

United States
Environmental Protection Agency

Office of Enforcement and Compliance
Assurance

Enforcement Update

National Association of Clean Air Agencies

Spring 2008

Air Enforcement Managers

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Air Enforcement

By the Numbers . . .

Fiscal Year '07 Numbers (cont'd)

- Injunctive Relief: (Total \$10.6 billion)
 - Air: \$2.7 billion
- Pounds reduced: 871 million
 - Air: 571.5 million
- Health Benefits: \$3.8 billion annually
(EPA's 12 largest CAA enforcement actions)

Fiscal Year '07 Numbers (cont'd)

- Civil Penalties (Total \$70M)
 - Air -- \$32.2 million cf. FY '06 \$35 million
- SEPs (Total \$30.3M)
 - Air: \$16.5 million
- Civil Judicial Conclusions
 - Air – 30 cf. FY '06 31

Fiscal Year '07 Numbers (cont'd)

- Administrative Penalty Orders – (Total 2255)
 - Air – 599 cf. FY '06 455
- Referrals (Total 278 cf. FY '06 286)
 - Air – 77 cf. FY '06 84
- Administrative Compliance Orders (Total 1247)
 - Air – 135 cf. FY '06 166
- National Priority Investigations – 452
- Federal CAA Inspections –
 - 2603 (not including mobile (475) and 112r (665)).

Air Enforcement

National Priority Work

Coal-Fired Utility Status

- 4 ongoing cases
 - Cinergy,
 - Duke,
 - Ala. Power,
 - Kentucky Utilities.
- Cinergy jury trial began Monday
 - U.S. prevailed on jury instructions
 - U.S. prevailed on motions *in limine*
 - Closing Arguments completed – with the Jury

Coal-Fired Utility Status

- 14 settlements:
 - 1.8 million tons per year of emission reductions
 - >\$10 billion – injunctive relief
 - >\$60 million – civil penalties
 - >\$170 million – mitigation
- 20 to 30 investigations/settlements
- New settlements and filings will be coming shortly

Other NSR/PSD Priority Sectors (2008-2010)

- Acid Manufacturing (Sulfuric and Nitric);
- Glass Manufacturing; and
- Cement Manufacturing.

Acid Manufacturing Sector



Acid Sector

- Environmental Stakes:
 - 120,000 tpy of SO₂ reductions.
 - 20,000 tpy of NO_x reductions.
 - Up to 3 million tpy of CO₂ equivalent reductions from nitric acid plants.
- Widespread Non-compliance:
 - NSPS – Many plants built after 1971 NSPS standards.
 - NSR – Expansion “modifications” without permitting.

Acid Sector (Sulfuric and Nitric Acid)

- 2008-2010 Measures:

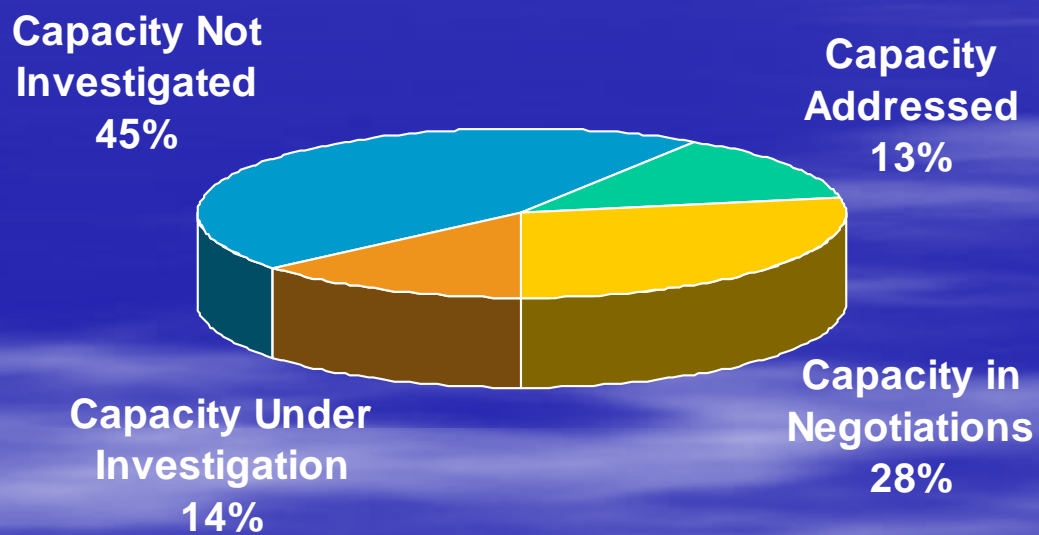
 - 70% capacity under active investigation or active negotiation;

