Air Enforcement: Arkansas Department of Energy & Environment - Division of Environmental Quality and Phillips County Biodiesel Production Facility Enter into Consent Administrative Order

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12/29/2021

The Arkansas Department of Energy & Environment – Division of Environmental Quality ("DEQ") and Solfuels USA Inc. ("Solfuels") entered into a December 7th Consent Administrative Order ("CAO") addressing alleged violations of an air permit. See LIS No. 21-134.

The CAO provides that Solfuels owns and operates a biodiesel production facility ("Facility") in Phillips County, Arkansas.

The Facility is stated to hold an air permit.

DEQ personnel are stated to have conducted a compliance inspection of the Facility for March 2nd through March 8th covering the reporting period of September 1, 2017, through January 31, 2021. The inspection is stated to have indicated that the Facility failed to continuously record the scrubbing liquid temperature and the specific gravity data during the reporting period, allegedly violating certain conditions of an air permit.

The inspection is stated to have indicated that the Facility failed to establish a written fugitive emissions minimization program, violating certain conditions of an air permit. In addition, the Facility is stated to have failed to submit the required semi-annual reports due during the reporting period, violating conditions of an air permit.

HSG Environmental Consultants, LLC ("HSG") is stated to have responded on behalf of Solfuels in correspondence dated September 23rd. HSG was responding to a proposed CAO. The Facility's biodiesel production was stated to have been shut down and not expected to resume for up to two years.

HSG also stated that:

. . . facility operators visually observed process equipment and related piping on a frequent basis to detect leaks and other problems. Repairs were timely made if problems were detected. However, fugitive emissions detection procedures were not formalized in a written program, and observation records, leak

testing, and repair efforts were not maintained during this reporting period, so the semi-annual reports required by 40 C.F.R. Part 60, Subpart VV cannot be retroactively created.

October 12th correspondence from Solfuels indicated that the Facility had no production from November 28, 2019, through January 28, 2020, and no production since October 9, 2020.

Solfuels neither admits nor denies the factual and legal allegations contained in the CAO.

The CAO requires that within 60 calendar days of the effective date of the document Solfuels submit an air permit modification to:

- Correct regulatory citations
- Revise compliance demonstration requirements (including control equipment monitoring procedures)
- Address planned physical changes to facility processes (with the latter intended to allow the facility to achieve the permitted biodiesel production rate)

Such air permit modification application is required to include any proposed operating scenarios and/or new chemical processes other than biodiesel production planned for the Facility and subject to air permitting requirements.

The CAO also requires that if biodiesel production resumes before the revised air permit is issued that Solfuels submit a written letter of assurance within 10 calendar days of the restart of biodiesel production that liquid scrubber compliance monitoring is being conducted consistent with the scrubbing monitoring and recordkeeping requirements proposed in the air permit application. Further, prior to restart of biodiesel production, Solfuels is required to:

. . . establish a fugitive emissions monitoring and record keeping program for the facility based on the provisions of 40 C.F.R. Part 60, Subpart VV or VVa, whichever is confirmed applicable as a result of the air permit revision process.

A civil penalty of $4,500 is assessed.

A copy of the CAO can be downloaded here.