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**U.S. EPA REGION 8
HEARING CLERK**

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

IN THE MATTER OF:

**Mountain Meadows Lamb
Corporation**
(doing business as Superior Farms, Inc.)
4900 Clarkson Street
Denver, Colorado 80216

Docket No. CAA-08-2024-0016

CONSENT AGREEMENT

I. INTRODUCTION

1. This is an administrative penalty assessment proceeding pursuant to sections 22.13(b) and 22.18(b)(2) and (3) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, as codified at 40 C.F.R. part 22.
2. Mountain Meadows Lamb Corporation (Respondent) owns and/or operates the Superior Farms, Inc., facility located at 4900 Clarkson Street, Denver, Colorado 80216 (Facility).
3. The EPA and Respondent, having agreed settlement of this action is in the public interest, consent to the entry of this Consent Agreement (Agreement) without adjudication of any issues of law or fact herein, and Respondent agrees to comply with the terms of this Agreement.

II. JURISDICTION

4. This Agreement is issued under the authority vested in the Administrator of the EPA by section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d). The undersigned EPA official has been duly authorized to institute this action.
5. The EPA and the United States Department of Justice jointly determined that this matter, although it involves alleged violations that occurred more than one year before the initiation of this proceeding, is appropriate for administrative penalty assessment. 42 U.S.C. § 7413(d), 40 C.F.R. § 19.4.
6. The Regional Judicial Officer is authorized to approve this Agreement with a Final Order. 40 C.F.R. §§ 22.4(b) and 22.18(b).
7. The Final Order approving this Agreement simultaneously commences and concludes this proceeding for the assessment of monetary penalties, pursuant to section 113(d) of

the CAA, 42 U.S.C. § 7413(d). 40 C.F.R. § 22.13(b).

III. GOVERNING LAW

8. On November 15, 1990, the President signed into law the CAA Amendments of 1990. The amendments added section 112(r) to the CAA, 42 U.S.C. § 7412(r), which requires the Administrator of the EPA, among other things, to promulgate regulations to prevent accidental releases of certain regulated substances.
9. The objective of the regulations and programs authorized under section 112(r) shall be to prevent the accidental release of any substance listed pursuant to paragraph (3) or any other extremely hazardous substance. 42 U.S.C. §§ 7412(r)(1).
10. On November 15, 1990, Congress amended the CAA and added section 112(r)(1), commonly known as the General Duty Clause. Pursuant to section 112(r)(1), the owners and operators of stationary sources producing, processing, handling or storing such substances have a general duty, in the same manner and to the same extent as section 654, title 29 of the United States Code, to identify hazards which may result from such releases using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases which do occur.
11. Pursuant to sections 113(a)(3) and 113(d)(1)(B) of the CAA, 42 U.S.C. §§ 7413(a)(3) and 7413(d)(1)(B), whenever the Administrator finds that any person has violated or is violating a requirement of the CAA, including, but not limited to, the General Duty Clause, or a requirement or prohibition of any rule promulgated under the CAA, but other than those requirements specified in sections 113(a)(1), 113(a)(2) or 113(d)(1)(A) of the CAA (42 U.S.C. §§ 7413(a)(1), 7413(a)(2), or 7413(d)(1)(A)), the Administrator may issue an order assessing a civil administrative penalty.
12. Pursuant to section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), and as adjusted by the transmittal of the Civil Monetary Penalty Inflation Adjustment, 88 Federal Register 89309 (December 27, 2023), and 40 C.F.R. § 19.4, the Administrator may assess a civil penalty of up to \$57,617 per violation per day of violation occurring after November 2, 2015, where penalties are assessed on or after December 27, 2023.
13. Pursuant to section 113(e) of the CAA, 42 U.S.C. § 7413(e), the EPA is required to consider, in addition to such other factors as justice may require, to the extent known, the size of Respondent's business, the economic impact of the penalty on the business, the Respondent's full compliance history and good faith efforts to comply, the duration of the violations as established by any credible evidence, payment by the Respondent of penalties previously assessed for the same violation, the economic benefit of non-compliance, and the seriousness of the violations.
14. The term "extremely hazardous substance" means an extremely hazardous substance within the meaning of section 112(r)(1) of the CAA, including any chemical which may, as a result of short-term exposures associated with releases to the air, cause death,

injury, or property damage due to its toxicity, reactivity, flammability or corrosivity.¹ The term includes, but is not limited to, regulated substances listed in CAA section 112(r)(3) and in 40 C.F.R. § 68.130. In addition, the release of any substance that causes death or serious injury because of its acute toxic effect or as a result of an explosion or fire or that causes substantial property damage by blast, fire, corrosion or other reaction would create a presumption that such substance is extremely hazardous.² Under section 112(r)(3) of the CAA, the term “extremely hazardous substances” also includes, without limitation and in addition to substances listed in 40 C.F.R. § 68.130, those substances listed in 40 C.F.R. Part 355, Appendices A and B, published under section 302 of the Emergency Planning and Community Right-to-Know Act (EPCRA), 42 U.S.C. § 11002.

