

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
AIR ENFORCEMENT DIVISION, OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE
BEFORE THE ADMINISTRATOR

In the Matter of:

Inter-Power/AhlCon Partners L.P.,

Respondent.

Administrative Compliance Order on Consent
AED-CAA-113(a)-2019-0003

ADMINISTRATIVE COMPLIANCE ORDER

A. PRELIMINARY STATEMENT

1. This Administrative Compliance Order (“Order”) is issued under the authority vested in the Administrator of the U.S. Environmental Protection Agency (“EPA” or “Agency”) by Section 113(a) of the Clean Air Act (“CAA” or the “Act”), 42 U.S.C. § 7413(a)(3) and (4).
2. On the EPA’s behalf, Phillip A. Brooks, Division Director of the Air Enforcement Division, Office of Civil Enforcement, Office of Enforcement and Compliance Assurance, U.S. Environmental Protection Agency, is delegated the authority to issue this Order under Section 113(a) of the Act.
3. Respondent is Inter-Power/AhlCon Partners L.P. (hereinafter, “Respondent”), a corporation doing business in the Commonwealth of Pennsylvania. Respondent is a “person” as defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e). Respondent owns and/or operates Colver Power Project (hereafter, the “Facility”), located in Cambria and Barr Townships, Cambria County, in the Commonwealth of Pennsylvania. The Facility has one eastern bituminous coal refuse-fired electric utility steam generating unit (“EGU”) with a nominal 110 megawatt (“MW”) capacity.
4. Respondent signs this Order on consent.

B. STATUTORY AND REGULATORY BACKGROUND

5. Section 112 of the CAA, 42 U.S.C. § 7412, authorizes the Administrator of the EPA to regulate hazardous air pollutants (“HAPs”) which may have an adverse effect on health or the environment.
6. Pursuant to Section 112 of the CAA, the EPA promulgated the National Emission Standards for Hazardous Air Pollutants for the Coal- and Oil-Fired EGU source category on February 16, 2012, under title 40, part 63, subpart UUUUU. 77 Fed. Reg. 9304. These standards are commonly known as the “Mercury and Air Toxics Standards.” *Id.* (hereafter, “MATS”). The MATS adopted emission limits on mercury, acid gases and other toxic pollutants for affected coal and oil-fired EGUs. *Id.* The EPA promulgated a single acid gas emission standard for all coal-fired power plants, using hydrochloric acid (“HCl”) as a surrogate for all acid gas HAP, and allowed an alternative emission standard for sulfur dioxide (“SO₂”) as a surrogate for acid gas HAP. *Id.*
7. The final MATS rule was challenged by industry, states, environmental organizations and public health organizations in the U.S. Court of Appeals for the District of Columbia (“the Court”). 84 Fed Reg. 2670, 2673 (Feb. 7, 2019). The U.S. Supreme Court ruled on January 29, 2015, that, among other findings, the Agency was required to consider the cost of the MATS, and remanded the MATS to the Court. *Michigan v. EPA*, 135 S. Ct. 2699 (2015).
8. On February 7, 2019, in response to the U.S. Supreme Court decision in *Michigan v. EPA*, and multiple intervening events, the EPA proposed to find that it is not “appropriate and necessary” to regulate HAP emissions from coal-and oil-fired EGUs under Section 112 of the CAA, but did not alter or eliminate the CAA section 112 emissions standards imposed by the MATS. 84 Fed Reg. at 2674-79.
9. Pursuant to 40 C.F.R. § 63.9981, the MATS applies to owners or operators of coal-fired EGUs or oil-fired EGUs, as defined in 40 C.F.R. § 63.10042.
10. Pursuant to 40 C.F.R. § 63.2, “owner or operator” is defined as “any person who owns, leases, operates, controls, or supervises a stationary source.”

