Maryland
Department of
the Environment

Larry Hogan, Governor
Boyd Rutherford, Lt. Governor

Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

June 15, 2018

Ms. Danielle Baltera
Air Protection Division (3AP00)
U.S. EPA, Region III
1650 Arch Street
Philadelphia PA 19103-2029

Dear Ms. ~~Baltera~~: Danielle

Enclosed is a copy of the listed document concerning Maryland's High Priority Violator (HPV):

- C.P. Crane, LLC
  ICIS-AIR #MD0000002400500079
  Settlement Agreement signed May 23, 2018

If you have any questions, please feel free to contact me at 410-537-4225.

Sincerely,

Frank

Frank Courtright, Manager
Air Quality Compliance Program
Air and Radiation Administration

Enclosure
cc: Laramie Daniel

IN THE MATTER OF:	*	**BEFORE THE**
C.P. CRANE LLC	*	**MARYLAND DEPARTMENT**
	*	**OF THE ENVIRONMENT**

* * * * * * * * * * * *

SETTLEMENT AGREEMENT

WHEREAS, the Air and Radiation Administration of the Maryland Department of the Environment ("the Department") is charged with the responsibility for regulating air pollution in the State of Maryland and enforcing State air pollution control laws and regulations, as set forth in §§ 1-301, 1-402, 1-404 and Title 2 of the Environment Article, Annotated Code of Maryland, and in Title 26, Chapter 11 of the Code of Maryland Regulations ("COMAR");

WHEREAS, C.P. Crane LLC ("Crane") owns and operates an electric generation station located in eastern Baltimore County, off of Seneca Park Road. In relevant part, the C.P. Crane Generating Station (the "Plant"), contains two coal-fired cyclone burner steam boilers for electrical generation, identified as CPC-Unit 1 and CPC-Unit 2;

WHEREAS, the combustion of coal at the Plant causes the emission of fine particulate matter ("PM") and toxic air pollutants, including hydrogen chloride ("HCl"), to the ambient atmosphere;

WHEREAS, on June 1, 2016, the Department issued Part 70 Operating Permit No. 24-005-0079 (the "Operating Permit") to Crane, which at all times relevant to this Agreement governed operations at the Plant;

WHEREAS, Code of Maryland Administrative Regulations ("COMAR") 26.11.02.05A prohibits a person from violating or causing to be violated any term or condition of the Operating Permit;

WHEREAS, Section IV, Table IV-1, Condition 1.1.B.(2)(a) of the Operating Permit prohibits CPC-Unit 1 and CPC-Unit 2 from exceeding a PM emissions limit of 0.039 lb/MMBtu on a 3-hour average basis;

WHEREAS, COMAR 26.11.15.02C prohibits Crane from operating or causing to be operated any MACT source which results or will result in a violation of any provision of 40 CFR Part 63. CPC-Unit 1 and CPC-Unit 2 are MACT sources;

WHEREAS, Section IV, Table IV-1b, Condition 1b.1 and 40 CFR § 63.9991(a)(1) and Table 2 to Part 63, Subpart UUUUU require that CPC-Unit 1 and CPC-Unit 2 meet a PM emissions limit of 0.030 lb/MMBtu or 0.30 lb/MWh at all times, except during start up and shut down;

WHEREAS, Section IV, Table IV-1b, Condition 1b.1 and Table 2 to Part 63, Subpart UUUUU require that CPC-Unit 1 and CPC-Unit 2 meet a HCl emissions limit of 0.0020 lb/MMBtu or 0.020 lb/MWh at all times, except during start up and shut down;

WHEREAS, Section IV, Table IV-1b, Condition 1b.2 and 40 CFR § 63.10006 require that Crane conduct emissions testing for PM and HCl on CPC-Unit 1 and CPC-Unit 2 each calendar quarter in which the applicable unit has at least 168 boiler operating hours;

WHEREAS, Section IV, Table IV-1, Condition 1.1.E(1) of the Operating Permit prohibits CPC-Unit 1 and CPC-Unit 2 from exceeding a carbon monoxide ("CO")

emissions limit of 0.20 lb/MMBtu, as measured on a 24-hour basis, except during start up and shut down;

WHEREAS, Crane failed to conduct emissions stack testing for PM and HCl on CPC-Unit 1 during the third quarter of 2016. On October 20, 2016, Crane performed stack testing on CPC-Unit 1 which demonstrated compliance with the PM and HCl emissions limits;

WHEREAS, on August 31, 2016, Crane performed stack testing on CPC-Unit 2, the results of which confirmed a PM emissions rate of 0.054 lb/MMBtu and 0.59 lb/MWh. On September 23 and 24, 2016, Crane performed new stack testing on CPC-Unit 2 which demonstrated compliance with the PM emissions limits;

WHEREAS, on June 28, 2017, Crane performed stack testing on CPC-Unit 2, the results of which confirmed a HCl emissions rate of 0.0377 lb/MMBtu and 0.379 lb/MWh. On July 27, 2017, Crane performed new stack test on CPC-Unit 2, which demonstrated compliance with the HCl emissions limits;

WHEREAS, a certified continuous emissions monitoring system ("CEMS") measured CO emissions (on a 24-hour basis) from CPC-Unit 2 at 0.209 lb/MMBtu on August 22, 2017; 0.240 lb/MMBtu on September 24, 2017; and 0.243 lb/MMBtu on September 25, 2017;

