

AGREED BOARD ORDER NO. 14-08

LOUISVILLE METRO AIR POLLUTION CONTROL BOARD

Incident Nos. 05558, 05815, 06100, 06459, 06668, 06614, and 06680

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 American Synthetic Rubber Company, a division of Michelin, North America, Inc. (Company), a New York corporation, and is effective on the date of its adoption by the Board.

COMPANY: American Synthetic Rubber Company
4500 Camp Ground Road
Louisville, KY 40216

REGULATIONS INVOLVED:

District Regulation 1.07: Excess Emissions During Startups, Shutdowns, and Upset Conditions
District Regulation 2.16: Title V Operating Permits

NOTICE OF VIOLATION LETTER: No. 02230, dated October 1, 2014

BACKGROUND AND DISCUSSION:

Company manufactures synthetic rubber products pursuant to Louisville Metro Air Pollution Control District (District) Title V permit 154-97-TV (R1). Between 2010 and 2014, Company reported releases of 1,3-butadiene and toluene due to upset conditions. The District alleges that in some cases Company failed to follow proper reporting procedures required by the upset conditions. The District also alleges that Company failed to repair leaking equipment in a timely manner as required by the Leak Detection and Repair (LDAR) program, and did not report the deviations in its semi-annual reports.

- Between January 28 and 29, 2010, Company released 1,130 pounds of 1,3-butadiene and 47 pounds of toluene. Company reported that a leak in the seal water tank caused the Flare Control System (C-FLARE) to be taken out of service. When an attempt was made to relight the C-FLARE, it was discovered that the fuel gas lines were frozen. The first two attempts did not light the flare, resulting in the releases. After removing ice and water, Company was able

to light the C-FLARE. Company revised standard operating procedures to address relighting the flame when it is extinguished during freezing weather.

- On September 3, 2010, Company reported that a gasket failure had occurred on the C-1T SSBR/PBR Butadiene Purification Drying Column Heat Exchanger resulting in a release of 176 pounds of 1,3-butadiene emissions. Company discovered that bolts on the heat exchanger had been tightened beyond the manufacturer's recommendation. Company revised standard operating procedures to address properly tightening the bolts.
- On July 15, 2011, Company released 278 pounds of toluene from a blend tank on Emission Units E-U1/U2. During the time of the release, differential pressure in the blend tank was higher than normal, which caused the tank's manual valve to lift.
- On July 21, 2011, Company released 174 pounds of toluene to the air and 3,415 pounds to containment. The releases occurred when a "live" line was mistakenly opened while returning the #10 Reactor to service. Company reported that disciplinary actions were taken and retraining was given on permit process procedures, personal protective equipment, and flange unbuttoning techniques.
- On August 5, 2011, Company released 133 pounds of toluene, and 54 pounds of 1,3-butadiene when a heat exchanger end cap developed a small leak during the toluene drying process. The heat exchanger was bypassed, allowing water to enter the reactors and destabilize polymerization. The untreated materials were sent to the blend tank, which resulted in the manual relief/vent valve briefly lifting and causing the release. Company repaired the heat exchanger, installed isolation valves on the drain cap ports, and checked the mechanical integrity of the other components.
- On January 21, 2013, a power failure led to over pressurization in a blend tank, causing it to relieve the pressure through the conservation vent, bypassing the Flare Thermal Oxidizer (FTO) and releasing 553 pounds of toluene and less than 2 pounds of 1,3-butadiene. Within minutes the power was restored. Company determined that the loss of power resulted from a contractor not following Company procedures. Company addressed the failure to follow Company procedures with the contractor's management.
- On August 7, 2013, a deteriorated gasket failed on a blend tank and 650 pounds of toluene were emitted from the conservation vent instead of returning to the FTO. The deteriorated gasket was replaced and the preventative maintenance program was upgraded.
- On January 8, 2014, Company released 7,205 pounds of 1,3-butadiene when cold weather caused a spare strainer on the feed line to the 1,3-butadiene distillation column to freeze and frozen water lifted the strainer's lid. After the event, Company failed to submit a follow-up report on time. Company reported that the strainers would be inspected weekly and that during unusually cold weather, a spare strainer would be used to minimize water accumulation.

- On March 22, 2014, a weighted conservation vent on a blend tank lifted intermittently resulting in uncontrolled emissions of toluene vapors. Company initially failed to submit the required reporting information for the event but complied by submitting root cause analysis results on November 11, 2014, which showed that the incident was caused by the introduction of a slip stream to process equipment causing a process upset, ultimately lifting the conservation vent. Operational procedures for this system were reviewed and updated to address proper actions to reduce blend tank venting and ensure appropriate tank levels. Further, the header system for this blend tank is scheduled to be improved by the first quarter of 2015.
- On July 31, 2014, a blend tank overflowed and released 1,548 pounds of toluene. Company initially failed to submit the required reporting information for the event but later complied by submitting root cause analysis results on October 24, 2014, which indicated a pump not operated frequently was in service, with no indication to tank operators, causing the overflow. An indicator was added to operators' control screen indicating operational status of the pump.
- During a review of Company's 2013 Annual Compliance Certification, the District discovered that on eight instances Company failed to make a first attempt at repair of a leak within five days after it is first detected, as required by LDAR. Company also failed to report the deviations in its semi-annual reports. Company successfully repaired the leaks and later reported the deviations on the compliance certification.

To fully address the violations of District Regulations 1.07 and 2.16 alleged above, the parties agree to this Order assessing against Company an administrative settlement of \$27,000. On December 17, 2014, 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 \$27,000 to the Louisville Metro Air Pollution Control District by December 17, 2014.
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 District Incident Nos. 05558, 05815, 06100, 06459, 06668, 06614, and 06680, 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

American Synthetic Rubber Company

By: Steve Thompson
Robert W. Powell, M.D.
Chairman

By: Guillaume Coiraton
Guillaume Coiraton
Chief Operating Officer

Date: 12/17/2014

Date: 12/12/2014

Louisville Metro Air Pollution Control District

By: Matt King 12/16/14
Matt King, P.E.
Compliance and Enforcement Manager

Date: _____

Approved as to form and legality:

By: Stacy Fritze Dott
Stacy Fritze Dott
Assistant County Attorney