

BLUE RIDGE ENVIRONMENTAL DEFENSE LEAGUE

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June 16, 2003

Keith Overcash, Director
NC Division of Air Quality
1641 Mail Service Center
Raleigh, NC 27699-1641

Re: SGL Carbon Corporation, Draft Permit No. 03287T24, Morganton, Burke County

Dear Mr. Overcash:

On behalf of the Blue Ridge Environmental Defense League and our members in Burke County, I write to comment on the Part 70 Title V permit for SGL Carbon in Morganton. Please consider these remarks in addition to our oral testimony presented at the public hearing in Morganton on June 5, 2003.

Overview

As you know, SGL Carbon Corporation is the world's largest producer of graphite and carbon products. SGL manufactures synthetic graphite and is classified under SIC code 3624 for Electrical Industrial Apparatus Carbon And Graphite Products. SGL Carbon Corporation emits 235 tons/year of particulates (PM-10), 108 tons/year of sulfur dioxide (SO₂), and 717 tons/year of carbon monoxide (CO). SGL Carbon is in close proximity to Class I areas and is a major source of air pollution in an area which is nearing non-attainment. Therefore, we recommend that North Carolina regulators use all possible means to ensure the lowest possible air emissions. Upon review of the draft permit, the permit review, and the permit application, we recommend that new monitoring, production limits, and recordkeeping be required before the permit is issued.

SGL Carbon Prosecuted for Restraint of Trade

In 1999 SGL Carbon Aktiengesellschaft pled guilty to violating the Sherman Act and agreed to pay a \$135 million fine for participating in an international conspiracy to fix prices. This was the third largest penalty ever given by the US Department of Justice for antitrust crimes.

(www.usdoj.gov/atr/public/criminal/12557.htm)

SGL Carbon Faces Financial Hard Times

The share price of SGL Carbon has declined precipitously since the anti-trust violations. In June 1997 the per share price was \$46.50; by June 2000 it had fallen to \$22.50. As of June 2003 the per share price is \$4.34, a mere 9% of its value in 1997. During the first quarter of 2003, SGL Carbon's sales revenues fell 4%. The possible impact of cutbacks on capitalization, operating costs, and plant maintenance should not be overlooked by DAQ.

Esse quam videre

SGL Carbon Violates Particulate Matter Emissions Standards

SGL Carbon has a history of non-compliance with standards for control of particulates. Several Notices of Violation are detailed in the DAQ's permit review: six NOV's for fabric filter failures in three separate baghouses.

In addition, residents living near the plant in a Morganton neighborhood dubbed "Carbon City" report long-term, gross depositions of particulate emissions. Some of these reports were provided in oral testimony at the public hearing in Morganton on June 5, 2003 by ex-employees whom we consider to be credible sources due to their long-standing experience with plant operations. The DAQ has taken some steps to improve monitoring and reporting since the NOV's of January-August 2000. But plant neighbors' reports of "black carbon" deposits on outdoor furniture and automobiles continue to the present time. Based on these reports, the plant continues to exceed particulate standards; the DAQ cannot permit an ongoing violation.

North Carolina rules, 15A NCAC 2D .0515 Particulates from Miscellaneous Industrial Processes, stipulate allowable particulate emissions based on process rates. But the draft permit fails to ensure compliance with existing regulations. Weekly visible emissions checks and weekly and monthly inspection and maintenance requirements of the fabric filter units do not allow DAQ or the public to adequately determine if the plant is in compliance. SGL Carbon plant has dozens of fabric filter pollution control devices which must be maintained at maximum efficiency to keep harmful particulate emissions within legal limits.

We recommend that DAQ stipulate filtering velocity and/or pressure drop limits on fabric filter control devices. A well maintained fabric filter baghouse may achieve 99% or better collection efficiency only when filtering velocity is at an optimum level. For example, the maximum filtering velocity for carbon and graphite particles has been shown to be 2.0 cfm/ft². (Air Pollution Control: A Design Approach, Cooper and Alley, Second Edition, 1994) Filtering velocity is a product of baghouse size and pressure drop; both parameters are affected by cost considerations. Existing economic factors could very well put pressure on operating costs in such matters, resulting in less than optimal pollution control. Without tighter control of baghouse parameters, DAQ cannot assure compliance with 15A NCAC 2D .0515 or NAAQS.

Other options for compliance would be stack testing and production rate limits. NC rule 15A NCAC 2D .0501(c)(14) states that for emission rates based on process rates, "provisions shall be made for controlling and measuring the production rate." Particulates emission limits are governed by the following process-based formulae:

$$\begin{array}{l} \text{Up to 60,000 pounds/hour process} \\ E=4.10P^{0.67} \end{array}$$

$$\begin{array}{l} \text{Over 60,000 pounds/hour} \\ \text{or } E=55.0P^{0.11-40} \end{array}$$

where E =allowable emission rate in pounds per hour
P =process weight in tons per hour

Production rate limits must be added to the permit to ensure compliance and to protect public health.

Stack testing is not required but it may be prescribed by DAQ according to Permit Review section VI.A.2.a.ii.C which states:

Stack testing is not required to ensure compliance with this regulation. However the test method condition will be put in the permit in the event that DAQ or EPA finds that due to improper operation violations, etc, source testing is required. Testing requirements are specified in 2D .0501(c)

DAQ should require that continuous emission monitoring be added now to the Part 70 permit to ensure compliance and to protect public health.

Respectfully submitted,

Louis Zeller
Clean Air Campaign Director

Cc: Wayne Cook
Laura Butler
Ruth Bowers
John Runkle, Esq.
