the following emission exceedances:

| REPORT (date)                                       | PERMIT NUMBER or UNIT | EMISSION POINT       | INCIDENT DATE (duration)           | POLLUTANTS RELEASED | QUANTITY REPORTED | REPORTED CAUSE  | REGULATORY or PERMIT REQUIREMENTS |
|---|-----------------------|----------------------|------------------------------------|---------------------|-------------------|---|-----------------------------------|
| 2011 Second Semiannual Monitoring Report (3.5.2012) | 3120-00006-V1         | Facility Cap CRG0002 | 11.21.2011 – 11.22.2011 (48 hours) | SO <sub>2</sub>     | *not reported     | For 48hours the sulfur feed rate was 1788-1779lbs/hr due to a grade change. | Specific Requirement 7            |

Each emission exceedance is a violation of the applicable permit, the associated permit requirements and/or regulations listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and (2).

The Respondent failed to meet the following recordkeeping requirements:

|    | REPORT (date)                                       | PERMIT NUMBER | EMISSION POINT                 | INCIDENT DATE (duration)       | MONITORING PARAMETER              | REPORTED CAUSE                               | REGULATORY or PERMIT REQUIREMENTS               |
|----|---|---------------|--------------------------------|--------------------------------|-----------------------------------|--|---|
| A. | 2011 First Semiannual Monitoring Report (8.22.2011) | 3120-00006-V1 | B-1 -- Unit #1 Flare (EQT0001) | 2.8.2011 (2 hours)             | hourly record of flame operations | PLC failure caused recorded data to be lost. | Specific Requirement 36<br>40 CFR 63.998(a)-(d) |
| B. |   |               |                                | 2.17.2011-2.18.2011 (29 hours) |                                   |  |   |
| C. |   |               |                                | 3.7.2011 (1 hour)              |                                   |  |   |
| D. |   |               |                                | 6.4.2011 (2 hours)             |                                   |  |   |
| E. |   |               | B-2 -- Unit #2 Flare (EQT0002) | 6.4.2011 (2 hours)             |                                   |  | Specific Requirement 84<br>40 CFR 63.998(a)-(d) |
| F. |   |               | B-3 -- Unit #3 Flare (EQT0003) | 6.4.2011 (2 hours)             |                                   |  | Specific Requirement 132                        |
| G. |   |               |                                | 4.9.2011 (1 hour)              |                                   |  | 40 CFR 63.998(a)-(d)                            |

Each failure to maintain records as required is a violation of the applicable permit, the associated permit requirements and/or regulations listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and (2).

The Respondent submitted the 2012 First Semiannual Monitoring Report to the Department on or about December 12, 2012. The failure to submit the report by the September 30, 2012, is a violation of Title V Permit Number 3120-00006-V1AA, LAC 33:III.501.C.4, and LAC 33:III.507.H.

### III

In response to the CONOPP, 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 SEVEN THOUSAND SIX HUNDRED EIGHTY AND NO/100 DOLLARS (\$7,680.00), of which One Thousand Four Hundred Twenty-One and 10/100 Dollars (\$1,421.10) 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 permit record(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.

## 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

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in West Baton Rouge 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.

X

Payment is to be made within thirty (30) 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).

XI

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

XII

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.

**SID RICHARDSON CARBON, LTD.**

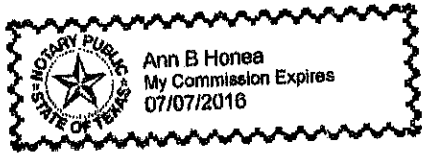
BY: R. Bismilla  
(Signature)

A.R. Bismilla  
(Printed)

TITLE: VP Production

THUS DONE AND SIGNED in duplicate original before me this 10<sup>th</sup> day of December, 20 13, at 3:20 P.M.

Ann Honea  
NOTARY PUBLIC (ID # \_\_\_\_\_)



Ann Honea  
(stamped or printed)

**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
Peggy M. Hatch, Secretary

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

THUS DONE AND SIGNED in duplicate original before me this 20<sup>th</sup> day of Feb, 20 14, at Baton Rouge, Louisiana.

Perry Theriot  
NOTARY PUBLIC (ID # 19181)

Approved: Cshl  
Cheryl Sonnier Nolan, Assistant Secretary

Perry Theriot  
(stamped or printed)