11. Section 111(a)(3) of the Act, 42 U.S.C. § 7411(a)(3), and 40 C.F.R. § 63.2 defines a “stationary source” as “any building, structure, facility, or installation which emits or may emit any air pollutant.”
12. Pursuant to 40 C.F.R. § 63.2, “affected source” is defined as “the collection of equipment, activities, or both within a single contiguous area and under common control that is included in a Section 112(c) source category or subcategory for which a Section 112(d) standard or other relevant standard is established pursuant to Section 112 of the Act.”
13. Pursuant to 40 C.F.R. § 63.9982, the affected source to which the provisions of the MATS, 40 C.F.R. Part 63, Subpart UUUUU, applies is the collection of all existing coal- or oil-fired EGUs, as defined in 40 C.F.R. § 63.10042, within a subcategory, [and] ... each new or reconstructed coal- or oil-fired EGU, as defined in 40 C.F.R. § 63.10042.”
14. The MATS rule identifies emission standards for seven subcategories of existing and new EGUs, but there is no separate subcategory for existing EGUs that fire eastern bituminous coal refuse. 40 C.F.R. § 63.9990.
15. As the Agency has stated, all coal-refuse fuels are fired in fluidized bed combustors (“FBC”), which utilize limestone injection technology to minimize SO₂ emissions and increase heat transfer efficiency. 84 Fed Reg. at 2702. During the MATS rulemaking, the Agency received multiple comments stating that, for most eastern bituminous coal refuse-fired EGUs, limestone injection alone may be an inadequate and ineffective technology to meet MATS emission standards for HCl or SO₂. *Id.*
16. On February 7, 2019, for existing EGUs firing eastern bituminous coal refuse, the EPA solicited comments and information on the need for the establishment of a specific MATS subcategory for acid gas emission standards and on the nature, cost, feasibility, and effectiveness of emission control technologies. 84 Fed Reg. at 2700-03. The Agency also solicited comment on potential HCl and SO₂ emission standards for a new MATS subcategory of eastern bituminous coal refuse-

fired EGUs, including a Maximum Achievable Control Technology (“MACT”) floor analysis and results. *Id.* The EPA is currently reviewing comments it has received.

17. Due to the sulfur content of eastern bituminous coal refuse, the Pennsylvania Department of Environmental Protection (PADEP) has informed the EPA that it supports the EPA’s February 7, 2019 proposal to create a separate MATS subcategory and the proposed acid gas HAP emission standards for existing eastern bituminous coal refuse-fired EGUs. Letter from Patrick McDonnell, Secretary, PADEP, to Andrew R. Wheeler, Administrator, EPA, regarding Docket No. EPA-HQ-OAR-2018-0794 (April 17, 2019).
18. Environmental groups located near abandoned mine lands have expressed support for burning coal refuse to generate electricity because the coal refuse-fired EGUs consume large quantities of waste coal refuse from outdoor sites that are exposed to ambient air and degrade the quality of local water bodies. Removal of the coal waste material allows for land reclamation where dangerous waste coal piles are located. Letter from John S. Dryzal, District Manager, Cambria County Conservation District, to the Pennsylvania Environmental Council (Jan. 17, 2019); Letter from Andy McAllister, Regional Coordinator, Western Pa. Coalition for Abandoned Mine Reclamation, to Keith Rothfus, U.S. House of Representatives (Sept. 11, 2017); Letter from Daniel McMullen, President Elect, Clearfield Creek Watershed Association, to Keith Rothfus, U.S. House of Representatives (March 15, 2016); Letter from Robert W. Piper, Jr., District Manager, Cambria County Conservation District, to Patrick J. Toomey, U.S. Senate (March 14, 2016).
19. PADEP has studied the reclamation of refuse piles through the use of coal refuse FBC ash, also known as fly ash, and concluded that the high-alkaline filler neutralizes the acidity of former waste coal sites in the Blacklick Creek Watershed, providing significant reductions in the acidity of acid mine drainage and reducing pollutant loading. Reclamation of Refuse Piles Using Fluidized Bed Combustion Ash on the Blacklick Creek Watershed, Pennsylvania, PADEP Cambria District Mining Office (2017).

20. Environmental groups located near abandoned mine lands also support the use of coal refuse FBC residual ash to reclaim mine sites. Letter from Robert E. Hughes, Executive Director, Eastern PA Coalition for Abandoned Mine Reclamation, to Keith Rothfus, U.S. House of Representatives (Sept. 11, 2017); Letters from Len Lichvar, Chairman, Stonycreek-Conemaugh River Improvement Project to Bob Casey, U.S. Senate, and Pat Toomey, U.S. Senate (May 6, 2016); Letter from Janis Long, President, Blacklick Creek Watershed Association, Inc., to Whom It May Concern (Feb. 19, 2016).
21. As the Agency has stated, all coal refuse-fired EGUs are currently emitting mercury at levels below the MATS emission standards, and FBC units, including those that burn coal refuse, are among the best performers for mercury control. 84 Fed. Reg. at 2702.
22. Respondent has asserted that it is not feasible for the Facility to meet the current MATS emission standard for HCl (or its SO₂ acid gas HAP surrogate) when operating with the coal refuse it was designed to eliminate. A Facility shutdown would result in a loss of approximately 50 jobs at the Facility, and 200 jobs at companies that support the Facility.

