

**AGREED BOARD ORDER NO. 15-02**

**LOUISVILLE METRO AIR POLLUTION CONTROL BOARD**

**Incident Nos. 06511 and 06615**

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 Reynolds Consumer Products LLC (Company), a Delaware company, and is effective on the date of its adoption by the Board.

**COMPANY:** Reynolds Consumer Products LLC  
2827 Hale Avenue  
Louisville, KY 40211

**REGULATION INVOLVED:**

District Regulation 2.16: Title V Operating Permits

**NOTICE OF VIOLATION LETTER:** No. 02557, dated March 6, 2015

**BACKGROUND AND DISCUSSION:**

Company manufactures aluminum foil at its facility located in Jefferson County pursuant to Louisville Metro Air Pollution Control District (District) Title V permit 158-97-TV (R1). The District alleges that Company exceeded one of its annual volatile organic compound (VOC) permit limits in 2012, and one of its daily VOC limits from July 6 to July 31, 2013.

On September 7, 2012, Company notified the District that initial calculations revealed that it was close to exceeding its 1,298 ton annual combined limit for VOC emissions from the rolling mills and ovens. Company voluntarily ceased regular operations in order to avoid exceeding the limit, and began to investigate what may have caused any excess emissions to occur. On September 19, 2012, Company entered into an Agreed Board Order with the Board that contained certain provisions regarding continued operations should Company exceed the limit, and on June 19, 2013, entered into Amendment 1 of that Order.

In February 2013, Company notified the District that it had taken corrective action and its calculations for VOC emissions for 2012 were below the 1,298 ton annual limit, but the District did not agree with Company's method for calculating the emissions. Company's method did not

include in-process storage volume for three storage tanks that had been used the previous year in its calculations. In April 2013, Company submitted two sets of emissions calculations for VOCs. One set was signed by a Company official and calculated annual VOC emissions of 1,259 tons. The other set, submitted at the District's request, included in-process storage volume for the tanks and calculated annual VOC emissions of 1,356 tons, which was 58 tons over the limit.

The District considered the emissions calculations that included in-process storage tanks to be more accurate than Company's official submission that included no in-process storage volume. The District also requested that Company estimate changes in all in-process storage volume held in its rolling mills and include those estimates in its emissions calculations. Company has included those estimates in its emissions calculations since January 2013.

On January 31, 2014, Company reported that sometime during July 2013, a mill scrubber operator noticed that the amount of VOCs coming from a device that separates captured VOC material from wash oil appeared to be less than usual. On August 6, 2013, the operator found a valve in a three-quarter open position that was allowing wash oil to bypass the scrubber. The operator corrected the valve position but a supervisor failed to report the problem to management.

While preparing reports in early 2014, Company also noticed that the amount of VOC material recovered during July 2013 was extremely low, which prompted an investigation into the scrubber performance. Company subsequently learned of the operator's observations and discovered that after being shut down on the July 4, 2013 holiday, the operator had changed the valve to route wash oil to the bottom of the scrubber and failed to fully return the valve to the closed position before allowing the mill to restart. Company reported that the daily VOC emission rate between July 6, 2013 and July 31, 2013 was 2,388 pounds VOCs per day, exceeding the permit limit of 714.48 pounds VOCs per day. The excess emissions were estimated to be 24.26 tons.

Since exceeding its annual VOC permit limit in 2012, Company has demonstrated that it should be able to remain within its limits in the future. To further reduce emissions, Company has agreed to install mist control improvements on Mills 1 and 5. Company estimates the improvements will reduce almost 100 tons of VOCs per year, based on the performance of similar improvements recently made to Mills 2 and 3. In addition, Company has submitted an Operation and Maintenance Plan, which includes performing monthly material balance calculations using estimates of change in all in-process storage volume in those calculations, and will help identify potential sources of excess emissions more quickly.

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 \$124,500. On March 18, 2015, 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 \$124,500 to the Louisville Metro Air Pollution Control District by April 17, 2015.
2. Company shall install mist control improvements on Mills 1 and 5 no later than July 31, 2016.
3. Company shall comply with the Operation and Maintenance Plan approved by the District on March 10, 2015. Any modification of the Plan must be approved by the District in writing.
4. 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.
5. 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.
6. This Order fully resolves the violations alleged in District Incident Nos. 06511 and 06615, and as alleged above in this Order against Company, including all obligations of Company imposed by the September 19, 2012 and June 19, 2013 Agreed Board Orders described above.
7. 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

Reynolds Consumer Products LLC

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

By: Lance Mitchell  
Lance Mitchell  
President and CEO

Date: Mar 18, 2015

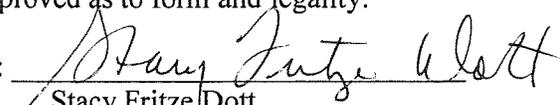
Date: 3/10/15

Louisville Metro Air Pollution Control District

By: Matt King  
Matt King, P.E.  
Compliance and Enforcement Manager

Date: 3/18/15

Approved as to form and legality:

By:   
Stacy Fritze Dott  
Assistant County Attorney