UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JUN 25 2018

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dennis Zawodni, Environmental Health & Safety Manager
Safety-Kleen Systems, Inc.
601 Riley Road
East Chicago, Indiana 46312

Re: Notice of Violation
Safety-Kleen Systems, Inc.
East Chicago, Indiana

Dear Mr. Zawodni:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation (NOV) to Safety-Kleen Systems, Inc. (you) under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. § 7413(a)(1). We find that you are violating the Indiana State Implementation Plan at your East Chicago, Indiana facility.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

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The EPA contact in this matter is Dakota Prentice. You may call him at (312) 886-6761 to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,

Edward Nam
Director
Air and Radiation Division

Enclosure

cc: Phil Perry, Chief, Air Compliance Branch
Indiana Department of Environmental Management

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

IN THE MATTER OF:	)	
	)	
Safety-Kleen Systems, Inc.	)	**NOTICE OF VIOLATION**
East Chicago, Indiana	)	
	)	**EPA-5-18-IN-04**
Proceedings Pursuant to	)	
Section 113(a)(1) of the	)	
Clean Air Act, 42 U.S.C.	)	
§ 7413(a)(1)	)	

NOTICE OF VIOLATION

The U.S. Environmental Protection Agency (EPA) is issuing this Notice of Violation under Section 113(a)(1) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(1). EPA finds that Safety-Kleen Systems, Inc. (Safety-Kleen) is violating the Indiana State Implementation Plan (SIP), as follows:

Statutory and Regulatory Background

Indiana State Implementation Plan

1. Section 110 of the CAA, 42 U.S.C. § 7410, requires each state to adopt and submit to EPA a plan that provides for the implementation, maintenance, and enforcement of primary and secondary National Ambient Air Quality Standards in the state. Upon approval by EPA, the plan becomes a part of the applicable SIP for the state.

2. On June 13, 2007, EPA approved 326 IAC 8-1-6 as part of the federally enforceable SIP for Indiana. 72 Fed. Reg. 32531.

3. 326 IAC 8-1-6 states, "New facilities (as of January 1, 1980) that: (1) have potential emissions of twenty-two and seven-tenths (22.7) megagrams (twenty-five (25) tons) or more per year; (2) are located anywhere in the state; and (3) are not otherwise regulated by: (A) other provisions of this article; (B) 326 IAC 20-48; or (C) 326 IAC 20-56; shall reduce VOC [volatile organic compounds] emissions using best available control technology (BACT)."

4. On November 5, 1981, EPA approved 325 IAC 1.1-1-27 (recodified to 326 IAC 1-2-27) as part of the federally enforceable SIP for Indiana. 46 Fed. Reg. 54943.

5. 326 IAC 1-2-27 defines "Facility" as "any one (1) structure, piece of equipment, installation or operation which emits or has the potential to emit any air contaminant. Single pieces of equipment or installations with multiple emission points shall be considered a facility for the purpose of this rule."

6. On November 5, 1981, EPA approved 325 IAC 1.1-1-58 (recodified to 326 IAC 1-2-55) as part of the federally enforceable SIP for Indiana. 46 Fed. Reg. 54943.

7. 326 IAC 1-2-55 defines "potential emissions" as "Emissions of any one (1) pollutant which would be emitted from a facility if that facility were operated without the use of pollution control equipment unless such control equipment is (aside from air pollution control requirements) necessary for the facility to produce its normal product or is integral to the normal operation of the facility. Potential emissions shall be based on maximum annual rated capacity unless hours of operation are limited by enforceable permit conditions. Potential emissions from a facility shall take into account the hours of operation per year and shall be calculated according to federal emission guidelines in AP 42-most recent edition-Compilation of Air Pollution Factors, or calculated based on stack test data or other equivalent data acceptable to the commissioner."

8. On November 5, 1981, EPA approved 325 IAC 1.1-1-8 (recodified to 326 IAC 1-2-6) as part of the federally enforceable SIP for Indiana. 46 Fed. Reg. 54943.

9. 326 IAC 1-2-6 defines "Best Available Control Technology" or "BACT" as an emission limitation (including a visible emission standard) or equipment standard based on the maximum degree of reduction of each pollutant subject to regulation under the Clean Air Act and applicable Indiana laws or rules which would be emitted from or which results from any proposed major facility or modification thereto which the commissioner, on a case-by-case basis, taking into account energy, environmental and economic impacts and other costs, determines is achievable for such facility or modification through application of production processes and available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combustion techniques for control of such pollutant. In no event shall application of best available control technology result in emissions of any pollutant which will exceed the emissions allowed by any applicable standard.