15. The extremely hazardous substances listed pursuant to section 112(r)(3) include, among others, anhydrous ammonia.
16. The term “owner or operator” shall mean any person who owns, leases, operates, controls, or supervises a stationary source. 42 U.S.C. § 7412(a)(9).
17. The term “person” is defined in section 302(e) of the CAA, 42 U.S.C. § 7602(e), as including an individual, corporation, partnership, association, state, municipality, political subdivision of a State, and any agency, department, or instrumentality of the United States and any officer, agent, or employee thereof.
18. The term “regulated substance” is defined in 40 C.F.R. § 68.3 as any substance listed pursuant to section 112(r)(3) of the CAA as amended, in § 68.130.
19. The term “stationary source” is defined by section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C), in pertinent part, as any buildings, structures, equipment, installations, or substance-emitting stationary activities, located on one or more contiguous properties under the control of the same person, from which an accidental release may occur.
20. EPA routinely consults codes, standards, and guidance issued by chemical manufacturers, trade associations, and fire prevention associations (collectively, “industry standards”) to understand the hazards posed by using various extremely hazardous substances. The industry standards also are evidence of the standard of care that industry itself has recognized to be appropriate for managing those hazards. These industry standards are consistently relied upon by industry safety and fire prevention experts and are sometimes incorporated into state building, fire, and mechanical codes.

¹ Senate Committee on Environment and Public Works, Clean Air Act Amendments of 1989, Sen. Report No. 228, 101st Congress, 1st Session 211 (1989).

² *Id.*

IV. STIPULATED FACTS

21. Respondent is a corporation authorized to do business in the state of Colorado and is therefore a “person” and subject to regulation under section 302(e) of the CAA, 42 U.S.C. § 7602(e).
22. At all times relevant to the violations alleged herein, Respondent was the “owner or operator” of the Facility, within the meaning of section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).
23. The Facility is a "stationary source" pursuant to section 112(r)(2)(C) of the CAA and 40 C.F.R. § 68.3.
24. At all times relevant to the violations alleged herein, the Facility’s refrigeration system used approximately 5,913 pounds of anhydrous ammonia.
25. Accordingly, at the time of the violations alleged herein, Respondent operated a stationary source that handled and stored anhydrous ammonia, listed at 40 C.F.R. § 68.130, and thus was subject to the General Duty Clause found in section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).
26. Anhydrous ammonia is a clear, colorless gas at atmospheric pressure and temperature with a strong odor. It is often stored and shipped under pressure as a liquid. It presents a significant health hazard because it is corrosive to the skin, eyes, and lungs. Inhalation of ammonia may cause irritation and burns of the respiratory tract, laryngitis, shortness of breath, high-pitched respirations, chest pain, pulmonary edema, and pneumonia. Ammonia vapors may be fatal if inhaled. Ingestion of ammonia may cause nausea, vomiting, and oral, esophageal, and stomach burns. If ammonia has contacted the eyes, irritation, pain, conjunctivitis, tearing, and corneal erosion may occur, and loss of vision is possible. Dermal exposure may result in severe burns and pain. Exposure to 300 parts per million of ammonia by volume is immediately dangerous to life and health.
27. Ammonia gas is generally regarded as nonflammable but burns at concentrations of approximately 15.5% to 27% by volume in air with strong ignition. It can explode if released in an enclosed space with a source of ignition present or if a vessel containing anhydrous ammonia is exposed to fire. The fire hazard increases in the presence of oil or other combustible materials.
28. Because of the potential hazards posed by the mishandling of anhydrous ammonia, industry trade associations have issued standards outlining the recognized and generally accepted good engineering practices in the ammonia refrigeration industry to control the risks associated with the use of ammonia, specified in Appendix A. In collaboration with the American National Standards Institute (ANSI), the International Institute of Ammonia Refrigeration (IIAR) has issued (and updates) Standard 2: *Standard for Safe Design of Closed-Circuit Ammonia Mechanical Refrigeration Systems* (IIAR 2), Standard 4: *Installation of Closed-Circuit Ammonia Mechanical Refrigeration Systems* (IIAR

4) Standard 6: *Standard for Testing, Inspection, and Maintenance of Closed-Circuit Ammonia Refrigeration Systems* (IIAR 6), and Standard 9: *American National Standard for Minimum System Safety Requirements for Existing Closed-Circuit Ammonia Refrigeration Systems* (IIAR 9), along with other applicable standards and guidance.

29. On January 13, 2020, an authorized representative of the EPA conducted an inspection of the Facility to evaluate compliance with section 112(r) of the CAA, 42 U.S.C. § 7412(r)(1) (Inspection).
30. The Inspection, and EPA's review of information provided by Respondent, revealed several potentially dangerous conditions relating to the Facility's refrigeration system. The EPA communicated these findings with the Respondent at the conclusion of the Inspection and detailed these findings in EPA's Inspection Report provided to Respondent on or about March 11, 2020.
31. The potentially dangerous conditions identified by EPA are listed in the chart attached to and made part of this Agreement as Appendix A. Appendix A also explains how each of the conditions could lead to a release or inhibit the Facility's ability to minimize the consequences of any release that might occur and includes examples of recognized industry standards of care that could feasibly reduce or eliminate the hazard.
32. On September 19, 2022, the EPA and Respondent entered into an Administrative Compliance Order on Consent regarding compliance with the General Duty Clause provisions of section 112(r) of the CAA, 42 U.S.C. § 7412(r)(1), and the regulations promulgated thereunder and codified at 40 C.F.R. part 68.

V. ALLEGED VIOLATIONS OF LAW

33. Section 112(r)(1) of the CAA provides that the owners and operators of stationary sources producing, processing, handling or storing such substances have a general duty to identify hazards which may result from such releases using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases which do occur.

COUNT I – FAILURE TO IDENTIFY HAZARDS

34. The allegations in paragraphs 1 through 33 are hereby realleged and incorporated herein by reference.
35. Pursuant to the General Duty Clause, section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1), owners and operators of stationary sources producing, processing, handling, or storing extremely hazardous substances have a general duty, in the same manner and to the same extent as section 654 of title 29, to, among other things, identify hazards which may result from accidental releases of a regulated substance or other extremely hazardous substance using appropriate hazard assessment techniques.