 - 30% of capacity referred, filed, consent decree, or no further action required at this time;

- Overall:

 - 85% of capacity referred, filed, consent decree, or no further action required at this time.

Acid Sector Current Status



Entered Acid Plant Settlements

Rhodia (Regions 5, 6, 9) (FY '07)

- Injunctive Relief
 - \$50 million, BACT rates, 19,000 TPY of SO₂ emission reductions
- \$2.0 million civil penalty
- State/Local Partners: Louisiana, Indiana, Bay Area, City of Hammond

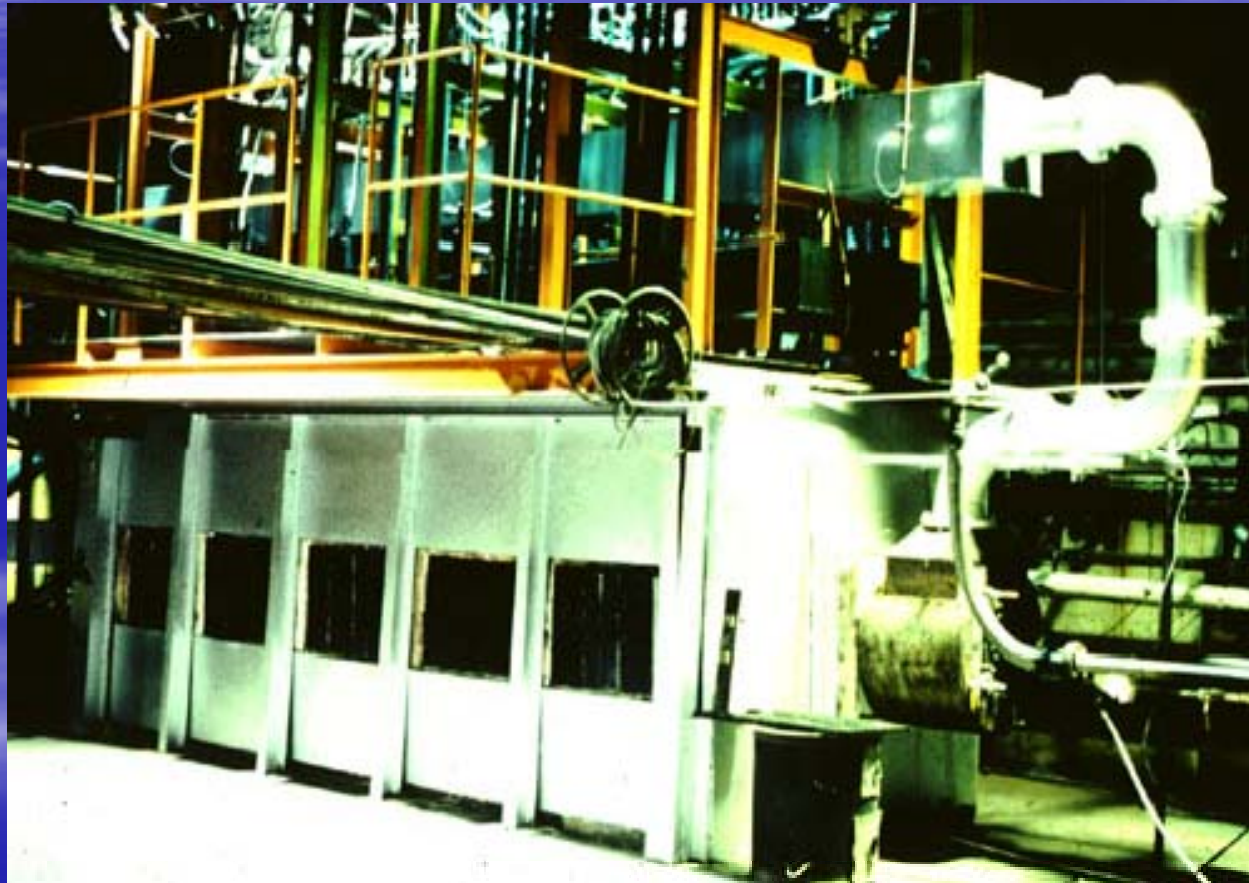
DuPont (Regions 3, 4, 5, and 6) (FY '08)

