

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

ENTERGY ARKANSAS, INC.

AI # 83613

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-AE-12-0058
*
* Enforcement Tracking No.
* AE-PP-09-0167
* AE-PP-09-0167A

SETTLEMENT

The following Settlement is hereby agreed to between Entergy Arkansas, 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 an electric power facility located in Sterlington, Ouachita Parish, Louisiana ("the Facility").

II

On January 7, 2010, a Notice of Potential Penalty, Enforcement No. AE-PP-09-0167 was issued to Respondent. On May 26, 2011, an Amended Notice of Potential Penalty, Enforcement No. AE-PP-09-0167A was issued to Respondent.

The Notices of Potential Penalty were based on the following findings of fact:

On or about April 7, 2009, and November 9, 2009, file reviews of Ouachita Power Generating Plant, formerly named Sterlington Power Station, owned and/or operated by Entergy Arkansas, Inc. (Respondent), were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at 350 Harvey Gregg Road in Sterlington, Ouachita Parish, Louisiana.

The facility consists of three (3) natural gas fired combustion turbines operating in combined cycle mode, and three (3) heat recovery steam generators (HRSG) with duct burners. The three (3) turbines are identified as the following emission points: CTG01, CTG02, and CTG03. On or about September 30, 2008, the Respondent purchased the Sterlington Power Station from Ouachita Power, L.L.C. The facility previously operated under Title V Air Permit No. 2160-00111-V0 issued on June 21, 2000. The facility currently operates under Title V Air Permit No. 2160-00111-V1 issued on July 7, 2009, PSD Permit No. PSD-LA-651(M-1) issued on July 7, 2009, and Acid Rain Permit No. 2160-00111-IV1 issued on July 7, 2009.

Upon assuming ownership of the facility on or about September 30, 2008, the Respondent conducted an environmental audit. During the course of the audit, it was noted that the Respondent was operating with excess emissions of nitrogen oxides (NO_x) and carbon monoxide (CO) during the startup and shut down of emission points CTG01, CTG02, and CTG03.

While the investigation of the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the file reviews:

- A. In the Respondent's 2008 Title V Annual Compliance Certification dated March 30, 2009, an email from the Respondent's representative dated August 20, 2009, and the Respondent's 2009 Title V Semi-Annual Monitoring Report dated September 30, 2009, the Respondent reported that the facility failed to maintain nitrogen oxides (NO_x) emissions less than or equal to the maximum allowable emission rate of 46.0 pounds per hour (lbs/hr) for emission points CTG01, CTG02, and CTG03 during startup and shutdown procedures. The Respondent reported the following number of exceedances for the period encompassing October 1, 2008, through July 6, 2009:

Emission Point	Pollutant	Total No. of Exceedances of the Maximum Allowable lbs/hr Emission Rate
CTG01	Nitrogen Oxides (NO _x)	203
CTG02	Nitrogen Oxides (NO _x)	172
CTG03	Nitrogen Oxides (NO _x)	143

Each event of the Respondent's failure to maintain NO_x emissions less than or equal to the maximum allowable emission rate for each emission point is a violation of Title V Permit No. 2160-00111-V0, Specific Condition No. 1 of PSD Permit No. PSD-LA-651, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- B. In the Respondent's 2008 Title V Annual Compliance Certification dated March 30, 2009, and an email from the Respondent's representative dated September 29, 2009, and the Respondent's 2009 Title V Semi-Annual Monitoring Report dated September 30, 2009, the Respondent reported that the facility failed to maintain carbon monoxide (CO) emissions less than or equal to the maximum allowable emission rate of 61.0 lbs/hr for emission points CTG01, CTG02, and CTG03 during startup and shutdown procedures. The Respondent reported the following number of exceedances for the period encompassing October 1, 2008, through July 6, 2009:

Emission Point	Pollutant	Total No. of Exceedances of the Maximum Allowable lbs/ hr Emission Rate
CTG01	Carbon Monoxide (CO)	187
CTG02	Carbon Monoxide (CO)	158
CTG03	Carbon Monoxide (CO)	139

Each event of the Respondent's failure to maintain CO emissions less than or equal to the maximum allowable emission rate for each emission point is a violation of Title V Permit No. 2160-00111-V0, Specific Condition No. 1 of PSD Permit No. PSD-LA-651, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- C. In the Respondent's 2008 Title V Annual Compliance Certification dated March 30, 2009, an email from the Respondent's representative dated August 20, 2009, and the Respondent's 2009 Title V Semi-Annual Monitoring Report dated September 30, 2009, the Respondent reported that the facility failed to maintain NO_x emissions less than or

equal to the maximum allowable emission rate of 4.5 ppmv for emission points CTG01, CTG02, and CTG03 during startup and shutdown procedures. The Respondent reported the following number of exceedances for the period encompassing October 1, 2008, through July 6, 2009:

Emission Point	Pollutant	Total No. of Exceedances of the Maximum Allowable ppmv Emission Rate
CTG01	Nitrogen Oxides (NO _x)	278
CTG02	Nitrogen Oxides (NO _x)	242
CTG03	Nitrogen Oxides (NO _x)	183

Each event of the Respondent's, failure to maintain NO_x, emissions less than or equal to the maximum allowable emission rate for each emission point is a violation of Specific Condition No. 1 of PSD Permit No. PSD-LA-651, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- D. In the Respondent's 2008 Title V Annual Compliance Certification dated March 30, 2009, an email from the Respondent's representative dated September 29, 2009, and the Respondent's 2009 Semi-Annual Monitoring Report dated September 30, 2009, the Respondent reported that the facility failed to maintain CO emissions less than or equal to the maximum allowable emission rate of nine (9) ppmv for emission points CTG01, CTG02, and CTG03 during startup and shutdown procedures. The Respondent reported the following number of exceedances for the period encompassing October 1, 2008, through July 6, 2009:

Emission Point	Pollutant	Total No. of Exceedances of the Maximum Allowable ppmv Emission Rate
CTG01	Carbon Monoxide (CO)	233
CTG02	Carbon Monoxide (CO)	214
CTG03	Carbon Monoxide (CO)	183

Each event of the Respondent's failure to maintain CO emissions less than or equal to the maximum allowable emission rate for each emission point is a violation of PSD Permit No. PSD-LA-651, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

E. In the Respondent's 2008 Annual Title V Annual Compliance Certification dated March 30, 2009, and an email from the Respondent's representative dated October 25, 2010, the Respondent reported that the facility failed to maintain nitrogen oxides (NO_x) emissions less than or equal to the maximum allowable emission rate of 46.0 pounds per hour (lbs/hr) for emission points CTG01, CTG02, and CTG03 due to dry low NO_x, tuning of the combustion turbines. The Respondent reported the following number of exceedances for the period encompassing October 1, 2008, through July 6, 2009:

Emission Point	Pollutant	Total No. of Exceedances of the Maximum Allowable lbs/hr Emission Rate
CTG01	Nitrogen Oxides (NO _x)	9
CTG02	Nitrogen Oxides (NO _x)	5
CTG03	Nitrogen Oxides (NO _x)	3

Each event of the Respondent's failure to maintain NO_x emissions less than or equal to the maximum allowable emission rate for each emission point is a violation of Title V Permit No. 2160-00111-V0, Specific Condition No. 1 of PSD Permit No. PSD-LA-651, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

F. In the Respondent's 2008 Title V Annual Compliance Certification dated March 30, 2009, and an email from the Respondent's representative dated October 25, 2010, the Respondent reported that the facility failed to maintain NO_x, emissions less than or equal to the maximum allowable emission rate of 4.5 ppmv for emission points CTG01, CTG02, and CTG03 due to dry low NO_x, tuning of the combustion engines. The Respondent reported the following number of exceedances for the period encompassing October 1, 2008, through July 6, 2009:

Emission Point	Pollutant	Total No. of Exceedances of the Maximum Allowable ppmv Emission Rate
CTG01	Nitrogen Oxides (NO _x)	11
CTG02	Nitrogen Oxides (NO _x)	5
CTG03	Nitrogen Oxides (NO _x)	3

Each event of the Respondent's failure to maintain NO_x, emissions less than or equal to the maximum allowable emission rate for each emission point is a violation of Specific Condition No. 1 of PSD Permit No. PSD-LA-651, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- G. In the Respondent's 2008 Title V Annual Compliance Certification dated March 30, 2009, the Respondent reported that the facility failed to maintain carbon monoxide emissions less than or equal to the maximum allowable emission rate of nine (9) ppmv for emission point CTG03 on January 14, 2009, due to the transmitter being out of range. The Respondent's failure to maintain CO emissions less than or equal to the maximum allowable emission rate for emission point CTG03 is a violation of PSD Permit No. PSD-LA-651, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

III

Respondent neither admits nor denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

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 SEVEN THOUSAND FIVE HUNDRED AND NO/100 (\$7,500.00) DOLLARS of which Nine Hundred Seventy Five and 85/100 Dollars (\$975.85) 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).

V

Respondent further agrees that the Department may consider the inspection report(s), the 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.

VI

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.

VII

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 La. R. S. 30:2025(E) of the Act.

VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Ouachita Parish, Louisiana. The advertisement, 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 an original proof-of-publication affidavit and an original public notice 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 notice.

IX

Payment is to be made within thirty (30) 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).

X

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

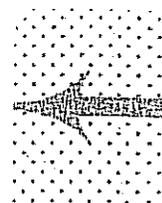
XI

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.

ENTERGY ARKANSAS, INC.

BY: _____
(Signature)

(Printed)



TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

BY: _____
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

Approved: 
Cheryl Sonnier Nolan, Assistant Secretary