36. The recommended industry practice and standard of care for identifying, analyzing, and evaluating potential hazards associated with ammonia refrigeration systems of the same size and type as Respondent's refrigeration system is, in other words, to use standard, industry-developed hazard identification checklists or more formalized techniques such as a "What If" analysis. IIAR has developed checklists for this purpose. See, e.g., U.S. EPA, *Guidance for Implementation of the General Duty Clause Clean Air Act Section 112(r)(1) § 2.3.1* (2000), available at <https://www.epa.gov/sites/production/files/documents/gendutyclause-rpt.pdf>; *Ammonia Refrigeration Management Program* § 10 (2005) and § 3 (2018) (provides streamline guidance to facilities like Respondent's that have less than 10,000 pounds of ammonia).

37. At the time of the Inspection, Respondent failed to:

- a. conduct a hazard assessment to identify the hazards that may result in accidental release of the anhydrous ammonia using recognized and appropriate hazard assessment techniques as described in "*Guidelines for Hazard Evaluation Procedures*" by the Center for Chemical Process Safety (CCPS), or hazard review checklists developed by ammonia refrigeration industry organizations such as the *Ammonia Refrigeration Management Program*; and
- b. document management of change procedures utilized prior to removing the old recirculatory from the machinery room and installing the new recirculatory outside the Facility, as described in *Guidelines for Management of Change for Process Safety* by the CCPS and in the *Ammonia Refrigeration Management Program*.

38. Accordingly, from at least January 13, 2020, through at least April 9, 2021, EPA alleges that Respondent failed to conduct a process hazard review of the refrigeration system using appropriate hazard assessment techniques, and as a result, failed to identify hazards that may result from accidental releases of ammonia, in violation of the General Duty Clause, section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).

COUNT II – FAILURE TO DESIGN AND MAINTAIN A SAFE FACILITY

39. The allegations in paragraphs 1 through 33 are hereby realleged and incorporated herein by reference.

40. Pursuant to the General Duty Clause, section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1), owners and operators of stationary sources producing, processing, handling, or storing extremely hazardous substances have a general duty, in the same manner and to the same extent as section 654 of title 29, to, among other things, design and maintain a safe facility, taking such steps as are necessary to prevent releases.

41. The recommended industry practice and standard of care for designing and maintaining a safe facility so as to prevent releases of extremely hazardous substances from ammonia refrigeration systems are found, among other places, in the industry standards referenced in Appendix A. They include basing design considerations upon

applicable design codes, federal and state regulations, and industry guidelines to prevent releases or minimize their impacts as well as to develop and implement standard operating procedures, maintenance programs, personnel training programs, management of change practices, incident investigation procedures, self-audits, and preventative maintenance programs. See EPA's *Guidance for Implementation of the General Duty Clause: Clean Air Act Section 112(r)(1)* (May 2000).

42. The instances in which EPA alleges that Respondent failed in its general duty to design and maintain the Facility in a safe manner, taking such steps as are necessary to prevent a release of an extremely hazardous substance, are listed under Conditions 1-8 of Appendix A, which is incorporated by reference into this Agreement. They include, for example, the failures to adequately label all ammonia piping, provide an emergency ventilation switch, and install a functional emergency ventilation system.
43. Examples of industry standards associated with each instance in which Respondent failed in its general duty to design and maintain a safe facility, listed in Appendix A, demonstrate that the hazard is recognized by the ammonia refrigeration industry and that the industry has identified a feasible means by which Respondent could have eliminated or reduced the hazard. Further, Appendix A identifies, for each condition, how the failure to address the hazard could lead to or exacerbate a release of anhydrous ammonia and cause harm.
44. Accordingly, from at least January 13, 2020, through August 1, 2024, EPA alleges that Respondent failed to design and maintain a safe facility, taking such steps as were necessary to prevent a release of an extremely hazardous substance, in violation of the General Duty Clause, section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).

COUNT III – FAILURE TO MINIMIZE THE CONSEQUENCES OF ACCIDENTAL RELEASES

45. The allegations in paragraphs 1 through 33 are hereby realleged and incorporated herein by reference.
46. Pursuant to the General Duty Clause, section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1), owners and operators of stationary sources producing, processing, handling, or storing extremely hazardous substances (including anhydrous ammonia) have a general duty, in the same manner and to the same extent as section 654 of title 29, to, among other things, minimize the consequences of any accidental releases which do occur.
47. Industry standards and guidelines for minimizing the consequences of an accidental release from ammonia refrigeration systems are found, among other places, in the industry standards referenced in Appendix A. They include emergency planning and preparedness measures, as well as design and maintenance measures to minimize the severity and duration of releases that do occur.
48. The instances in which EPA alleges that Respondent failed in its general duty to

minimize the consequences of a release should one occur are listed under Conditions 3-5, 9 and 10 of Appendix A, which is incorporated by reference into this Agreement. They include, for example, the failures to install an eyewash/shower station in the machinery room, and to provide ammonia detectors or alarms inside and outside of the machinery room.

49. Examples of industry standards associated with each instance in which Respondent failed in its general duty to minimize the consequences of a release, identified in Appendix A, demonstrate that the hazard is recognized by the ammonia refrigeration industry and that the industry has identified a standard means by which Respondent could have eliminated or reduced the hazard. Further, Appendix A identifies, for each condition, how the failure to address the hazard could lead to or exacerbate a release of anhydrous ammonia and cause harm.
50. Accordingly, from at least January 13, 2020, through August 1, 2024, EPA alleges Respondent failed to minimize the consequences of an accidental release of an extremely hazardous substance should one occur, in violation of the General Duty Clause, section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).

