

**Minutes
Public Hearing
of the
Louisville Metro Air Pollution Control Board
April 18, 2012**

A public hearing of the Louisville Metro Air Pollution Control Board was called to order on April 18, 2012, at 10:00 a.m. in the Board Room of the Louisville Metro Air Pollution Control 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 a proposed Agreed Board Order with Louisville Gas & Electric Company.

1. Proposed Agreed Board Order with Louisville Gas & Electric Company

Ms. Terri Phelps, District Enforcement Manager, stated that the District alleged that Louisville Gas & Electric Company (LG&E) had violated District regulations and had directed the company to take corrective measures, make a contribution to the Air Quality Trust Fund, and to pay an administrative penalty. The company agreed to the terms of the Order.

LG&E produces electricity at the Cane Run generating station pursuant to a District operating permit. In October 2010, the District began to receive complaints of particulate matter that had settled on residents' homes and property. The District determined through microscopic analysis that the particles were primarily fly ash, or waste produced during coal-fired generation of electricity. From June to August 2011, the company also began to experience equipment problems at the sludge processing plants that caused excess emissions. These fugitive emissions became airborne and were transported offsite and, on a number of days, caused a nuisance to the neighbors. The company failed to report excess emissions on four of the nine days that excess emissions were documented by the District.

Since August 2011, Ms. Phelps said the company had agreed to improve the daily operation of its sludge processing plants and has modified the control equipment at the plants. The company also agreed to conduct more frequent monitoring of equipment and to submit a plan for the application of a dust suppressant to the open areas of the landfill.

Ms. Phelps stated the company had paid a penalty of \$19,500 and had made a contribution of \$3,000 to the Air Quality Trust Fund to settle the case. She said the District would recommend that the Board adopt the Agreed Board Order, as proposed.

Statements

Mr. Steven Turner, General Manager at the Cane Run Generating Station, stated that over the past 20 years, the LG&E Cane Run plant had an excellent record of compliance with the District. He said the company regretted that over the past two years the plant experienced some emissions events that resulted in complaints from neighbors, and the two notice of violations the District issued to LG&E. Mr. Turner expressed the company's commitment to air quality and reviewed the improvements the company had instituted at the ash processing plant.

Ms. Kathy Little, a resident who lives near the Cane Run Plant, stated her concerns about the amount of the LG&E penalty, the company's installation of the additional controls at the plant to improve excess

emissions at the landfill, and the company being allowed to monitor their facility without outside input. Also, Ms. Little said many of the residents who live near the landfill suffer from various health problems which they believe are related to fly ash. Ms. Little asked the District to close the facility as soon as possible because of the many problems at the plant that are imposed on the residents who live nearby.

Mr. Thomas Pearce, a member of the Sierra Club, encouraged the Board to consider the issues expressed by Kathy Little about the Cane Run plant. Mr. Pearce said the coal ash problem at the Cane Run plant had plagued the community since the company began dumping coal. Mr. Pearce also said the \$22,500 penalty was minimal and the company should not be allowed to continue operations until 2016. He said the company needed to shut down operations immediately. Mr. Pearce said on April 16, 2012, the company had another massive dust violation. He said the company was not a good neighbor to the residents based on the health problems the residents had. Mr. Pearce said when the company's equipment is operating at maximum capacity, fugitive dust continued to emit from the plant, but the emissions spiked when there was a malfunction. Mr. Pearce said he appreciated the District's responsiveness to the Cane Run plant but asked when the plant would be shut down.

Discussion

Dr. Al-Shami asked if LG&E had monitoring equipment to detect toxic chemicals, other air pollutants, and if they had any equipment other than a video camera. Mr. Gary Revlett, Director of Environmental Affairs at LG&E, stated that in addition to the video equipment the company also had a program to collect air samples. Dr. Al-Shami asked if a pollutant was detected, how long it would take to receive the results. Mr. Revlett said samples were conducted during a one month time period and the results were received from the lab in 6-8 weeks.

Ms. Matheny asked if LG&E had either a short or long term plan for any major changes at the plant. Mr. Revlett said the company's long range plan is to comply with EPA's Clean Air Act and Mercury Air Toxics Standards for power plants to upgrade equipment and to demonstrate compliance by April 16, 2016.

Mr. Steve Thomas asked how often the company tested equipment to determine a possible malfunction and how soon was the District notified when a malfunction occurred. Mr. Revlett said District regulations required immediate notification of a malfunction. Mr. Turner said the generating station is staffed 24 hours a day and plant operators are required to shut down the system immediately if a malfunction occurs. Also, he stated the plant had video surveillance and there were several instances of a malfunction when the total duration was only a few minutes.

Ms. Little asked District staff if LG&E reported the malfunction that occurred on April 16, 2012. Ms. Phelps stated the District had not received a report of a malfunction.

Adjournment

The public hearing adjourned at 10:24 a.m.

Robert W. Powell
Chairman

Rachael Hamilton
Secretary-Treasurer