

**ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY**

IN THE MATTER OF:

AFIN: 73-00104

LIS No. 22-017

NATURAL GAS PIPELINE COMPANY OF AMERICA LLC
– STATION 307
2227 HIGHWAY 267 SOUTH
SEARCY, ARKANSAS 72143

CONSENT ADMINISTRATIVE ORDER

This Consent Administrative Order (CAO) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and the federal regulations issued thereunder. In addition, this CAO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (the Act), Ark. Code Ann. § 8-4-101 *et seq.*, Arkansas Pollution Control and Ecology Commission (APC&EC) Regulation 7, APC&EC Regulation 8, APC&EC Regulation 18, APC&EC Regulation 19, and APC&EC Regulation 26.

The issues herein having been settled by agreement of Natural Gas Pipeline Company of America LLC – Station 307 (Respondent) and the Director of the Division of Environmental Quality¹ (DEQ), it is hereby agreed and stipulated that the following FINDINGS OF FACT and ORDER AND AGREEMENT be entered.

FINDINGS OF FACT

1. Respondent owns and operates a natural gas compressor station located at 2227 Highway 267 South in Searcy, White County, Arkansas.
2. There are two Air Permits referenced in this CAO. Permit 0715-AOP-R6 (Permit

¹ Pursuant to Act 910 of 2019, the Arkansas Transformation and Efficiencies Act, the former Arkansas Department of Environmental Quality is now the Division of Environmental Quality in the newly created Arkansas Department of Energy and Environment.

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R6) was issued on March 23, 2015, and voided on May 19, 2020. Permit 0715-AOP-R7 (Permit R7) was issued on May 19, 2020.

3. Ark. Code Ann. § 8-4-217(a)(3) provides:

(a) It shall be unlawful for any person to:

...

(3) Violate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by the Division of Environmental Quality;

4. Ark. Code Ann. § 8-4-103(c)(1)(A) provides, “Any person that violates any provision of this chapter and rules, permits, or plans issued pursuant to this chapter may be assessed an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation.”

5. Pursuant to Ark. Code Ann. § 8-4-103(c)(1)(B) as referenced by Ark. Code Ann. § 8-4-304, “Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessment.”

6. On March 16, 2020, Respondent conducted emissions testing at the 5,000 HP Worthington ML-14, 2-stroke lean-burn Compressor Engine (SN-08).

7. On March 17, 2020, Respondent sent an email to DEQ stating that SN-08 had exceeded the Carbon Monoxide (CO) emission rate limit during testing on March 16, 2020, and submitted an Upset Condition Report. The Upset Condition Report stated that during the emissions testing conducted on March 16, 2020, the average emission rate for CO recorded at SN-08 was 30.8 lbs/hr. The permitted emission rate limit for CO at SN-08 was 30.0 lbs/hr. Such act violates Specific Condition 5 of Permit R6 and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

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8. On March 18, 2020, Respondent retested SN-08 for CO. On April 13, 2020, Respondent submitted the test results for the testing conducted at SN-08 on March 16 and March 18, 2020. The cover letter to the emissions test report stated that SN-08 exceeded the permitted emission rate limit during testing on March 16, 2020. The test report stated that during the March 18, 2020 emissions test, the average emission rate of CO recorded at SN-08 was 24.4 lbs/hr. The permitted emission rate limit for CO at SN-08 is 30.0 lbs/hr. Respondent states that results from the failed test at SN-08 on March 16, 2020, were included in the emissions test report as Appendix E – Voided Data.

9. In a letter dated May 1, 2020, DEQ informed Respondent that after a review of the emissions test results submitted on April 13, 2020, SN-08 was in compliance with the permitted CO emission rate limit at the time of testing on March 18, 2020. The letter stated that it “has been determined that the sources were in compliance at the time of testing, with the emission limits outlined in your State Air Permit”.

10. On February 2, 2021, DEQ personnel conducted a full compliance inspection of Respondent’s facility. The inspection covered the reporting period of August 2019 through December 2020.