VI. TERMS OF CONSENT AGREEMENT

51. For the purpose of this proceeding, Respondent:
- a. admits the jurisdictional allegations in section II of this Agreement;
 - b. admits the stipulated facts in section IV of this Agreement
 - c. neither admits nor denies the EPA's findings of alleged violations of law in section V of this Agreement;
 - d. consents to the assessment of a civil penalty as stated below;
 - e. consents to the conditions specified in this Agreement;
 - f. acknowledges this Agreement constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
 - g. waives any right to contest the allegations and any right to appeal any Final Order approving this Agreement; and
 - h. waives any rights it may possess at law or in equity to challenge the authority of the EPA to bring a civil action in a United States District Court to compel compliance with the Agreement or Order, or both, and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action.

52. Based on the alleged violations of law, and after consideration of the statutory factors in paragraph 13 above, the EPA has determined a civil penalty of One Hundred Nineteen Thousand and Two Hundred Dollars (\$119,200) (Assessed Penalty) is appropriate to settle this matter. Respondent agrees for the purposes of settlement to:

- a. pay the penalty as described in paragraphs 53 through 65 below; and
- b. perform the Supplemental Environmental Project (SEP), as described section VII below, and Appendix B.

53. Penalty Payment. Respondent agrees to pay a civil penalty in the amount of One Hundred Nineteen Thousand Two Hundred Dollars (\$119,200) within 30 days of the date the Final Order, approving this Agreement, is filed by the Regional Hearing Clerk (Filing Date).

54. Respondent shall pay the Assessed Penalty and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided on the EPA website: <https://www.epa.gov/financial/makepayment>. For additional instructions see: <https://www.epa.gov/financial/additional-instructions-making-payments-epa>.

55. When making a payment, Respondent shall:

- a. identify every payment with Respondent's name and the docket number of this Agreement,
- b. concurrently with any payment or within 24 hours of any payment, Respondent shall email proof of such payment to the following person(s):

Attn: Daniel Webster
U.S. Environmental Protection Agency, Region 8
via electronic mail to: webster.daniel@epa.gov

and

Attn: Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 8
via electronic mail to: R8_Hearing_Clerk@epa.gov

- c. "Proof of payment" means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with the docket number that appears on the Final Order and Respondent's name.

56. Interest, Charges, and Penalties on Late Payments. Pursuant to 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay the full amount of the Assessed Penalty per this Agreement, EPA is authorized to recover, in addition

to the amount of the unpaid Assessed Penalty, the following amounts.

- a. Interest. Interest begins to accrue from the Filing Date. If the Assessed Penalty is paid in full within 30 days, interest accrued is waived. If the Assessed Penalty is not paid in full within 30 days, interest will continue to accrue until any unpaid portion of the Assessed Penalty as well as any interest, penalties, and other charges are paid in full. To protect the interests of the United States the rate of interest is set at the Internal Revenue Service (IRS) standard underpayment rate, any lower rate would fail to provide Respondent adequate incentive for timely payment.
- b. Handling Charges. Respondent will be assessed monthly a charge to cover EPA's costs of processing and handling overdue debts including, but not limited to, attorneys' fees and costs of handling collection. If Respondent fails to pay the Assessed Penalty in accordance with this Agreement, EPA will assess a charge to cover the costs of handling any unpaid amounts for the first 30-day period after the Filing Date. Additional handling charges will be assessed every 30 days, or any portion thereof, until the unpaid portion of the Assessed Penalty as well as any accrued interest, penalties, and other charges are paid in full.
- c. Late Payment Penalty. A late payment penalty of six percent per annum, will be assessed monthly on all debts, including any unpaid portion of the Assessed Penalty, interest, penalties, and other charges, that remain delinquent more than 90 days. Any such amounts will accrue from the Filing Date.

57. Late Penalty Actions. In addition to the amounts described in the prior paragraph, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this Agreement, EPA may take additional actions. Such actions EPA may take include, but are not limited to, the following.

- a. Refer the debt to a credit reporting agency or a collection agency, per 40 C.F.R. §§ 13.13 and 13.14.
- b. Collect the debt by administrative offset (i.e., the withholding of money payable by the United States government to, or held by the United States government for, a person to satisfy the debt the person owes the United States government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, per 40 C.F.R. Part 13, subparts C and H.
- c. Suspend or revoke Respondent's licenses or other privileges or suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds, per 40 C.F.R. § 13.17.
- d. Refer this matter to the United States Department of Justice for litigation and collection, per 40 C.F.R. § 13.33.

58. Allocation of Payments. Pursuant to 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d), a partial payment of debt will be applied first to outstanding handling charges, second to

late penalty charges, third to accrued interest, and last to the principal that is the outstanding Assessed Penalty amount.

