

Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C.

Air Enforcement: Arkansas Department of Energy and Environment - Division of Environmental Quality and Faulkner County Natural Gas Compressor Station Operator Enter into Consent Administrative Order



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The Arkansas Department of Energy and Environment – Division of Environmental Quality (“DEQ”) and Flywheel Energy Operating, LLC (“FEO”) entered into a December 31st Consent Administrative Order (“CAO”) addressing an alleged violation of an air permit. See LIS 19-122.

FEO is stated to own and operate a natural gas compressor station in Faulkner County, Arkansas.

An oversight process was stated to have been implemented in which weekly monitoring of maintenance activities were conducted and alerts provided to operators when an engine was approaching its maintenance timeframe deadline. Such oversight process was stated to have been implemented following a discovery on October 25, 2018 of a failure to conduct engine maintenance within the timeframe required by 40 C.F.R. Part 63, National Emission Standards for Hazardous Air Pollutants (“NESHAP”) for Reciprocating Internal Combustion Engines (Subpart ZZZZ).

FEO is stated to have requested, pursuant to a June 10, 2019 letter, consideration under DEQ’s Environmental Self-Disclosure Incentive Policy (“Policy”) related to its disclosure of the non-compliance issues associated with its Caddis CPF-2 facility.

The CAO provides that DEQ’s review of the self-disclosure letter indicated that the company failed to conduct the maintenance of Engine #4EK04090 within the required time period as required by 40 C.F.R. Part 63, NESHAP (Subpart ZZZZ) on three occasions. These failures are alleged to violate Specific Condition 17 of the air permit.

FEO is stated to have provided in the self-disclosure letter that the maintenance interval exceedances for the referenced engine occurred concurrently with the exceedances discovered on October 25, 2018 but was not discovered until the oversight process of weekly monitoring of maintenance activities was implemented. The letter also provided that all maintenance on the engine occurred within the prescribed hours of operation interval since the implementation of the oversight process.

DEQ subsequently informed FEO that it completed the review of the self-disclosure and found that all eight conditions of the Policy had been met. Consequently, the penalty was mitigated up to 100 percent.

The CAO provides that FEO neither admits nor denies the factual and legal allegations contained in the CAO.

FEO is required to within 60 days of the effective date of the CAO to conduct an audit of maintenance activities at all compressor units from March 1, 2017 through December 31, 2018. Further, within 90 calendar days of the effective date of the CAO, FEO is required to submit a summary of the audit findings to DEQ.

A copy of the CAO can be downloaded [here](#).