AGREED BOARD ORDER NO. 18-02

LOUISVILLE METRO AIR POLLUTION CONTROL BOARD

Case Nos. ENF-17-1022, ENF-18-1005

This Order is issued by the Louisville Metro Air Pollution Control Board (Board) pursuant to Kentucky Revised Statutes Chapter 77 (Air Pollution Control). This Agreement is made by and between the Board and Clariant Corporation (Company), a New York corporation, and is effective on the date of its adoption by the Board.

COMPANY: Clariant Corporation
1227 S. 12th Street
Louisville, KY 40210

REGULATIONS INVOLVED:

District Regulation 2.16: Title V Operating Permits

NOTICE OF VIOLATION LETTERS: Case No. ENF-17-1022, dated February 15, 2018
Case No. ENF-18-1005, dated October 12, 2018

BACKGROUND AND DISCUSSION:

Company manufactures catalysts pursuant to Louisville Metro Air Pollution Control District (District) Title V permit no. 27755-14 TV (R2) and is subject to the District's Strategic Toxic Air Reduction (STAR) regulation. The District alleges that Company failed to perform reasonable inquiry prior to certifying that the statements and information included in certain required reports, which reflected serious STAR violations, were true, accurate, and complete.

In early 2017, Company submitted its required Annual Compliance Certification (ACC), 2016 Emissions Inventory Report, and 2016 2nd Semi-annual Air Compliance Report (collectively, "the Reports") to the District in a contemporaneous time period and Company's Responsible Official certified that the information submitted was true, accurate, and complete. The 2016 Emissions Inventory Report demonstrated serious violations of the District's STAR program, including excess emissions of hexavalent chromium and nickel. Additionally, while comparing the ACC with the 2016 2nd Semi-annual Air Compliance Report and the 2016 Emissions Inventory Report, along with the Process Information and Emissions E90 form, the District discovered several inconsistencies in Company's reported emissions and compliance status.

On February 15, 2018, the District issued a Notice of Violation (NOV) alleging STAR violations based on the information contained in the 2016 Emission Inventory Report and requested additional information on the inconsistencies discovered in the Reports. On April 8, 2018, Company reported that the data for certain toxic air contaminants, including hexavalent chromium and nickel, was created using finished product composition information rather than raw material/in-process material information which led to inaccurate calculations in the 2016 Emissions Inventory Report. Company also discovered errors in certain calculation factors used in internal databases that contributed to inaccurate values being submitted to the District.

The District reviewed the information submitted by Company and determined that no STAR violations had occurred, however, on October 12, 2018, the District revised and re-issued the NOV alleging that Company did not perform a reasonable inquiry prior to certifying that statements and information in the Reports, which were prepared in a contemporaneous time period and included serious STAR violations, were true, accurate, and complete.

On October 12, 2018, the District issued NOV ENF-18-1005 alleging that Company exceeded permitted emissions standards for opacity and NOx emissions. On January 9, 2018, Company reported visible black smoke emitting from the flare for approximately 40 minutes. On January 22, 2018, a follow-up report stated that only a portion of the hexane produced was condensed and the remaining hexane was sent to the flare. A root-cause analysis revealed the cooling water mechanisms were shut down for maintenance without being adequately communicated to operators. Company implemented a corrective action plan involving testing sensor equipment for functionality, updating operator communication procedures, and increasing process training frequency for operators.

On June 10, 2018, Company reported excess NOx emissions for approximately 30 minutes. A follow-up report indicated a combination of multiple technical issues in the process created the conditions for higher NOx generation and poor absorption efficiency in the scrubber system. Company implemented corrective measures including investigating the functionality of equipment used for monitoring pH and water levels, exploring using alternatives to nitric acid, and reforming procedures for addressing higher NOx generation with facility staff.

To fully address the violations of District Regulation 2.16 alleged above, the parties agree to this Order assessing against Company an administrative settlement of $7,500. A public hearing was held before the Board on this proposed Order. Based upon the information presented at the hearing, the Board determines that the proposed resolution and requirements contained in this Order are reasonable under the circumstances.

NOW, THEREFORE BE IT ORDERED THAT:

1. Company shall pay $7,500 to the Louisville Metro Air Pollution Control District by March 1, 2019.

2. Company has reviewed this Order and consents to all its requirements and terms. Company agrees to pay the cost of publishing legal notice of the public hearing.

3. In the event that it is necessary for the District to seek a court order to enforce this Order, Company agrees to pay filing fees and costs of such action.

4. This Order fully resolves the violations alleged in Case Nos. ENF-17-1022 and ENF-18-1005, and as alleged above in this Order against Company.

5. Neither this Order nor the actions taken hereunder shall constitute an admission by Company of any wrongdoing regarding any of the matters referenced in this Order.

Louisville Metro Air Pollution Control Board

By: Carl E. Hilton
Carl E. Hilton
Chairman

Date: Dec 19, 2018

Clariant Corporation

By: Dr. Joseph Weis
Dr. Joseph Weis
Environmental Manager

Date: 12/11/2018

Louisville Metro Air Pollution Control District

By:
Steven Gravatte, P.E.
Compliance and Enforcement Manager

Date: 12/18/2018

Approved as to form and legality:

By: Stacy Fritze Dott
Stacy Fritze Dott
Assistant County Attorney