

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

RAIN CII CARBON LLC

AI # 32804

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

* **Settlement Tracking No.**
* **SA-AE-23-0012**
*
* **Enforcement Tracking No.**
* **AE-PP-19-00410**
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SETTLEMENT

The following Settlement is hereby agreed to between Rain CII Carbon LLC (“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 limited liability company that owned and/or operated a green coke calcining plant located in Gramercy, St. James Parish, Louisiana (“the Facility”).

II

On December 10, 2021, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-19-00410 (Exhibit 1).

The following violation, although not cited in the foregoing enforcement action, is included within the scope of this settlement:

In the 2018 Title V First Semiannual Monitoring Report dated September 12, 2018, the Respondent reported that the Cooler Stack System (EQT 0001) and the Pyroscrubber Stack (EQT 0004) experienced a malfunction in the remote data recordkeeping from June 1, 2018 at 2:00am

through June 4, 2018 at 11:00am (approximately 81 hours). Specifically, the water circulation rate on EQT 0001 was being monitored during operation; however, the parameters were not recorded. Additionally, the pyroscrubber operating temperature on EQT 0004 was being monitored during operation; however, the parameters were not recorded. The failure to maintain equipment/operational data by electric or hardcopy continuously is a violation of Specific Requirements 8, 16, 59, and 67 of Title V Permit No. 2560-00047-V4, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). As a corrective action, the Respondent will store data both remotely and locally for a short period of time to be used as backup and moved to remote recordkeeping in the event remote recordkeeping malfunctions.

III

Respondent 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 TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00), of which Nine Hundred Forty-Six and 32/100 Dollars (\$946.32) 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), permit record(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

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. James Parish, Louisiana. The advertisement, in form and wording 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.

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 attached hereto.

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.

RAIN CII CARBON LLC

BY: [Signature]
(Signature)

Jimmy Delaneuville
(Printed)

TITLE: Plant Manager

THUS DONE AND SIGNED in duplicate original before me this 12 day of June, 20 23, at Cutler, LA.

[Signature]
NOTARY PUBLIC (ID # _____)

Katie L. Steffers
Notary# 131690

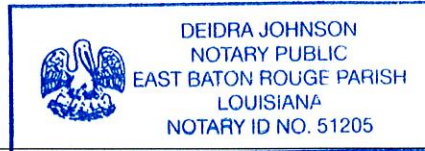
Commission For Life
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Roger W. Gingles, Secretary

BY: [Signature]
Celena J. Cage, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 18th day of August, 20 23, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 51205)



(stamped or printed)
Commission Expires Upon Death

Approved: [Signature]
Celena J. Cage, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

DEC 10 2021

CERTIFIED MAIL (7004 2510 0006 3853 0857)
RETURN RECEIPT REQUESTED



RAIN CII CARBON LLC
c/o Elwood F. Cahill, Jr.
Agent for Service of Process
Sher Garner Cahill Richter Et Al
909 Poydras Street, 28th Floor
New Orleans, LA 70122-1033

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-19-00410
AGENCY INTEREST NO. 32804**

Dear Sir:

On or about March 22, 2019, an inspection of the **GRAMERCY COKE PLANT** (the facility), a green coke calcining plant, owned and/or operated by **RAIN CII CARBON LLC (RESPONDENT)**, was 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 1140 Jefferson Highway in Gramercy, St. James Parish, Louisiana. The facility operates, or has operated, under Title V Air Permits, as shown in Table A:

TABLE A

Permit No.	Permit Issue Date	Permit Expiration Date
2560-00047-V1	August 14, 2012	August 14, 2017
2560-00047-V1AA	June 25, 2013	-
2560-00047-V2	October 26, 2015	October 26, 2020
2560-00047-V3	October 18, 2016	October 26, 2020
2560-00047-V4	July 21, 2017	October 26, 2020
2560-00047-V5	September 6, 2019	October 26, 2020
2560-00047-V6	September 24, 2020	September 24, 2025

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection, and subsequent file review conducted on December 2, 2021.