- Injunctive Relief
 - \$66 million
 - BACT rates, 14,000 TPY of SO₂ emission reductions
- \$4.125 million civil penalty
- State Partners: Ohio, Virginia and Louisiana

Agrium (Region 5) (FY '07)

- 200 TPY NO_x reduction
- NO_x BACT limit/SCR

Glass Manufacturing Sector



Glass Sector

- Environmental Stakes:
 - 66,000 tpy of NO_x reductions
 - 18,480 tpy of SO₂ reductions
 - 6,270 tpy of PM₁₀ reductions
- Widespread non-compliance:
 - Aged Plants
 - Modifications
 - Few NSR Permits

Glass Manufacturing Sector

- 2008-2010 Measures:

 - 70% of plants under active investigation or active negotiation; and

 - 30% of plants referred, filed, consent decree, or no further action required at this time.

- Overall:

 - 85% of plants referred, filed, consent decree, or no further action required at this time

Glass Sector Current Status



Cement Manufacturing Sector



Cement Sector

- Environmental Stakes:
 - 90,000 TPY of SO₂ reductions; and
 - 90,000 TPY of NO_x reductions
- Wide-spread non-compliance:
 - Large capacity increases;
 - Little to no real time continuous monitoring;
 - Few modern SO_x or NO_x controls; and
 - Few NSR Permits.

Cement Manufacturing Sector

- 2008-2010 Measures:

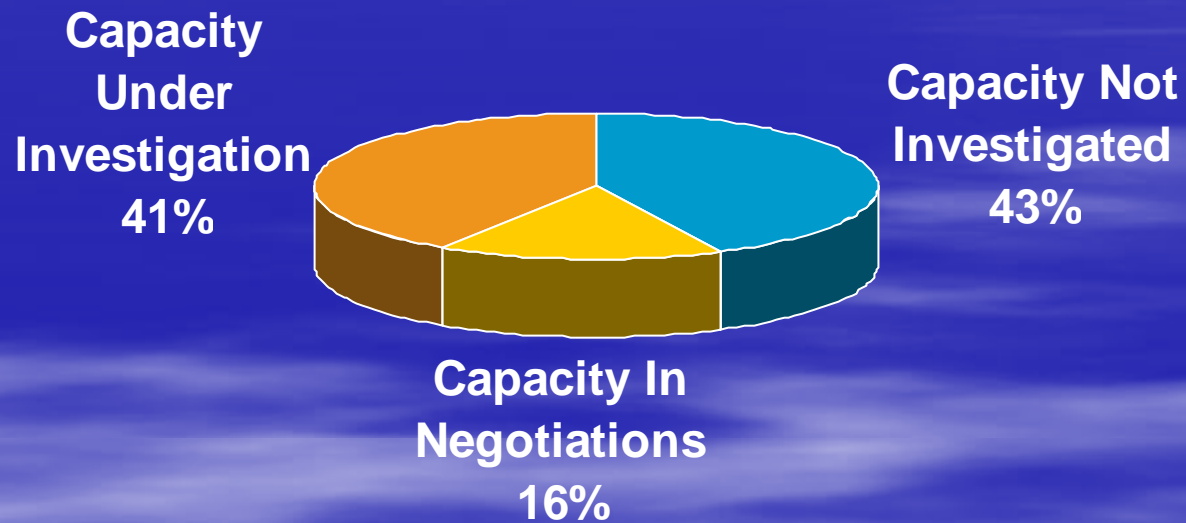
 - 70% of capacity under active investigation or active negotiation; and

 - 30% of capacity referred, filed, consent decree, or no further action required at this time.