WHEREAS, the Department and Crane intend this Settlement Agreement to resolve all Operating Permit violations of which the Department knew or should have known, including the alleged violations described in this Agreement, which have occurred through the date of this Agreement ("Alleged Violations");

WHEREAS, the Department and Crane agree that resolution of the Department's claim for the Alleged Violations, without the expense and inconvenience of litigation, and without the admission, imposition, or adjudication of liability or guilt, is in the best interests of the parties and in the public interest; and

WHEREAS, it is expressly understood that this agreement pertains to the civil violations described herein, and that the Department has made no promises or representations other than those contained in this agreement and that no other promises or representations will be made unless in writing. The Department has no authority over any criminal actions.

NOW, THEREFORE, without any adjudication of fact or law and without any admission of the Alleged Violations, in settlement thereof, the Department and Crane hereby **AGREE** to the following terms and conditions:

PENALTY PAYMENT

1. Crane shall make a penalty payment to the Department in the amount of one hundred and five thousand dollars (**$105,000**). The payment shall be made no later than thirty (30) days following the receipt of an invoice from the Department. Payment shall be by certified check made payable to "the Maryland Department of the Environment/Clean Air Fund" and sent to:

The Maryland Department of the Environment
P.O. Box 2037
Baltimore, Maryland 21203-2037

UNIT RETIREMENTS

2. By and through this Settlement Agreement, Crane agrees to permanently cease the burning of coal in CPC-Unit 1 and CPC-Unit 2 by no later than June 15, 2018, which shall be an enforceable obligation under this Settlement Agreement. This

Paragraph is intended to neither prevent nor guarantee the netting/crediting of any emissions decreases associated with the permanent cessation of coal burning activities when determining the applicability of Prevention of Significant Deterioration or Nonattainment New Source Review permitting requirements, or other netting/crediting which may be permissible under Code of Maryland Regulations Title 20 or Title 26, in the event of the future addition of emissions units at the Plant and associated modifications or potential modifications; and this Paragraph shall be construed consistent with that intent.

RELEASE

3. . By this Settlement Agreement, payment in accordance with Paragraph 1 and the termination of coal burning operations consistent with Paragraph 2 will release, resolve, and settle any civil claims against Crane, and its past or present officers, directors, agents, employees, representatives, predecessors, affiliates, parent or subsidiary companies, successors or assigns, that the Department may have under Title 2 of the Environment Article, its implementing regulations, and/or the Operating Permit for the Alleged Violations.

4. Other than the Department's release in Paragraph 3, nothing herein shall be deemed to be a waiver of the Department's right to seek any and all legal and equitable remedies available to it for violation of any statute, regulation, permit or order, nor shall anything set forth in this Settlement Agreement be deemed to be a waiver of Crane's right to contest such actions by the Department.

5. Nothing herein shall be deemed to be a waiver of the Department's right to seek any and all legal and equitable remedies, including sanctions, available to it for violation of this Settlement Agreement.

EFFECT OF AGREEMENT

6. Neither Crane's execution of this Settlement Agreement nor compliance with the requirements of Paragraph 1 or Paragraph 2 shall constitute an admission or adjudication of liability or fact with regard to the Alleged Violations.

7. Nothing in this Settlement Agreement shall be construed to limit any authority of the Department to issue orders, enforce applicable permits, or to take any other act permitted under applicable law that it deems necessary to protect the public health or safety, or to limit any other authority the Department now has or may hereafter be delegated.

8. Nothing in this Settlement Agreement shall be construed to alter Crane's obligation to comply with all applicable federal, State, or local statutes, regulations or permits.

GENERAL PROVISIONS

9. The terms of this Settlement Agreement are contractual and not mere recitals. This Settlement Agreement contains the entire agreement of the parties and shall not be modified by any prior oral or written agreement, representation, or understanding. No modification or termination of this Settlement Agreement, or any party thereof, shall be valid except by written amendment executed by the Department and Crane.

10. The terms of this Settlement Agreement are binding on the parties and shall be enforceable in the Maryland courts. This Settlement Agreement shall be governed by and interpreted under the laws of the State of Maryland.

11. This Settlement Agreement shall not be construed to create any rights in persons other than the Department and Crane.

12. It is the intent of the parties that the provisions of this Settlement Agreement are severable and that, should any provision be declared by a court of law to be invalid or unenforceable, the other provisions shall remain in effect to the maximum extent reasonable.

13. This Settlement Agreement has been freely negotiated by the Department and Crane and shall in all cases be construed as a whole, according to its fair meaning and not strictly for or against the Department or Crane.

14. This Settlement Agreement shall be deemed effective as of the date the last party signs the Settlement Agreement.

This Settlement Agreement is agreed to and the terms and conditions herein consented to:

STATE OF MARYLAND
DEPARTMENT OF THE ENVIRONMENT

5-23-18
Date

George S. Aburn, Jr., Director
Air & Radiation Administration

C.P. CRANE LLC

5/10/18
Date

Mark Kubow
Printed Name

Approved as to form and legal sufficiency
this 11th day of May, 2018.

Michael F. Strande
Assistant Attorney General