Relevant Factual Background

10. Safety-Kleen owns and operates an oil re-refinery at 601 Riley Road, East Chicago, Indiana (the "Re-Refinery").

11. EPA conducted a CAA inspection of the Re-Refinery on February 9, 2017 (2017 Inspection).

12. During the 2017 Inspection, Safety-Kleen representatives stated that operations at the Re-Refinery can be broken into two units: Distillation and Hydrotreating.

13. During the 2017 Inspection, Safety-Kleen representatives stated that the Re-Refinery did not have a leak detection and repair (LDAR) program for equipment leaks from the Distillation Process and the Hydrotreater Process.

14. Pursuant to Section 114(a) of the CAA, 42 U.S.C. § 7414(a), EPA issued Information Requests to Safety-Kleen on March 28, 2017, and October 25, 2017.

15. In response to EPA's October 25, 2017, Information Request, Safety-Kleen provided component counts for potential equipment leak sources, valves, pumps, relief valves, "flange/threaded" components, and "capped line/sample point" components, for the Re-Refinery's Distillation Process and Hydrotreater Process.

16. Section 5.1.3 of AP-42, Fifth Edition, *Compilation of Air Pollutant Emission Factors, Volume 1, Stationary Point and Area Sources*, states that the emission factors for fugitive leaks from process equipment, including valves (pipeline, open ended, vessel relief), flanges, seals (pump, compressor), and process drains can be found in *Protocol For Equipment Leak Emission Estimates*, EPA-453/R-93-026, June 1993, or subsequent updates.

17. Based on the component counts provided by Safety-Kleen, EPA calculated the potential emissions of VOC from potential equipment leak sources for Safety-Kleen's Distillation Process and Hydrotreater Process using EPA's *Protocol For Equipment Leaks Emission Estimates*, EPA-453/R-95-017, November 1995.

18. Safety-Kleen's Distillation Process is a "facility" as defined at 326 IAC 1-2-27.

19. Safety-Kleen's Distillation Process is a facility constructed after January 1, 1980.

20. The Distillation Process has the potential to emit more than 25 tons of VOCs per year.

21. The Distillation Process is not subject to any other provisions of 326 IAC 8, 326 IAC 20-48, or 326 IAC 20-56.

22. The Distillation Process is subject the requirements of 326 IAC 8-1-6.

23. BACT for VOC emissions from equipment leaks in the Distillation Process is an LDAR program.

24. Safety-Kleen has not implemented an LDAR program for VOC equipment leaks for the Distillation Process.

25. Safety-Kleen's Hydrotreater Process is a "facility" as defined at 326 IAC 1-2-27.

26. Safety-Kleen's Hydrotreater Process is a facility constructed after January 1, 1980.

27. The Hydrotreater Process has the potential to emit more than 25 tons of VOCs per year.

28. The Hydrotreater Process is not subject to any other provisions of 326 IAC 8, 326 IAC 20-48, or 326 IAC 20-56.

29. The Hydrotreater Process is subject the requirements of 326 IAC 8-1-6.

30. BACT for VOC emissions from equipment leaks in the Hydrotreater Process is an LDAR program.

31. Safety-Kleen has not implemented an LDAR program for VOC equipment leaks for the Hydrotreater Process.

Violations

32. Safety-Kleen failed to reduce VOC emissions from the Distillation Process using BACT, in violation of 326 IAC 8-1-6.

33. Safety-Kleen failed to reduce VOC emissions from the Hydrotreater Process using BACT, in violation of 326 IAC 8-1-6.

Environmental Impact of Violations

34. These violations have caused or can cause excess emissions of VOCs (ozone precursors).

Ozone: Breathing ozone contributes to a variety of health problems including chest pain, coughing, throat irritation, and congestion. It can worsen bronchitis, emphysema, and asthma. Ground-level ozone also can reduce lung function and inflame lung tissue. Repeated exposure may permanently scar lung tissue.

6/25/18
Date

Edward Nam
Director
Air and Radiation Division

CERTIFICATE OF MAILING

I certify that I sent a Notice of Violation, No. EPA-5-18-IN-04, by Certified Mail, Return Receipt Requested, to:

Dennis Zawodni, Environmental Health &
Safety Manager
Safety-Kleen Systems, Inc.
601 Riley Road
East Chicago, Indiana 46312

I also certify that I sent copies of the Notice of Violation by first-class mail to:

Phil Perry, Chief, Air Compliance Branch
Indiana Department of Environmental Management

PPERRY@idem.IN.gov

On the 26 day of June 2018.

Kathy Jones

Kathy Jones
Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7017 0660 0000 3661 7420