59. Tax Treatment of Penalties. Penalties, interest, and other charges paid pursuant to this Agreement shall not be deductible for purposes of federal taxes. *See* Internal Revenue Code, 26 U.S.C. § 162(f).
60. Respondent agrees and certifies, by signing the Agreement, that the Facility is in full compliance with section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).
61. This Agreement applies to Respondent and its officers, directors, employees, agents, trustees, authorized representatives, successors, and assigns. Respondent must give written notice and a copy of this Agreement to any successors-in-interest prior to transfer of any interest in the Facility. Any change in ownership or corporate control of Respondent, including but not limited to, any transfer of assets or real or personal property shall not alter Respondent's responsibilities under this Agreement.
62. The undersigned representative of Respondent certifies he or she is fully authorized to execute and enter into the terms and conditions of this Agreement and has the legal capacity to bind the party he or she represents to this Agreement.
63. The parties' consent to service of the Final Order by e-mail at the following valid e-mail addresses: Daniel Webster, Enforcement Officer at webster.daniel@epa.gov (for Complainant), and Greg Ahart, Vice President of Operations at greg.ahart@superior-farms.com (for Respondent). Respondent understands that these e-mail addresses may be made public when the Agreement and Certificate of Service are filed and uploaded to a searchable database.
64. Except as qualified by paragraph 56 (overdue penalty), each party shall bear its own attorneys' fees, costs, and disbursements incurred in this proceeding.
65. Respondent specifically waives any right to recover such costs from EPA pursuant to the Equal Access to Justice Act, 5 U.S.C. § 504, or other applicable laws.
66. Notifications.
- a. Submissions required by this Agreement shall be in writing and shall be sent to the following recipients by electronic mail:

Daniel Webster
U.S. EPA, Region 8
webster.daniel@epa.gov

and

Laurianne M. Jackson
Senior Enforcement Attorney
U.S. EPA, Region 8
jackson.laurianne@epa.gov

- b. EPA will send all written communications to the following representative(s) for Respondent:

Greg Ahart, Vice President of Operations
4900 Clarkson Street
Denver, Colorado 80216
greg.ahart@superiorfarms.com

- c. All documents submitted to EPA while implementing this Agreement shall be available to the public unless identified as confidential by Respondent pursuant to 40 C.F.R. Part 2 Subpart B and determined by EPA to merit treatment as confidential business information, in accordance with applicable law.

67. The terms, conditions, and compliance requirements of this Agreement may not be modified or amended except upon the written agreement of all parties and approval of the Regional Judicial Officer, except that the Regional Judicial Officer need not approve written agreements between the parties modifying the SEP schedules described in Appendix B. The EPA may extend the deadlines in Appendix B for good cause.
68. The provisions of this Agreement shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns.
69. By signing this Agreement, Respondent acknowledges that this Agreement will be available to the public and agree that this Agreement does not contain any confidential business information or personally identifiable information.
70. By signing this Agreement, the undersigned representative of Complainant and the undersigned representative(s) of Respondent each certify that he or she is fully authorized to execute and enter into the terms and conditions of this Agreement and has the legal capacity to bind the party he or she represents.
71. By signing this Agreement, both parties agree that each party's obligations under this Agreement and EPA's compromise of statutory maximum penalties constitute sufficient consideration for the other party's obligations.
72. By signing this Agreement, Respondent certifies that the information they have supplied concerning this matter was at the time of submission true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.

VII. Supplemental Environmental Project

73. In response to the alleged violations of the CAA and in settlement of this matter, although not required by the CAA or any other federal, state or local law, Respondent agrees to implement a SEP, as described in Appendix B.
74. Respondent shall complete a safety upgrades SEP, consisting of installation and implementation of an advanced ammonia control system that contains the following (a) automated safety response and condition monitoring; (b) remote monitoring; and (c) automated alarms, to supplement and enhance the current control and detection safety systems. Respondent also shall install a backup power generator for the advanced ammonia control system to ensure continuous operation of the refrigeration system. The SEP is more specifically described in Appendix B and incorporated herein by reference.
75. Respondent shall spend no less than \$250,000 on implementing the SEP. Respondent shall include documentation of the expenditures made in connection with the SEP as part of the SEP Completion Report.
76. Respondent shall complete the SEP no later than 18 months after the Filing Date, and in accordance with the schedule described in Appendix B.
77. The SEP is consistent with applicable EPA policy and guidelines, specifically EPA's 2015 Update to the 1998 Supplemental Environmental Projects Policy, (March 10, 2015). The SEP advances at least one of the chemical preparedness objectives of the CAA because it is intended to secure significant environmental and public health protection and benefits by helping prevent or mitigate the release of anhydrous ammonia from, and improve chemical safety at, the Facility. The SEP is not inconsistent with any provision of the CAA. The SEP relates to the alleged violations and is designed to reduce the overall risk to public health and/or the environment potentially affected by the alleged violations by helping prevent ammonia releases and enhancing the ability to minimize releases.
78. Respondent certifies the truth and accuracy of each of the following:
- a. That all cost information provided to the EPA in connection with the EPA's approval of the SEP is complete and accurate and that the Respondent in good faith estimates that the cost to implement the SEP, is \$307,900;
 - b. That, as of the date of executing this Consent Agreement, Respondent is not required to perform or develop the SEP by any federal, state, or local law or regulation and is not required to perform or develop the SEP by agreement, grant, or as injunctive relief awarded in any other action in any forum. And, Respondent represents that, to the best of its knowledge after thorough review of the most current industry standards by Respondent or its agents, each part of the SEP described above and in Appendix B exceeds the applicable requirements of the most current industry standards;

- c. That the SEP is not a project that Respondent was planning or intending to construct, perform, or implement other than in settlement of the claims resolved in this Agreement;
- d. That Respondent has not received and will not have received credit for the SEP in any other enforcement action;
- e. That Respondent will not receive reimbursement for any portion of the SEP from another person or entity;
- f. That for federal income tax purposes, Respondent agrees that it will neither capitalize into inventory or basis nor deduct any costs or expenditures incurred in performing the SEP; and
- g. That Respondent is not a party to any open federal financial assistance transaction that is funding or could fund the same activity as the SEP described in paragraph 74.

79. Any public statement, oral or written, in print, film, or other media, made by Respondent or a representative of Respondent referring to the SEP under this Agreement from the date of its execution of this Agreement shall include the following language: "This project was undertaken in connection with the settlement of an enforcement action taken by the U.S. Environmental Protection Agency for alleged violations of the federal laws."