11. During the inspection, it was discovered that Respondent failed to conduct emissions testing for CO on the remaining eight (8) engines at the facility after SN-08 exceeded the permitted CO emission rate limit on March 16, 2020. Plantwide Condition 8 of Permit R6 and Permit R7 state that “if the tested emission rate for any pollutant is in excess of the permitted emission rate, all engines shall be tested for that pollutant.” Respondent failed to conduct CO emissions testing on the remaining eight (8) engines. Such failure violates Plantwide Condition 8

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of Permit R6 and Permit R7 and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

12. In a letter dated March 17, 2021, DEQ informed Respondent of the compliance issues identified in the inspection conducted on February 2, 2021. This letter was intended to give Respondent an opportunity to review the issues identified and submit any additional information Respondent deems appropriate.

13. In March 2020, Respondent successfully passed the emissions testing required for units SN-01, SN-03, SN-04 (representative of all Cooper Bessemer GMWH units), SN-09 (16W330), and the retesting of SN-08.

14. On April 19, 2021, Respondent submitted a response to the March 17, 2021 letter and provided the following information:

A. Regarding the compliance issues listed in Paragraph 7 above, Respondent stated that “during the stack test on March 16, 2020, SN-08 failed the stack test on CO. The test results are to be extrapolated to correlate with 100% of the permitted capacity to demonstrate compliance with PWC 8. The extrapolated CO results were 30.8 lb/hr, which was over the permitted limit of 30 lb/hr CO. SN-08 was shut-down and repaired. SN-08 was retested on March 18, 2020, and passed. NGPL contacted ADEQ upon receipt of preliminary test results from SN-08 that indicated an exceedance of CO emissions and an Upset Condition Reporting Form was submitted on March 17, 2020. A deviation was reported in the Semi-Annual Monitoring Report and Annual Compliance Certification for the associated reporting period.

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Submittal of the upset notification and inclusion of the permit deviation complies with General Provision 8 of the Title V Operating Permit.”

B. Regarding the compliance issues listed in Paragraph 11 above, Respondent stated that “Units SN-01 through SN-07 are 3,080 HP Cooper Bessemer GMWH compressor engines, SN-08 is a 5,000 HP Worthington ML-14 compressor engine, and SN-09 is a 9,063 HP Cooper Bessemer 16W330 Compressor Engine. The five-year emissions testing in March 2020 was conducted on units SN-01, SN-03, SN-04 (representative of all Cooper Bessemer GMWH units), SN-08 (ML-14) and SN-09 (16W330).” Because SN-08 is the only engine of its kind and the CO results for the GWMH units (SN-01, SN-03, SN-04) and Cooper Bessemer 16W330 (SN-09) were within permitted limits, Respondent stated that they reasonably believed that testing was not required on any additional units and that they respectfully disagree with the Division's allegation that NGPL failed to comply with the requirement of the permit to test other non identical units because of the test failure on SN-08.

15. On June 9, 2021, DEQ sent Respondent a formal enforcement letter for the compliance issues discovered during the February 2, 2021 inspection.

16. On October 19, 2021, Respondent and DEQ met at the request of Respondent to discuss the proposed CAO. As discussed in the meeting, Respondent prepared an application for a Title V permit modification. In addition, Respondent requested that DEQ clarify the applicability of the requirement to retest all eight units. Respondent requested a written

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notification of DEQ's decision regarding the additional engine testing of the remaining four units, 3,080 HP 2-stroke lean- burn Cooper-Bessemer GMWH Compressor Engine (SN-02), 3,080 HP 2-stroke lean- burn Cooper-Bessemer GMWH Compressor Engine (SN-05), 3,080 HP 2-stroke lean- burn Cooper-Bessemer GMWH Compressor Engine (SN-06), and 3,080 HP 2-stroke lean- burn Cooper-Bessemer GMWH Compressor Engine (SN-07).

17. On October 28, 2021, DEQ received a permit modification application from Respondent to modify Plantwide Condition 8. Respondent requests modification of testing requirements in the event of a permit limit exceedance, with wording of the condition to align with other NGPL Title V permits and the DEQ General Air Permit for Natural Gas Compression Stations. The permit application is pending.

