

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF	* Settlement Tracking No.
	* SA-AE-09-0078
AIR PRODUCTS AND CHEMICALS, INC.	*
	* Enforcement Tracking No.
AI # 2679, 3263, 31512	* AE-CN-06-0128
	*
PROCEEDINGS UNDER THE LOUISIANA	* Docket No. 2008-0125-EQ
ENVIRONMENTAL QUALITY ACT	*
LA. R.S. 30:2001, <u>ET SEQ.</u>	*

SETTLEMENT

The following Settlement is hereby agreed to between Air Products and Chemicals, Inc. ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

I

Respondent is a corporation that owns and/or operates two synthesis gas facilities located in Geismar, Ascension Parish, Louisiana, and previously owned and operated a synthetic organic chemical manufacturing industry ("SOCMI") facility in St. Gabriel, Iberville Parish, Louisiana ("the Facility(ies)").

II

On October 17, 2006, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-06-0128, which was based upon the following findings of fact:

The Respondent owns and/or operates the Geismar No. 1 Synthesis Facility (Agency Interest No. 2679), a synthesis gas plant. The facility is located at 8013 Louisiana Highway

3251 in Geismar, Ascension Parish, Louisiana. The facility currently operates under Title V Permit No. 1080-00023-V0, issued on January 10, 2005.

On or about September 22, 2006, a file review of the Geismar No. 1 Synthesis Facility (Agency Interest No. 2679) was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violations were noted during the course of the file review:

On or about January 29, 2002, the Department received from the Respondent an Unauthorized Discharge/Release Notification dated January 24, 2002. According to this notification, the Respondent exceeded the maximum permitted pounds per hour (lbs/hr) limit of 2.95 for nitrogen oxides (NO_x) and 57.8 for carbon monoxide (CO) for the facility's Industrial Flare Stack (Emission Point 10020) as shown in the following table.

DATE	NO _x RELEASED (LBS/HR)	CO RELEASED (LBS/HR)
January 13, 2002	3.26	66.41
January 14, 2002	4.34	88.69
January 15, 2002	4.59	93.82
January 16, 2002	4.72	96.43
January 17, 2002	4.19	85.58
January 18, 2002	3.79	77.24

Each exceedance of a permitted NO_x limit and CO limit for the Industrial Flare Stack is a violation of Air Permit No. 0180-00023-04, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

The Respondent owns and/or operates the St. Gabriel Plant (Agency Interest No. 3263), a synthetic organic chemical manufacturing industry (SOCMI) facility that produces alkylamines. The facility is located at 3790 Louisiana Highway 30 in St. Gabriel, Iberville Parish, Louisiana. The facility currently operates under Title V Permit No. 1280-00031-V1, issued on January 4, 2002.

On or about June 27, 2006, an inspection of the St. Gabriel Plant (Agency Interest No. 3263) was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violations were noted during the course of the inspection:

- A. According to an Excess Emissions Report dated August 30, 2005, and the facility's Title V Semiannual Monitoring Report for the period encompassing January through June 2005, on or about June 10, 2005, the Respondent filled Storage Tank TK-208 (Emission Point 6-76) with diisopropylamine (DIPA). However, there was not a sufficient amount of product to allow the internal floating roof to float on the surface of the product, causing it to rest on its support legs. On or about August 30, 2005, the Respondent submitted a request for a temporary variance to allow the internal floating roof in Storage Tank TK-208 to rest on its support legs until it can be emptied. The variance was approved by the Department on September 7, 2005. As a result of the internal floating roof in Storage Tank TK-208 resting on its support legs, the maximum permitted limit of 0.395 lbs/hr for volatile organic compounds (VOCs) for Storage Tank TK-208 was exceeded during the period encompassing June 10, 2005, through September 6, 2005. During this time, VOCs were emitted at the rate of 0.575 lbs/hr to 1.760 lbs/hr. The exceedance of the maximum lbs/hr limit of VOCs for Storage Tank TK-208 during the period encompassing June 10, 2005, through September 6, 2005, is a violation of Title V Permit No. 1280-00031-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent also reported this in the facility's 2005 Title V Annual Compliance Certification.

- B. According to the facility's Quarterly Deviation Report for the period encompassing April through June 2005, and the facility's Title V Semiannual Monitoring Report for the period encompassing January through June 2005, the internal floating roof of Storage Tank TK-201 (Emission Point 4-76) was resting on its support legs from April 8, 2005, until April 15, 2005, due to a minimal inventory of liquid in the tank. As a result, the maximum permitted limit of 0.149 lbs/hr for VOCs for Storage Tank TK-201 was exceeded. During this time period, VOCs were emitted at the rate of 1.16 lbs/hr. The exceedance of the maximum lbs/hr limit of VOCs for Storage Tank TK-201 during the period encompassing

April 8, 2005, through April 15, 2005, is a violation of Title V Permit No. 1280-00031-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent also reported this in the facility's 2005 Title V Annual Compliance Certification.