80. SEP Reports.

- a. Completion Report. Respondent shall submit a SEP Completion Report to EPA within 30 days after the completion of the SEP. The SEP Completion Report shall contain the following information, with supporting documentation:
 - i. A detailed description of the SEP as implemented;
 - ii. A description of any operating problems encountered and the solutions thereto;
 - iii. Itemized costs;
 - iv. Certification that the SEP has been fully implemented pursuant to the provisions of this Agreement; and
 - v. A description of the environmental and public health benefits resulting from implementation of the SEP.
- b. Periodic Reports. Respondent shall submit additional reports as required by paragraph 6 of Appendix B to EPA in accordance with the schedule and requirements recited therein.
- c. Respondent agrees that failure to submit the SEP Completion Report or any Periodic Report required by subsections (a) and (b) above shall be deemed a violation of

this Agreement and Respondent shall become liable for stipulated penalties pursuant to paragraph 82 below.

- d. Respondent shall submit all notices and reports required by this Agreement in accordance with the notification requirements in paragraph 66 above.
- e. In itemizing its costs in the SEP Completion Report, Respondent shall clearly identify and provide acceptable documentation for all eligible SEP costs. Where the SEP completion report includes costs not eligible for SEP credit, those costs must be clearly identified as such. For purposes of this Paragraph, “acceptable documentation” includes invoices, purchase orders, or other documentation that specifically identifies and itemizes the individual costs of the goods and/or services for which payment is being made. Canceled drafts do not constitute acceptable documentation unless such drafts specifically identify and itemize the individual costs of the goods and/or services for which payment is being made.
- f. Respondent shall maintain, for a period of three years from the date of submission of the SEP Completion Report, legible copies of all research, data, and other information upon which the Respondent’s relied to write the SEP Completion Report, as well as a copy of the SEP Completion Report, and shall provide such documentation within 14 days of a request from EPA.
- g. Respondent agrees that failure to submit the SEP Completion Report shall be deemed a violation of this Agreement, and the Respondent shall become liable for stipulated penalties in accordance with paragraph 82 below.

81. EPA acceptance of SEP Report.

- a. After receipt of the SEP Completion Report described in paragraph 80, EPA will, in writing to the Respondent, either:
 - i. identify any deficiencies in the SEP Completion Report itself along with a grant of an additional 30 days for Respondent to correct any deficiencies; or
 - ii. indicate that EPA concludes that the project has been completed satisfactorily; or
 - iii. determine that the project has not been completed satisfactorily and seek stipulated penalties in accordance with paragraph 82.
- b. If EPA elects to exercise option (i) above, i.e., if the SEP Report is determined to be deficient but EPA has not yet made a final determination about the adequacy of SEP completion itself, Respondent may object in writing to the notification of deficiency given pursuant to this paragraph within 10 days of receipt of such notification. EPA and Respondent shall have an additional 30 days from the receipt by EPA of the notification of objection to reach agreement on changes necessary to the

SEP Report. If agreement cannot be reached on any such issue within this 30-day period, EPA shall provide a written statement of its decision on adequacy of the completion of the SEP to Respondent, which decision shall be final and binding upon Respondent.

82. Stipulated Penalties.

- a. If Respondent does not satisfactorily complete the SEP, including spending the minimum amount on the SEP set forth in paragraph 75 above, Respondent shall pay a stipulated penalty to the United States in the amount of \$ 110% of the estimated cost for each such upgrade outlined in Appendix B. "Satisfactory completion" of the SEP is defined as Respondent spending no less than \$250,000 to install the advanced ammonia system and additional generator no later than 18 months after the Filing Date. The determinations of whether the SEP has been satisfactorily completed shall be in the sole discretion of EPA.
- b. EPA retains the right to waive or reduce a stipulated penalty at its sole discretion.
- c. Respondent shall pay stipulated penalties not more than 15 days after receipt of written demand by EPA for such penalties. The method of payment shall be in accordance with the provisions of paragraph 55 above. Interest and late charges shall be paid as stated in paragraph 56.

VIII. ADDITIONAL PROVISIONS

83. Pursuant to 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1, EPA is required to send to the IRS annually, a completed IRS Form 1098-F ("Fines, Penalties, and Other Amounts") with respect to any court order or settlement agreement (including administrative settlements), that require a payor to pay an aggregate amount that EPA reasonably believes will be equal to, or in excess of, \$50,000 for the payor's violation of any law or the investigation or inquiry into the payor's potential violation of any law, including amounts paid for "restitution or remediation of property" or to come "into compliance with a law." EPA is further required to furnish a written statement, which provides the same information provided to the IRS, to each payor (i.e., a copy of IRS Form 1098-F). Failure to comply with providing IRS Form W-9 or Tax Identification Number ("TIN"), as described below, may subject Respondent to a penalty, per 26 U.S.C. § 6723, 26 U.S.C. § 6724(d)(3), and 26 C.F.R. § 301.6723-1. In order to provide EPA with sufficient information to enable it to fulfill these obligations, EPA herein requires, and Respondent herein agrees, that:

- a. Respondent shall complete an IRS Form W-9 ("Request for Taxpayer Identification Number and Certification"), which is available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>;
- b. Respondent shall therein certify that its completed IRS Form W-9 includes Respondent's correct TIN or that Respondent has applied and is waiting for issuance of a TIN;

- c. Respondent shall email its completed Form W-9 to EPA's Cincinnati Finance Center at chalifoux.jessica@epa.gov, within 30 days after the Final Order approving this Agreement is filed, and EPA recommends encrypting IRS Form W-9 email correspondence; and
- d. If Respondent has certified in its completed IRS Form W-9 that it has applied for a TIN and that TIN has not been issued to Respondent within 30 days after the Filing Date, then Respondent, using the same email address identified in the preceding sub-paragraph, shall further:
 - i. notify EPA's Cincinnati Finance Center of this fact, via email, within 30 days after the 30 days after the Filing Date of the Final Order pursuant to paragraph 53; and
 - ii. provide EPA's Cincinnati Finance Center with Respondent's TIN, via email, within five days of Respondent's issuance and receipt of the TIN.

