

**Minutes
Public Hearing
of the
Louisville Metro Air Pollution Control Board
April 17, 2013**

A public hearing of the Louisville Metro Air Pollution Control Board was called to order on April 17, 2013, at 10:00 a.m. in the Board Room of the Louisville Metro Air Pollution Control District, 850 Barret Avenue, Louisville, Kentucky, by the Chairman, Dr. Robert Powell.

General Statement, Rules and Purpose

The Chairman read the opening announcements, rules and purpose of the public hearing, which was to review an Agreed Board Order with Louisville Gas and Electric Company.

1. Proposed Agreed Board Order with Louisville Gas and Electric Company

Ms. Terri Phelps, Enforcement Manager, asked the Board to consider and adopt a proposed Agreed Board Order alleging that Louisville Gas and Electric Company (LG&E) had violated District regulations and directing the company to implement a compliance plan and pay an administrative penalty. The company agreed to the terms of the Order.

LG&E produces electricity at its Cane Run generating station pursuant to a District operating permit. A large amount of waste, including fly ash and waste sludge from the scrubbers that remove pollutants from the flue gas, are produced during the coal-fired generation of electricity. The company mixes waste fly ash with the scrubber waste at its sludge processing plants and disposes of it at its onsite landfill. On February 15, 2012, the company reported an upset at one of its sludge processing plants when the wet material being fed into the pug mill mixer became stuck but the dry fly ash and lime continued to be discharged which caused a cloud of dust to drift off the company property. The company installed controls and switches to prevent the problem from recurring.

The District also alleged that the plant emitted objectionable odors on five days between January 26 and June 21, 2012. During January through March 2012, the District received a number of complaints about strong sulfur odors and requested the company to investigate the source of the odors. The complaints continued but the company did not report finding the source of the odors until the District observed objectionable odors emitting from wet sludge which was being removed in March 2012 from the emergency pond. In April 2012, the District observed odors being emitted from drainage ditches that discharged in the emergency pond. The company agreed to treat the ponds by chlorination as needed and to notify the District in advance of digging in the ponds and ditches where odors had occurred.

On February 20, 2013, the company and the District agreed on a comprehensive, plant-wide control plan for odors, fugitive dust and emissions for certain maintenance activities to address many of the sources of emissions complained of by the residents of the adjacent neighborhood. In addition, the company's careful adherence to the plan should mitigate off-property emissions.

Ms. Phelps notified the Board that the Order resolves only two of the eight incidents of violations currently alleged by the District. If the District is not able to resolve the remaining six incidents soon, the District expects to file a petition for an administrative hearing to try the allegations before a hearing examiner who would make a recommendation to the Board for a decision. Following the administrative

hearing process, the District would ask the Board to make a determination as to whether the company violated District regulations and to assess further penalties.

The District recommended that the Board adopt the Order addressing the two incidents that the District and LG&E resolved. The Order imposed a penalty of \$10,500 and required adoption of a plant-wide emissions control plan.

Statements

Mr. David Tummonds, General Manager of the LG&E Cane Run plant, stated that the company had worked with the District to resolve two incidents that involved dust control issues and other concerns at the Cane Run plant. He said LG&E is committed to complying with the dust management plan and had spent more than \$1.5 million on dust control measures even though the plant is scheduled to shut down in 2015. With respect to the six unresolved violations, LG&E did not understand the basis for the citations, which alleged that the company failed to take reasonable precaution to prevent fugitive dust from crossing the site boundary, dust blown off the landfill during a major storm event, and included evidence from a YouTube video. LG&E believed that the District's enforcement actions should be based on specific legal requirements in the permit, but the company remained committed to working cooperatively with the District to meet current and future regulatory requirements.

Mr. Wallace McMullen, Co-Chair of the Greater Louisville Sierra Club, spoke on behalf of the Sierra Club members in the area. In the past, club members had urged the District to implement stricter standards to protect public health, but they applauded the District for the enforcement actions that pertained to the violations at the LG&E Cane Run plant. Although the regulations were not as strong as members had wanted, they understood the circumstances that prevented District enforcement officers from working at night. Mr. McMullen commended District staff for their persistence in addressing the concerns of the residents who live near the Cane Run plant and recommended that LG&E should begin to plan for the future by implementing clean energy technology.

Mr. Thomas Pearce, a member of the Sierra Club, also commended the District for their continued efforts to hold LG&E accountable. He said coal-fired power plants should not have been built in the area and LG&E should invest in meaningful renewable energy to reduce their need to burn coal in Jefferson County.

Mr. Pearce read a statement on behalf of Kathy Little, a resident near the Cane Run plant, that related how coal ash had affected her and the community. The statement also asked the Board to consider what else could be done to protect the residents, other than the pending notice of violations, and if the plant could be closed early due to non-compliance.

Adjourn

The public hearing adjourned at 10:24 a.m.

Robert W. Powell, M.D.
Chairman

Rachael Hamilton
Secretary-Treasurer