

**Public Hearing Minutes
of the
Louisville Metro Air Pollution Control Board
June 17, 2009**

A public hearing of the Louisville Metro Air Pollution Control Board was called to order on June 17, 2009, at 9:57 a.m. in the Board Room of the Louisville Metro Air Pollution Control District (District), 850 Barret Avenue, Louisville, Kentucky, by the Chairman, Dr. Robert Powell.

General Statement, Rules and Purpose

The Chairman read the opening announcements, rules and purpose of the Public Hearing which was to review an Amended NO_x RACT Agreed Board Order with Texas Gas Transmission, LLC, and an Agreed Board Order with American Synthetic Rubber Company.

1. Amended NO_x RACT Agreed Board Order with Texas Gas Transmission, LLC

Ms. Anderson said the Agreed Board Order with Texas Gas is the second amendment to their NO_x RACT plan. She said there were initially ten NO_x RACT orders that were entered into between several companies and the Board in 1999. Ms. Anderson said that Amendment 2 of the Agreed Board with Texas Gas replaced the outdated requirements that were in Amendment 1. She reported that Texas Gas has replaced one of their turbines with a new turbine and added NO_x combustion controls which lowered NO_x emission limits.

Ms. Anderson said that overall, the projects that were incorporated in the Amended Agreed Board Order with Texas Gas reduced allowable NO_x emissions from 4,288 tons per year to 871 tons per year, which was a reduction of 3,417 tons of NO_x emissions. She said changes Texas Gas have made meet the requirements of any Reasonably Available Control Technology (RACT). Ms. Anderson said that changes in the company's second Amended Board Order would be incorporated into their Title V operating permit.

Comments

Mr. Jacobs stated that lower emission limits from Texas Gas is good for the community.

2. Agreed Board Order with American Synthetic Rubber Company

Ms. Phelps asked the Board to consider adoption of a proposed Agreed Board Order alleging that American Synthetic Rubber Company (ASRC) violated its District permit and directing the company to pay an administrative penalty and to take corrective action. The company had agreed to the terms of the order.

Ms. Phelps said ASRC, which is a division of Michelin North America, Inc., owns and operates a synthetic rubber manufacturing facility pursuant to a Title V operating permit issued by the District and before the Title V was issued in 2006, pursuant to a District construction and operating permit. The District alleged that the facility's emissions from its boilers, Number 1 and 2, exceeded the hourly sulfur dioxide limits in its Title V permit and prevention of significant deterioration (PSD) permit on numerous occasions dating back to 2002. The PSD program is a federal permitting program for major sources of certain pollutants that is designed

to prevent deterioration of air quality in areas that currently meet the national ambient air quality standards and to protect national parks and other special areas. Ms. Phelps said the company disputed that its boiler emissions had exceeded the hourly sulfur dioxide standards as alleged by the District. Also, she said the company disputed that its boilers were subject to an hourly sulfur dioxide standard although the standard appeared on the face of its permit and in the section designated “allowable emissions.”

Ms. Phelps said the District filed petitions for an administrative hearing on these alleged violations and the company had filed petitions for a hearing to contest the issuance of its revised PSD permit and Title V permit in 2005 and 2006 because they contained the hourly sulfur dioxide emissions limit. Ms. Phelps said that in order to move beyond this dispute, the District and the company had agreed that the company would request revisions to its PSD permits and provide justification for its proposal. She said the District had reviewed the company’s application and demonstration of Best Available Control Technology (BACT) and had prepared and released for public review and comment a draft permit containing the following conditions: combustion of less than one percent sulfur coal; a lower sulfur dioxide emission limit of 0.2 lbs/MMBtu on a 30-day rolling average; and an operations and maintenance plan which should decrease the downtime of the sulfur dioxide removal system. Ms. Phelps said that after the 30-day notice period and EPA’s review of the draft permit, the District would issue revised PSD permits. The company had agreed not to contest the permits if they were substantially the same as those released for public comment. The company also agreed to comply with the new, more stringent standard in the draft permit in exchange for the District’s agreement not to take enforcement on any exceedance of the hourly limit in the current permit.

Ms. Phelps said the company had agreed to pay an administrative penalty of \$112,500 to settle the District allegations of exceedance of the hourly sulfur dioxide limits in the past.

Ms. Phelps said the District recommended that the Board adopt the Agreed Board Order as proposed.

Statements

Brad Karac, Chief Operating Officer at American Synthetic Rubber Company (ASRC), made a statement regarding the alleged violations. Mr. Karac said that ASRC has continually made improvements at the facility since the permit application was granted in 1990 for the construction of two coal-fired boilers. He stated the company believes their sulfur dioxide emissions were within the limitation range listed in the 1990 construction permit. Mr. Karac said ASRC has always taken actions to minimize sulfur dioxide emissions and the company disputes the District’s allegations of violating the sulfur dioxide limitations. He said in order to resolve the dispute with the District, ASRC has agreed to pay the administrative penalty amount for violations they did not commit. Mr. Karac asked the Board to approve the Agreed Board Order.

Dr. Al-Shami asked how many pounds per year of sulfur dioxide were emitted by ASRC and if the emissions were allowable by EPA. Mr. Karac said the permit allowed the company to emit 619 tons per year, and during the last few years they emitted 150 pounds. He said the company has been over-scrubbing and have been well below the permit limitations for a while. Also, Mr. Karac said he believed the company’s goal to achieve a 30-day rolling average of sulfur dioxide emissions is consistent with similar operations across the country.

Emily Boone, LCSW and a member of the Clifton Community Council, thanked the Board for their perseverance in finalizing the Agreed Board Order with ASRC.

Adjournment

The public hearing adjourned at 10:14 a.m.

Robert W. Powell, M.D.
Chairman

Joseph E. Schweinhart
Secretary-Treasurer