- Overall:

 - 85% of capacity referred, filed, consent decree, or no further action required at this time.

Cement Sector Current Status



Other Sectors

- **What has worked?**
 - Sector targeting accurate;
 - Capacity building;
 - Workforce Deployment; and
 - State-of-the-art control strategies (BACT-equivalence).

Petroleum Refineries

- 22 Settlements
 - 86% of domestic refining capacity
 - 96 refineries
 - 28 States
- Emission Reductions
 - 86,000 tpy of Nox
 - 245,000 tpy of SO₂
- Injunctive Relief - \$5 billion
- Civil Penalties - \$72 million
- SEPs - \$65 Million

Petroleum Refineries

Sinclair Oil Corp. (Lodged 1/16/08)

- Tulsa, OK., Casper, WY., and Sinclair, WY (~1% domestic refining capacity)
- 1100 tpy – SO₂ emission reduction
- 4600 tpy – NO_x emission reduction
- Injunctive Relief -- \$72 million
- \$2.45 million civil penalty
- \$150,000 for SEPs (diesel trucks)
- State/Local Partners: Wyoming and Oklahoma

Petroleum Refineries

Holly Refining (Lodged 4/21/08)

- Woods Cross, Utah (>1% domestic refining capacity)
- 106 tpy - NOx emission red.
- 315 tpy - SO2 emission red.
- Injunctive Relief -- \$17.25 million
- \$120,000 civil penalty
- \$130,000 in SEPs
- State/Local Partners: Utah

Air Toxics Priority

- 2008-2010 Planning Cycle
 - 2008 is a transition period
 - 2009 – 2010 Focus:
 - Flares
 - Surface Coating
 - LDAR

“The Import Problem”

Mobile Enforcement

- **FY 2003 (4 cases):**
 - **No cases involving products of Chinese origin.**
- **FY 2004 (7 cases):**
 - Pieces of equipment = 6145
 - Value of equipment = \$1 million;
 - Penalties = \$120,000; and
 - **2 cases involving products of Chinese origin.**
- **FY 2005 (50 cases):**
 - Pieces of equipment = 11,912
 - Value of equipment = \$42 million;
 - Penalties = \$600,000; and
 - **44 cases of Chinese origin.**

Mobile Enforcement - Imports

- **FY 2006 (37 cases):**
 - Pieces of equipment = 59,951
 - Value of equipment = \$19 million
 - Penalties = \$1.2 million
 - **33 cases were of Chinese origin.**

- **FY 2007 (36 EPA-lead cases/56 Customs-lead cases):**
 - Pieces of equipment = 11,990
 - Value of equipment = \$16 million
 - Penalties = \$1.6 million
 - **64 were cases involving equipment of Chinese origin.**

Mobile Sources

- **MTD:**
 - Illegal importation of chain saws
 - 80,000 – 150,000 chain saws with no emissions controls
 - 250 tons of illegal emissions
 - Resolution:
 - \$2,000,000 in civil penalties
 - >2000 tons of emissions mitigation
 - 2 years of supervised imports and in-country emissions testing.

Training

- Purpose: To educate regional, state and local air districts.
- Focus: The relationship between Title I permitting and enforcement.

Training

- Target audience:
 - First-line supervisors and more experienced enforcement and permitting staff.
 - More than a basic understanding of the NSR/PSD program required.
- First session:
 - Shooting for Summer or Fall
 - In Atlanta
 - Two-day course
- Additional courses will be given in the other Regions.

Training

- Two-way communication (between permitting and enforcement)
- NSR Overview
- NSR Enforcement and Permit Priorities
- NSR Permit Implementation (Region/State Persp)
- Elements of an Enforceable Permit(s)
- NSR/PSD Targeting and Case Development
- Individual and Global NSR Settlements
- Post-case Permitting of NSR Settlements
- Enforcement and Permitting – Lessons Learned