IX. EFFECT OF CONSENT AGREEMENT

- 84. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this Agreement resolves only Respondent's liability for federal civil penalties for the violations alleged in section V.
- 85. The terms, conditions, and compliance requirements of this Agreement may not be modified or amended except upon the written agreement of both parties, and approval of the Environmental Appeals Board/ Regional Judicial Officer, or other delegate, except that the Regional Judicial Officer need not approve written agreements between the parties modifying the SEP schedules described in Appendix B as set forth in paragraph 76 above.
- 86. Any violation of this Agreement, and subsequently issued Final Order approving this Agreement, may result in a civil judicial action for an injunction or civil penalties as provided in section 113(b), 42 U.S.C. § 7413(b) and adjusted for inflation pursuant to 40 C.F.R. part 19. The EPA may use any information submitted under this Agreement in an administrative, civil judicial, or criminal action.
- 87. Nothing in this Agreement shall relieve Respondent of the duty to comply with all applicable provisions of the CAA and other federal, state, or local laws, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.
- 88. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.

89. If and to the extent the EPA finds, after signing this Agreement, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to the EPA, the EPA reserves any and all of its legal and equitable rights.

Consent Agreement In the Matter of Mountain Meadows Lamb Corporation

**UNITED STATES,
ENVIRONMENTAL PROTECTION AGENCY
REGION 8, Complainant.**

Date: _____

By: _____
Scott Patefield, Branch Manager
Air and Toxics Branch
Enforcement and Compliance Assurance Division

Date: _____

By: _____
Christopher Thompson, Associate Regional
Counsel for Enforcement
Office of Regional Counsel

**MOUNTAIN MEADOWS LAMB CORPORATION
Respondent.**

Date: 9/10/24

By: 
Greg Ahart, Vice President of Operations

**Appendix A
Mountain Meadows Lamb Corporation**

Alleged Hazards/Dangerous Condition	GDC Violation	How Condition Could Lead to or Exacerbate the Consequences of a Release, Causing Harm	Examples of Industry Standards of Care, Showing that (1) Hazard is Recognized by Owner/Operator's Industry, and (2) There are Way(s) to Eliminate or Reduce the Hazard
<u>Condition 1</u> Flammable and combustible materials such as cardboard boxes and wooden pallets stored in the machinery room that contains Compressor 4.	Failure to design and maintain a safe facility taking such steps as are necessary to prevent releases.	Exacerbates risk of fire or explosion. Ammonia is flammable at certain concentrations.	The recommended industry practice and standard of care for ammonia refrigeration systems is to store combustible materials outside of the machinery room unless contained in an approved fire-rated storage container. <i>See, e.g.</i> , IIAR 2-2014 § 6.4 (Combustible Materials); IIAR 9-2020 § 7.3.4 (same).
<u>Condition 2</u> The exit from the machinery room that contains Compressor 4 is a window served by a fixed ladder. This egress is not a self-closing door, not side-hinged to swing in the direction of egress and is not equipped with panic hardware.	Failure to design and maintain a safe facility taking such steps as are necessary to prevent releases.	In the event of a release, workers must be able to quickly exit the machinery room. Failure to provide more than one exit in large machinery rooms may prevent egress during a release.	The recommended industry practice and standard of care for ammonia refrigeration systems is that any ammonia machinery room exceeding 1,000 square feet will have two or more exit doors. It is permitted that the second door include a fixed ladder but must include panic hardware. <i>See, e.g.</i> , IIAR 2-2014 § 6.10 (Entrance and Exits); IIAR 9-2020 § 7.3.9 (same); IIAR 2-2021 § 6.10 (same).

Alleged Hazards/Dangerous Condition	GDC Violation	How Condition Could Lead to or Exacerbate the Consequences of a Release, Causing Harm	Examples of Industry Standards of Care, Showing that (1) Hazard is Recognized by Owner/Operator's Industry, and (2) There are Way(s) to Eliminate or Reduce the Hazard
<p><u>Condition 3</u> There was no emergency stop switch located outside and adjacent to the machinery room door.</p>	<p>Failure to design and maintain a safe facility taking such steps as are necessary to prevent releases.</p> <p>Failure to minimize the consequences of releases which do occur.</p>	<p>In the event of a release, workers and emergency responders need to be able to quickly identify and access emergency control switches without entering the room, which could contain dangerous levels of vapors. Timely use of these switches can reduce the duration and severity of an accidental release.</p>	<p>The recommended industry practice and standard of care for ammonia refrigeration systems is to provide an emergency shut-off switch outside and adjacent to the principal machinery room door. <i>See, e.g.,</i> IIAR 2-2014 § 6.12.1 (Emergency Stop Switch); IIAR 9-2020 § 7.3.11.1 (same); IIAR 2-2021 § 6.12.1 (same).</p>