- C. According to the facility's Quarterly Deviation Report for the period encompassing April through June 2005, and the facility's Title V Semiannual Monitoring Report for the period encompassing January through June 2005, the internal floating roof of Storage Tank TK-210 (Emission Point 8-76B) was resting on its support legs causing the exceedance of the maximum permitted limit of 0.702 lbs/hr of VOCs for Storage Tank TK-210 for the following time periods:

START DATE	END DATE	VOC RELEASED (LBS/HR)
April 9, 2005	May 9, 2005	7.08
July 27, 2005	August 8, 2005	9.34

As a result of the exceedances of the maximum permitted lbs/hr limit of VOC for Storage Tank TK-210, an exceedance of the 2.78 tons per year (tpy) limit of VOCs for Storage Tank TK-210 occurred. The actual amount of VOCs released during the 2005 calendar year was 5.93 tpy. Each exceedance of a permitted VOCs limit for Storage Tank TK-210 is a violation of Title V Permit No. 1280-00031-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent also reported this in the facility's 2005 Annual Compliance Certification.

- D. According to the facility's Quarterly Deviation Report for the period encompassing April through June 2005, and the facility's Title V Semiannual Monitoring Report for the period encompassing January through June 2005, the internal floating roof of Storage Tank TK-203 (Emission Point 8-76C) was resting on its support legs causing the exceedance of the maximum permitted limit of 0.248 lbs/hr of VOCs for Storage Tank TK-203 for the following time periods:

START DATE	END DATE	VOC RELEASED (LBS/HR)
January 7, 2005	February 23, 2005	1.10
July 10, 2005	July 31, 2005	2.96

As a result of the exceedances of the maximum permitted lbs/hr limit of VOCs for Storage Tank TK-203, an exceedance of the

0.856 tpy limit of VOC for Storage Tank TK-203 occurred. The actual amount of VOCs released during the 2005 calendar year was 2.025 tpy. Each exceedance of a permitted VOCs limit for Storage Tank TK-203 is a violation of Title V Permit No. 1280-00031-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent also reported this in the facility's 2005 Title V Annual Compliance Certification.

- E. According to the facility's Quarterly Deviation Report for the period encompassing April through June 2005, and the facility's Title V Semiannual Monitoring Report for the period encompassing January through June 2005, the internal floating roof of Storage Tank TK-341 (Emission Point 11-76) was resting on its support legs causing the exceedance of the maximum permitted limit of 0.297 lbs/hr of VOCs for Storage Tank TK-341 for the following time periods:

START DATE	END DATE	VOC RELEASED (LBS/HR)
January 1, 2005	January 7, 2005	0.82
January 12, 2005	January 14, 2005	0.64
January 19, 2005	January 31, 2005	0.56
February 2, 2005	February 8, 2005	0.78
April 14, 2005	April 16, 2005	3.10
April 26, 2005	June 9, 2005	1.30

As a result of the exceedances of the maximum permitted lbs/hr limit of VOCs for Storage Tank TK-341, an exceedance of the 1.045 tpy limit of VOCs for Storage Tank TK-341 occurred. The actual amount of VOCs released during the 2005 calendar year was 1.501 tpy. Each exceedance of a permitted VOCs limit for Storage Tank TK-341 is a violation of Title V Permit No. 1280-00031-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent also reported this in the facility's 2005 Title V Annual Compliance Certification.

On or about September 22, 2006, a file review of the St. Gabriel Plant (Agency Interest No. 3263) was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violations were noted during the course of the file review:

- A. According to the facility's Title V Semiannual Monitoring Report for the period encompassing January through June 2005, the Respondent

failed to re-monitor a pressure relief valve within 24 hours after the pressure relief valve vented to the atmosphere. The release to the atmosphere occurred on or about March 17, 2005. The pressure relief valve was re-monitored on or about March 21, 2005. The failure to re-monitor the pressure relief valve within 24 hours of the pressure relief valve venting to the atmosphere is a violation of LAC 33:III.2122.D.3.a, State Only Specific Condition 1 of Title V Permit No. 1280-00031-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act. This was also reported in the facility's 2005 Title V Annual Compliance Certification.

