

**Minutes
Public Hearing
of the
Louisville Metro Air Pollution Control Board
November 20, 2013**

A public hearing of the Louisville Metro Air Pollution Control Board was called to order on November 20, 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. 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 comply with a revised 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. The coal-fired generation of electricity produces large amounts of waste including fly ash and waste sludge from the scrubbers that remove pollutants from the flue gas. The company mixes the fly ash waste with scrubber waste at its sludge processing plant and disposes of it at the onsite landfill.

The District issued four Notices of Violations to LG&E that alleged violation of District regulations beginning in March 2012. The alleged violations included failure to take reasonable precautions to prevent particulate matter from becoming airborne beyond the worksite on 10 days in 2012; allowing visible particulate matter to be discharged beyond the property line in 2012 and 2013; exceeding the opacity limit and causing emissions during maintenance activity; failing to report an upset condition in June 2012; and emission of objectionable odors beyond the property line on 14 days in 2013, due to conditions in the ash ponds.

Since February 2013, LG&E has been operating under a comprehensive plant-wide control plan for odors, fugitive dust and emissions from certain maintenance activities. The District has observed a marked improvement from the problems alleged in the four Notices of Violation. After the problems the plant experienced with objectionable odors in June 2013, the company revised its control plan in August to address objectionable odors at the plant's ponds and ditches.

Ms. Phelps said the District proposed that the Board adopt the revised compliance plan as part of the Agreed Board Order. She said the Agreed Board Order would resolve all outstanding violations at the Cane Run generating station, including a penalty of \$113,250, and the order to comply with the plant-wide emissions control plan. Ms. Phelps said the District would recommend adoption of the Agreed Board Order, as proposed.

Statements

Mr. David Tummonds, General Manager at the LG&E Cane Run plant, thanked the Board for the opportunity to respond to the proposed settlement. Mr. Tummonds said LG&E places the highest priority on compliance with environmental regulations and cooperating with regulators. He stated that the Agreed Board Order did not resolve fundamental disagreements related to application of certain regulations, but the company was concentrating on areas where they do agree with the District in an effort to settle the matter. Mr. Tummonds reviewed the measures LG&E had taken to demonstrate compliance until the coal-fired plant was replaced in 2015 with a \$640 million natural gas unit. Also, he said that LGE was committed to being a good neighbor to residents who live near the Cane Run plant and would continue to cooperate with the District to meet current and future regulatory standards.

Mr. Wallace McMullen, Co-Chair of the Greater Louisville Sierra Club, spoke on behalf of the 1,700 local Sierra Club members who applauded the District for moving forward with the enforcement action at the LG&E Cane Run plant. Mr. McMullen expressed his concerns about the challenges related to enforcement of District regulations, but commended staff for their persistence and fortitude for resolving some of the issues. He stated that Sierra Club members hoped that LG&E would plan for a future that did not involve coal ash.

Ms. Kathy Little, a resident who lives near the Cane Run Plant, thanked the District for issuing the proposed Agreed Board Order that included a penalty of \$113,250. Ms. Little expressed her concerns about the fly ash and its health effect on the children and the damage to properties in the area. In closing, she stated she hoped the District's overtime was not reduced and enforcement procedures were not streamlined.

Mr. Thomas Pearce, a member of the Sierra Club, said he was in agreement with Mr. McMullen and Ms. Little's statement regarding LG&E. He asked the Board to again consider the fact that residents who live near the Cane Run plant expect LG&E to be a good neighbor, but had doubts since they were not good neighbors in the past. Mr. Pearce asked if the plant could be closed earlier than scheduled, if it was possible to invest in renewable energy, and if it was possible for the city to investigate the health effects of the pollution caused by the fly ash.

Adjourn

The public hearing adjourned at 10:17 a.m.

Robert W. Powell, M.D.
Chairman

Rachael Hamilton
Secretary-Treasurer