

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

ADA CARBON SOLUTIONS (RED RIVER),
LLC

AI # 152139

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

* Settlement Tracking No.
* SA-AE-14-0040
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* Enforcement Tracking No.
* AE-CN-11-01494
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SETTLEMENT

The following Settlement is hereby agreed to between ADA Carbon Solutions (Red River), LLC formerly known as Red River Environmental Products, 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 greenfield activated carbon facility located in Armistead, Red River Parish, Louisiana (“the Facility”).

II

On April 11, 2013, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty (CONOPP), Enforcement No. AE-CN-11-01494, which was based upon the following findings of fact:

“The Respondent owns and/or operates Greenfield Activated Carbon Solutions, a greenfield activated carbon facility (the Facility). The Facility is located 1/2 mile West of Parish Road 604 in Armistead, Red River Parish, Louisiana. The Facility operates or has operated under the authority of

the following Title V Air Permits:

PERMIT	ISSUE DATE	EFFECTIVE END DATE
2420-00027-V1	March 1, 2010	December 21, 2011
2420-00027-V2	December 22, 2011	May 28, 2013

The Respondent submitted a Title V Permit Renewal Application on or about November 2, 2012. The application was determined to be administratively complete on November 5, 2012; thereby administratively continuing Title V Permit 2420-00027-V2 until the issuance of the new permit. The Facility is also operating in accordance with Prevention of Significant Deterioration Permit PSD-LA-727(M-1), issued December 22, 2011.

On or about January 26, 2012, and March 8, 2013, the Department conducted a file review of all reports submitted to the Department from January 2010 through December 2012 to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits. While the review is not complete, the Department noted the violations found in paragraphs A through F of this section.

A. The Respondent reported the following recordkeeping deviations:

REPORT	EMISSION REPORT	DATE	REQUIREMENT	DEVIATION	REQUIREMENT
2011 First Semiannual Monitoring Report (9.29.2011)	CRG 0001, CRG 0002, CRG 0003, Main Stack, Coal & Material Handling Dust Collectors	1.1.2011	Visible emissions monitored by daily casual observations and associated recordkeeping for baghouses and filter vents.	Complete records are not available.	Specific Requirements 51, 70, and 76
		1.2.2011			
		2.24.2011			
		3.20.2011			
		3.23.2011			
		4.5.2011			
		6.19-23.2011			
		12.20.2011			
		12.29.2011			
		1.29.2012			
2011 Second Semiannual Monitoring Report (4.2.2012)		6.6.2012			
2012 First Semiannual Monitoring Report (9.27.2012)					

REPORT	EMISSION REPORT	DATE	REQUIREMENT	DEVIATION	REQUIREMENT
2010 Second Semiannual Monitoring Report (3.30.2010) 2011 Second Semiannual Monitoring Report (4.2.2012) 2012 First Semiannual Monitoring Report (9.27.2012)	CRG 0001, CRG 0002, CRG 0003, Main Stack, Coal & Material Handling Dust Collectors	7.13.2010	Visible emissions monitored by daily casual observations and associated recordkeeping for baghouses and filter vents.	Observations were conducted but records are not available.	Specific Requirements 51, 70, and 76
		7.15-18.2010			
		7.22-23.2010			
		7.26-28.2010			
		7.30-31.2010			
		8.1.2010			
		8.5.2010			
		8.10-17.2010			
		8.20-23.2010			
		8.25-26.2010			
		8.28.2010			
		8.31.2010			
		9.1-11.2010			
		9.13-17.2010			
		9.21-24.2010			
		9.26-30.2010			
		10.1-8.2010			
		10.11-24.2010			
		10.29-31.2010			
		11.1-8.2010			
		11.10-11.2010			
		11.15-16.2010			
		11.19-21.2010			
		11.27-28.2010			
		12.3-5.2010			
		12.13-14.2010			
12.30.2010					
7.9.2011					
8.13-14.2011					
10.30.2011					
12.30-31.2011					

Failure to maintain the required records is a violation of Title V Air Permit 2420-00027-V1 and V2, the permit requirements listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(2).

B. The Respondent submitted written reports referenced in the table below in accordance with LAC 33:I.3925.A. However, the written reports did not contain all of the required information.

INCIDENT DATE	REPORT DATE	INCIDENT NUMBER
7.29.2010	8.5.2010	125271
2.23.2011	3.2.2011	129432

INCIDENT DATE	REPORT DATE	INCIDENT NUMBER
2.18.2011	2.28.2011	129430
2.19.2011		129469
2.20.2011		129473
2.21.2011		129475
10.10-11.2011	10.17.2011	134456
9.30.2011	10.7.2011	134280

Each failure to include all information required is a violation of LAC 33:I.3925.B La. R.S. 30:2057(A)(2). Specifically, the Respondent failed to address LAC 33:I.3925.B.5 and 14. The Respondent submitted the additional information to the Department in a letter dated January 25, 2012.