- B. On or about February 21, 2006, the Respondent determined that the permit basis for the annual tpy and maximum lbs/hr emission limits for particulate matter (PM₁₀) in the facility's Title V Permit No. 1280-00031-V0, issued on July 7, 1997, and its current Title V Permit for Cooling Tower U-331 (Emission Point 7-96) and Cooling Tower U-337 (Emission Point 39-96) were erroneous. As a result, the annual tpy emissions limits for PM₁₀ for each emission point for the 1999 through 2005 calendar years were exceeded, as shown in the following table.

EMISSION POINT	YEAR	ACTUAL PM10 (TPY)	PERMITTED PM ₁₀ (TPY)
7-96 (Cooling Tower U-331)	1999	1.195	0.0083
	2000	1.195	0.0083
	2001	1.195	0.0083
	2002	0.9455	0.010
	2003	0.901	0.010
	2004	0.8965	0.010
	2005	0.716	0.010
39-96 (Cooling Tower U-337)	1999	3.2465	0.0038
	2000	3.2465	0.0038
	2001	3.1985	0.0038
	2002	2.9455	0.004
	2003	2.941	0.004
	2004	2.771	0.004
	2005	2.3645	0.004

On or about April 6, 2006, the Respondent submitted a variance request for the allowance of the excess PM₁₀ emissions from the Cooling Towers. The variance was approved by the Department on May 11, 2006. Each exceedance of a PM₁₀ emission limit for each emission point for each year is a violation of Title V Permit Nos. 1280-00031-V0 and 1280-00031-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent also reported this in the facility's Title V Semiannual Monitoring Report

for the period encompassing July through December 2005 and the facility's 2005 Title V Annual Compliance Certification.

The Respondent owns and/or operates the Syngas Separation Unit (Agency Interest No. 31512), a synthesis gas plant. The facility is located at 36637 Louisiana Highway 30 in Geismar, Ascension Parish, Louisiana. The facility currently operates under Air Permit No. 0180-00071-02, issued on October 30, 2003.

On or about September 22, 2006, a file review of the Syngas Separation Unit (Agency Interest No. 31512) was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violations were noted during the course of the file review:

According to the facility's Quarterly Deviation Reports for the periods encompassing April through June 2005 and January through March 2006, the General Condition XVII Emissions Rates table did not annualize all of the cases. Some of the rates listed in the table are for one event, rather than for the frequency given in the schedule. The failure to accurately quantify the emissions of the facility's General Condition XVII Activities is a violation of LAC 33:III.517.D and Section 2057(A)(2) of the Act. As a result of the inaccurate General Condition XVII Emissions Rates table, the Respondent exceeded the following limits during the second quarter of 2005 and the first quarter of 2006:

PERIOD	CASE	ACTUAL NO _x	PERMIT NO _x	ACTUAL CO	PERMIT CO	ACTUAL VOC	PERMIT VOC
Apr-Jun 2005	2	0.0355	0.009	0.2308	0.057	0.001	0.0004
	5	0.0043	0.002	-	-	-	-
Jan-Mar 2006	2	0.018	0.009	0.115	0.057	-	-
	5	0.003	0.002	-	-	-	-
	7	0.016	0.001	0.1178	0.059	-	-
	9	-	-	0.062	0.061	-	-

Each exceedance of a General Condition XVII Emission Rate limit is a violation of Air Permit No. 0180-00071-02, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

III

In response to the Consolidated Compliance Order and Notice of Potential Penalty, the

Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

V

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of THIRTY THOUSAND SEVEN HUNDRED FIVE AND NO/100 DOLLARS (\$30,705.00), of which Nine Hundred Four and 79/100 Dollars (\$904.79) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

VI

The Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order & Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This agreement shall be considered a final order of the secretary for all purposes,

including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

IX

The Respondent has caused a public notice advertisement to be placed in the official journals of the parish governing authorities in Ascension Parish and Iberville Parish, Louisiana. The advertisements, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted original proof-of-publication affidavits and original public notices to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notices.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services

Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

AIR PRODUCTS AND CHEMICALS, INC.

BY: Brian A. Gebbia
(Signature)

BRIAN A. GEBBIA
(Print)

TITLE: LINE MANAGER - LA.

THUS DONE AND SIGNED in duplicate original before me this 21 day of July, 20 10, at New Orleans, Louisiana.

Clay Garside
NOTARY PUBLIC (ID # 85219)
Clay Garside
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: Beau James Brock
Beau James Brock, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 23rd day of November, 20 10, at Baton Rouge, Louisiana.

Christopher A. Rateliff
NOTARY PUBLIC (ID # 10149)
Christopher A. Rateliff
(Print)

Approved: Paul D. Miller
Paul D. Miller, P. E., Assistant Secretary