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- A. In correspondence dated August 15, 2017, the Respondent submitted the facility's Amended 2017 Second Quarter Excess Emissions Report. The report disclosed that the Pyroscrubber Stack (EQT 0004) exceeded the permitted three-hour average Sulfur Dioxide (SO₂) emission limit of 2,000 ppm as shown in Table B:

TABLE B

Date	Hours	3-hour Average SO₂, ppm
May 10, 2017	8:00 – 11:00	2,011
	9:00 – 12:00	2,024
	10:00 – 13:00	2,030
	11:00 – 14:00	2,038
	12:00 – 15:00	2,046
	13:00 – 16:00	2,047
	14:00 – 17:00	2,047
	15:00 – 18:00	2,047
	16:00 – 19:00	2,047
	17:00 – 20:00	2,047
	18:00 – 21:00	2,047
	19:00 – 22:00	2,050
	20:00 – 23:00	2,055
	21:00 – 24:00	2,059
May 12, 2017	0:00 – 3:00	2,016
	1:00 – 4:00	2,016
	2:00 – 5:00	2,016
	3:00 – 6:00	2,016
	4:00 – 7:00	2,016
	5:00 – 8:00	2,016
	6:00 – 9:00	2,016
	7:00 – 10:00	2,016
	8:00 – 11:00	2,016
	9:00 – 12:00	2,016
	13:00 – 16:00	2,016
	14:00 – 17:00	2,016
	15:00 – 18:00	2,016

Each permit exceedance is a violation of Specific Requirement (SR) 72 of Title V Permit No. 2560-00047-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- B. In correspondence dated October 23, 2017, the Respondent submitted the facility's 2017 Third Quarter Excess Emissions Report, which disclosed that the Pyroscrubber Stack (EQT 0004) exceeded the three-hour average SO₂ emission limit of 2,000 ppm. Seventy (70) incidents of SO₂ emission exceedances occurred between the hours of 1:00 am on July 3, 2017 and 1:00 am on July 6, 2017. SO₂ emissions ranged from 2,006 ppm to 2,129 ppm, with an hourly average of 2,080 ppm. Each incident is a violation of SR 72 of Title V Permit No. 2560-00047-V3,

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LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Courtney Tolbert at (225) 219-3347 or courtney.tolbert@la.gov within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify this statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

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To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,


Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

LI/CJT/cjt
Alt ID No. 2560-00047

c: Rain CII Carbon LLC
c/o Kent Louque
Gramercy Calcining Plant Manager
1140 Jefferson Highway
Gramercy, LA 70052

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION
 POST OFFICE BOX 4312
 BATON ROUGE, LOUISIANA 70821-4312

**NOTICE OF POTENTIAL PENALTY
 REQUEST TO SETTLE (OPTIONAL)**



Enforcement Tracking No.	AE-PP-19-00410	Contact Name	Courtney Tolbert
Agency Interest (AI) No.	32804	Contact Phone No.	(225) 219-3347
Alternate ID No.	2560-00047		
Respondent:	Rain CII Carbon LLC	Facility Name:	Gramercy Coke Plant
	c/o Elwood F. Cahill, Jr.	Physical Location:	1140 Jefferson Highway
	Agent for Service of Process		
	909 Poydras Street, 28 th Floor	City, State, Zip:	Gramercy, LA 70052
	New Orleans, LA 7012-1033	Parish:	St. James

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY AE-PP-19-00410 , the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY AE-PP-19-00410 , the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> • Monetary component = \$ _____ • Beneficial Environmental Project (BEP) component (optional)= \$ _____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY AE-PP-19-00410 , and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:

Louisiana Department of Environmental Quality
 Office of Environmental Compliance
 Enforcement Division
 P.O. Box 4312
 Baton Rouge, LA 70821
 Attn: Courtney Tolbert