C. The Respondent reported the following unauthorized releases:

REPORT (date)	INCIDENT DATE	POLLUTANTS	QUANTITY	CAUSE
Unauthorized Discharge Notification for Incident 129432 (3.2.2011)	2.23.2011	Benzene	14 pounds	An automatic pressure controller for the steam turbine malfunctioned.
		VOCs	6623 pounds	
Unauthorized Discharge Notification for Incidents 129430, 129469, 129473, and 129475 (2.28.2011)	2.18.2011	Benzene	40 pounds	The steam turbine and coal pyrolysis gas afterburner encountered operating conditions that caused the interlocks to engage.
	2.19.2011	VOCs	26,492 pounds	
	2.20.2011			
	2.21.2011			
Unauthorized Discharge Notification for Incident 134456 (10.17.2011)	10.10-11.2011	Benzene	31 pounds	The coal pyrolysis afterburner encountered operating conditions that caused the interlocks to engage.
		VOCs	14,782 pounds	
Unauthorized Discharge Notification for Incident 134280 (10.7.2011)	9.30.2011	Benzene	10.5 pounds	During shakedown, low oxygen in the coal pyrolysis gas afterburner caused the interlocks to engage.
		VOCs	not provided	

REPORT (date)	INCIDENT DATE	POLLUTANTS	QUANTITY	CAUSE
Unauthorized Discharge Notification for Incident 142965 (9.18.2012)	9.12.2012	Benzene	34.13 pounds	The facility lost power during a thunderstorm and an emergency generator was started. While operating on generator power the steam turbine generator tripped due to low steam.

Each unauthorized release of emissions is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

- D. According to the 2011 First Semiannual Monitoring Report dated September 29, 2011, based on an engineering study conducted by a contractor, Production Line Number 1 (EQT 001) may have exceeded the maximum permitted emission limit of 1.86 lbs/hr for sulfuric acid on March 3, 2011. Upon further investigation, the Respondent reported 5.35tpy of sulfuric acid emissions from EQT 001 in the 2011 Emissions Inventory; above the permitted emission limit of 4.89 tons/year. The exceedance of the permitted limit is a violation of Title V Air Permit 2420-00027-V1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- E. The Respondent submitted the 2012 Second Semiannual Monitoring Report and 2012 Annual Compliance Certification to the Department on or about April 2, 2012. The failure to submit the report by the March 30, 2012, is a violation of Title V Air Permit 2420-00027-V2, LAC 33:III.501.C.4, LAC 33:III.507.H, La. R.S. 30:2057(A)(2).
- F. According to the written notification submitted by the Respondent on or about November 16, 2012, the Respondent released approximately 15.6 lbs of benzene to the atmosphere from the emergency vent on Multi Hearth Furnace No. 2 that opened in response to high positive draft pressure. The unauthorized release of emissions is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2)."

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

In correspondence dated September 30, 2013, the Respondent reported the NO_x CEMS

recorded a one-hour average NOx emission of 96.3 lb/hr that exceeded the maximum hourly limit of 92.76 lb/hr for EQT001. The exceedance of the permitted limit is a violation of Title V Air Permit 2420-00027-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

In correspondence dated September 30, 2013, the Respondent reported EQT001 may have exceeded the maximum .006 lb/hr limit for mercury intermittently in 2011 for 271 hours based on an internal review. The exceedance of the permitted limit is a violation of Title V Air Permit 2420-00027-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

III

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

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of ELEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$11,500.00), of which Four Hundred Forty-One and 96/100 Dollars (\$441.96) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the permit record(s), CONOPP, 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 Red River 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.

ADA CARBON SOLUTIONS (RED RIVER),
LLC

BY: P. O. Hansen
(Signature)

PETER O. HANSEN
(Printed)

TITLE: General Counsel

THUS DONE AND SIGNED in duplicate original before me this 17th day of June, 20 15, at Littleton, Colorado.

Denise M Kania
NOTARY PUBLIC (ID # 20134062786)
DENISE M. KANIA
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134062786
MY COMMISSION EXPIRES OCTOBER 2, 2017
(stamped or printed)

LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: D. Chance McNeely
D. Chance McNeely, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 23rd day of July, 20 15, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: D. Chance McNeely
D. Chance McNeely, Assistant Secretary