C. FINDINGS

23. Respondent owns and/or operates one existing coal-fired EGU, as defined in 40 C.F.R. § 63.10042, that fires eastern bituminous coal refuse.
24. Respondent's operation at the Facility is subject to the MATS.
25. On April 25, 2014, PADEP granted the Facility a one-year compliance extension of the deadline for meeting the MATS HCl standard. On December 3, 2014, PADEP granted the Facility an additional three-year extension of this deadline. The extension expired on April 16, 2019.
26. On April 19, May 6, May 9, and May 20, 2019, Respondent provided information to the EPA that serves as the basis for this Order.
27. The Facility is currently in noncompliance with the MATS emission standard for HCl because the Facility cannot meet the HCl emission standard, or the SO₂ acid gas HAP surrogate emission standard, while burning the coal refuse fuel for which the Facility was designed.

28. Respondent asserts that it cannot currently comply with the MATS emission standard for HCl at the Facility without halting operations and thereby potentially impacting coal refuse fuel use, coal refuse recovery operations from abandoned mine lands, and abandoned mine site remediation activities.
29. Since 2013, PADEP has identified four data availability and/or emission violations through the continuous emission monitoring system (“CEMS”) at the Facility, and initiated two formal enforcement actions for CEMS noncompliances. Except for the CEMS noncompliances, Respondent asserts that the Facility is and has always been in compliance with MATS emission standards for mercury and filterable particulate matter since the MATS emission standards were promulgated.
30. Respondent asserts that the Facility is and has always been in compliance with MATS work practice standards for organic HAPs since the MATS emission standards were promulgated.
31. Respondent asserts that the Facility is in compliance with all other Clean Air Act requirements.
32. PADEP has informed the EPA that it supports issuance of this Order.

D. ORDER

33. Respondent is ordered to take the actions described in this section of the Order.
34. By 11:59 pm on April 15, 2020, Respondent shall achieve full compliance with the MATS at the Facility.
35. From the effective date of this Order, pursuant to Paragraph 48, to April 15, 2020, Respondent shall operate so that the emissions from the Facility do not exceed 0.56 pounds/MMBtu SO₂. Compliance with this limit shall be determined according to the requirements and procedures in 40 C.F.R. Part 63, Subpart UUUUU.
36. No less than 90 days prior to achieving full compliance with MATS at the Facility, Respondent shall provide a detailed written notice to the EPA regarding its plan for compliance with MATS, provided, however, if the EPA promulgates a new standard applicable to the Facility that Respondent is able to meet upon the effective date of such standard, Respondent may satisfy the

notice requirement in this Paragraph by providing notice of this fact within 30 days of the effective date, pursuant to the process specified in Paragraph 45 of this Order.

37. Within 30 days of achieving full compliance with the MATS at the Facility, Respondent shall provide written notice to the EPA indicating that compliance has been achieved and the date by which it was achieved, provided, however, if the EPA promulgates a new standard applicable to the Facility that Respondent is able to meet upon the effective date of such standard, Respondent may satisfy the notice requirement in this Paragraph by providing notice of this fact within 30 days of the effective date, pursuant to the process specified in Paragraph 45 of this Order.
38. Respondent acknowledges that the Act does not provide the EPA the authority to extend or re-issue this Order beyond the Termination Date set out in Paragraph 50 below.

E. OTHER TERMS AND CONDITIONS

39. Respondent admits the jurisdictional allegations contained in Sections A (Preliminary Statement) and B (Statutory and Regulatory Background) of this Order.
40. Respondent neither admits nor denies the findings in Section C (Findings) of this Order.

F. GENERAL PROVISIONS

41. Any violation of this Order may result in a civil administrative or judicial action for an injunction or civil penalties of up to \$99,681 per day per violation, or both, as provided in Sections 113(b)(2) and 113(d)(1) of the Act, 42 U.S.C. §§ 7413(b)(2) and 7413(d)(1), as well as criminal sanctions as provided in Section 113(c) of the Act, 42 U.S.C. § 7413(c). The EPA may use any information submitted under this Order in an administrative, civil judicial, or criminal action.
42. Nothing in this Order shall relieve Respondent of the duty of achieving and maintaining compliance with all applicable provisions of the Act or other federal, state or local laws or statutes, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.

43. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.
44. The provisions of this Order shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns. From the Effective Date of this Order until the Termination Date as set out in Paragraph 50 below, Respondent must give written notice and a copy of this Order to any successors in interest prior to any transfer of ownership or control of any portion of or interest in the Facility. Simultaneously with such notice, Respondent shall provide written notice of such transfer, assignment, or delegation to the EPA. In the event of any such transfer, assignment, or delegation, Respondent shall not be released from the obligations or liabilities of this Order unless the EPA has provided written approval of the release of said obligations or liabilities.
45. Unless this Order states otherwise, whenever, under the terms of this Order, written notice or other documentation is required to be given, it shall be directed to the individuals specified at the addresses below unless those individuals or their successors give notice of a change of address to the other party in writing:

Phillip A. Brooks
Director, Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
US Environmental Protection Agency
Mail Code 2242A, Room 1119
1200 Pennsylvania Ave, NW
Washington, DC 20460 mail or 20004 courier (note Room 1119 on courier packages)
brooks.phillip@epa.gov

Donna Mastro
Acting Deputy Regional Counsel for Enforcement
United State Environmental Protection Agency, Region III
Office of Regional Counsel, Air Branch (3RC00)
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John P. Malloy
Plant Manager

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All notices and submissions shall be considered effective upon receipt.

46. To the extent this Order requires Respondent to submit any information to the EPA, Respondent may assert a business confidentiality claim covering part or all of that information, but only to the extent and only in the manner described in 40 C.F.R. Part 2, Subpart B. The EPA will disclose information submitted under a confidentiality claim only as provided in 40 C.F.R. Part 2, Subpart B. If Respondent does not assert a confidentiality claim, the EPA may make the submitted information available to the public without further notice to Respondent.
47. Each undersigned representative of the Parties certifies that he or she is authorized to enter into the terms and conditions of this Order to execute and bind legally the Parties to this document.

G. EFFECTIVE DATE AND OPPORTUNITY FOR A CONFERENCE

48. Pursuant to Section 113(a)(4) of the Act, an Order does not take effect until the person to whom it has been issued has had an opportunity to confer with the EPA concerning the alleged violations. By signing this Order, Respondent acknowledges and agrees that it has been provided an opportunity to confer with the EPA prior to issuance of this Order. Accordingly, this Order will take effect immediately upon signature by the latter of Respondent or the EPA.

H. JUDICIAL REVIEW

49. Respondent waives any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this Order, including any right of judicial review under Section 307(b)(1) of the Clean Air Act, 42 U.S.C. § 7607(b)(1).

I. TERMINATION

50. This Order shall terminate on the earlier of the following (the “Termination Date”) at which point Respondent shall operate in compliance with the Act:

- a. 11:59 pm April 15, 2020;
- b. The effective date of any determination by the EPA that Respondent has achieved compliance with all terms of this Order;
- c. Immediately upon receipt by Respondent of notice from the EPA finding that an imminent and substantial endangerment to public health, welfare, or the environment has occurred; or
- d. The effective date of an acid gas HCl emission standard, or SO₂ emission standard as a surrogate for an acid gas HCl emission standard, that the EPA promulgates and that is applicable to the Facility.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
AIR ENFORCEMENT DIVISION, OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE
BEFORE THE ADMINISTRATOR

In the Matter of:

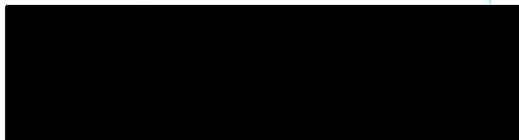
Inter-Power/AhlCon Partners L.P.,

Respondent.

Administrative Compliance Order on Consent
AED-CAA-113(a)-2019-0003

For United States Environmental Protection Agency, Air Enforcement Division, Office of Enforcement and Compliance Assurance:

5/21/2019
Date



Phillip A. Brooks
Director, Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
Mail Code 2242A, Room 1119
1200 Pennsylvania Ave, NW
Washington, DC 20460 mail or 20004 courier (note Room 1119
on courier packages)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
AIR ENFORCEMENT DIVISION, OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE
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Inter-Power/AhlCon Partners L.P.,

Respondent.

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AED-CAA-113(a)-2019-0003

For Inter-Power/AhlCon Partners L.P.:



Signature

Date

May 21st, 2019

Printed Name: Jeffrey Moore
Title: Asset Manager, Inter-Power/AhlCon L.P.
Address: Colver Power Project
2929 Allen Parkway
Suite 3275
Houston, TX 77019

CERTIFICATE OF SERVICE

I certify that the foregoing "Administrative Compliance Order" in the Matter of Inter-Power/AhlCon Partners L.P., Order AED-CAA-113(a)-2019-0003, was filed and copies of the same were mailed to the parties as indicated below.

Certified Mail

Jeffrey Moore
Asset Manager.
Inter-Power/AhlCon L.P.
Colver Power Project
2929 Allen Parkway
Suite 3275
Houston, TX 77019

Jeff Holmstead
Bracewell LLP
2001 M Street NW, Suite 900
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Krishnan Ramamurthy
Director, Bureau of Air Quality
Pennsylvania Department of Environmental Protection
Commonwealth of Pennsylvania
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5/21/2019
Date


Tawanna Cathey