ORDER AND AGREEMENT

WHEREFORE, Respondent, neither admitting nor denying the factual and legal allegations contained in this CAO, and DEQ do hereby agree and stipulate as follows:

1. This CAO address all violations contained in the FINDINGS OF FACT.
2. In compromise and full settlement of the violations specified in the FINDINGS OF FACT, Respondent agrees to pay a civil penalty of **TWO THOUSAND ONE HUNDRED DOLLARS (\$2,100.00)**. Payment is due within thirty (30) calendar days of the effective date of this CAO. Such payment shall be made payable to:

DEQ, Fiscal Division
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317.

In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be entitled to attorneys' fees and costs associated with collection.

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3. All applicable submissions required by this CAO are subject to approval by DEQ. In the event of any deficiency, Respondent shall, within fifteen (15) calendar days of notification by DEQ, submit any additional information requested. Failure to respond adequately to the notice of deficiency within fifteen (15) calendar days constitutes a failure to meet a deadline and is subject to the civil penalties established in the following Paragraph.

4. Failure to meet the limits, requirements, or deadlines of this CAO or the applicable approved schedules provided for herein constitutes a violation of this CAO. If Respondent fails to meet any limits, requirements, or deadlines, Respondent shall pay, on demand, to DEQ civil penalties according to the following schedule:

- | | |
|--|----------------|
| (a) First day through the fourteenth day: | \$100 per day |
| (b) Fifteenth day through the thirtieth day: | \$500 per day |
| (c) More than thirty days: | \$1000 per day |

Stipulated penalties shall be paid within thirty (30) calendar days of receipt of DEQ's demand to Respondent for such penalties. These stipulated penalties may be imposed for delay in scheduled performance and shall be in addition to any other remedies or sanctions that may be available to DEQ by reason of Respondent's failure to comply with the requirements of this CAO. DEQ reserves its rights to collect other penalties and fines pursuant to its enforcement authority in lieu of the stipulated penalties set forth above.

5. If any event, including, but not limited to, an occurrence of nature, causes or may cause a delay in the achievement of compliance by Respondent with the requirements or deadlines of this CAO, Respondent shall notify DEQ in writing as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates have passed. The notification shall describe in detail the anticipated length of the delay, the precise cause of the

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delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.

6. DEQ may grant an extension of any provision of this CAO, provided that Respondent requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period, but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure to notify DEQ promptly, as provided in the previous Paragraph of the ORDER AND AGREEMENT, shall be grounds for a denial of an extension.

7. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d), and therefore is not effective until thirty (30) calendar days after public notice of the CAO is given. DEQ retains the right and discretion to rescind this CAO based on comments received within the thirty (30) day public comment period.

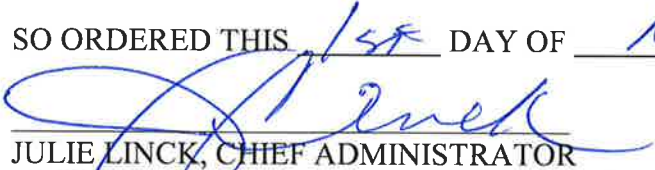
8. As provided by APC&EC Regulation 8, this matter is subject to being reopened upon Commission initiative or in the event a petition to set aside this CAO is granted by the Commission.

9. Nothing contained in this CAO shall relieve Respondent of any obligations imposed by any other applicable local, state, or federal laws. Except as specifically provided herein, nothing contained in this CAO shall be deemed in any way to relieve Respondent of responsibilities contained in the permit.

10. Nothing in this CAO shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. In addition, this CAO neither exonerates Respondent from any past, present, or future conduct that is not expressly addressed herein, nor relieves Respondent of the responsibilities for obtaining any necessary permits.

11. By virtue of the signature appearing below, the individual represents that he or she is a Managing Member of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this CAO by an individual other than a Managing Member of Respondent shall be accompanied by a resolution granting signature authority to that individual as duly ratified by the governing body of the entity.

SO ORDERED THIS 15th DAY OF March, 2022.


JULIE LINCK, CHIEF ADMINISTRATOR
ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY

APPROVED AS TO FORM AND CONTENT:

NATURAL GAS PIPELINE COMPANY OF AMERICA LLC
- STATION 307

BY:  (Signature)

JOSEPH SIMONSEN (Typed or printed name)

TITLE: Director / Managing Member

DATE: 2/10/2022