Alleged Hazards/Dangerous Condition	GDC Violation	How Condition Could Lead to or Exacerbate the Consequences of a Release, Causing Harm	Examples of Industry Standards of Care, Showing that (1) Hazard is Recognized by Owner/Operator's Industry, and (2) There are Way(s) to Eliminate or Reduce the Hazard
<p><u>Condition 4</u> There was no emergency ventilation control switch and/or emergency ventilation system in the machinery room</p>	<p>Failure to design and maintain a safe facility taking such steps as are necessary to prevent releases.</p> <p>Failure to minimize the consequences of releases which do occur.</p>	<p>In the event of a release, workers and emergency responders need to be able to quickly identify and access emergency control switches without entering the room, which could contain dangerous levels of vapors. Timely use of these switches can reduce the duration and severity of an accidental release.</p>	<p>The recommended industry practice and standard of care for ammonia refrigeration systems is to provide and clearly label an emergency ventilation switch immediately outside the principal machinery room. <i>See, e.g.</i>, IIAR 2-2014 § 6.12.2 (Emergency Ventilation Control Switch); IIAR 9-2020 § 7.3.11.2 (same); IIAR 2-2021 § 6.12.2 (same).</p> <p>The recommended industry practice and standard of care for ammonia refrigeration systems is to provide an emergency ventilation system that can be automatically activated by ammonia sensors and also controlled by remote switches. <i>See, e.g.</i>, IIAR 2-2014 § 6.14.7 (Emergency Ventilation); IIAR 2-2021 § 6.14.7 (same).</p>

Alleged Hazards/Dangerous Condition	GDC Violation	How Condition Could Lead to or Exacerbate the Consequences of a Release, Causing Harm	Examples of Industry Standards of Care, Showing that (1) Hazard is Recognized by Owner/Operator's Industry, and (2) There are Way(s) to Eliminate or Reduce the Hazard
<p><u>Condition 5</u> The exit from the machinery room lacked a National Fire Protection Association (NFPA) 704 placard.</p>	<p>Failure to design and maintain a safe facility taking such steps as are necessary to prevent releases. Failure to minimize the consequences of releases which do occur.</p>	<p>A lack of signs about the hazards posed by chemicals in a space increases the chance of inadvertent exposure to ammonia releases and could frustrate effort to react quickly and properly during an ammonia release.</p>	<p>The recommended industry practice and standard of care for ammonia refrigeration systems is to display NFPA 704 diamonds for ammonia hazard identification on each door to the machinery room. <i>See, e.g.</i>, IIAR 2-2014, § 6.15.1 (NFPA 704 Placards); IIAR 9-2020 § 7.2.9.1 (same); IIAR 2-2021 § 6.15.1 (same); NFPA 1-2018, § 53.2.4.1; NFPA 704 (2017), §§ 4.3 and 9.1.</p>
<p><u>Condition 6</u> None of the refrigeration machinery, including the compressor, condenser, pressure vessels, evaporators, and refrigeration sumps at the Facility were labeled.</p>	<p>Failure to design and maintain a safe facility taking such steps as are necessary to prevent releases.</p>	<p>The lack of labeling makes it more difficult to properly maintain system, increases chance of accidental release of ammonia, and could frustrate efforts to respond quickly in the event of a release.</p>	<p>The recommended industry practice and standard of care for ammonia refrigeration systems is to label refrigeration machinery/equipment. <i>See, e.g.</i>, IIAR 2-2014 § 5.14.2 (Machinery Labels); IIAR 9-2020 § 7.2.9.2 (Equipment Labels); IIAR 2-2021 § 5.14.3 (same).</p>

Alleged Hazards/Dangerous Condition	GDC Violation	How Condition Could Lead to or Exacerbate the Consequences of a Release, Causing Harm	Examples of Industry Standards of Care, Showing that (1) Hazard is Recognized by Owner/Operator's Industry, and (2) There are Way(s) to Eliminate or Reduce the Hazard
<p><u>Condition 7</u> None of the ammonia piping mains, headers and branches at the Facility were labeled.</p>	<p>Failure to design and maintain a safe facility taking such steps as are necessary to prevent releases.</p>	<p>The lack of proper pipe labeling makes it more difficult to properly maintain system, increases chance of accidental release of ammonia, and could frustrate efforts to respond quickly in the event of a release.</p>	<p>The recommended industry practice and standard of care for ammonia refrigeration systems is to label all piping with the identity, physical state, and relative pressure of the contents, as well as direction of flow. <i>See, e.g.</i>, IIAR 2-2014 § 5.14.5 (Pipe Marking); IIAR 9-2020 § 7.2.9.4 (same); IIAR 2-2021 § 5.14.6 (same).</p>

Alleged Hazards/Dangerous Condition	GDC Violation	How Condition Could Lead to or Exacerbate the Consequences of a Release, Causing Harm	Examples of Industry Standards of Care, Showing that (1) Hazard is Recognized by Owner/Operator's Industry, and (2) There are Way(s) to Eliminate or Reduce the Hazard
<p><u>Condition 8</u> There was uninsulated ammonia refrigeration piping located on the roof and in the machinery room at the Facility. This piping was not painted, which provides a protective finish from external corrosion.</p>	<p>Failure to design and maintain a safe facility taking such steps as are necessary to prevent releases.</p>	<p>Insulation vapor barrier protects pipes and vessels from moisture, which causes corrosion. Breached insulation can hold moisture against the external pipe surface, furthering corrosion. Corroded pipes and vessels can break or succumb to pressure, causing an ammonia release. Ice buildup can impact the functionality of shutoff valves.</p>	<p>The recommended industry practice and standard of care for ammonia refrigeration system is to paint and insulate ammonia piping to protect the piping from external corrosion. <i>See, e.g.</i>, IIAR 6-2019 Chapter 11 (Piping -Inspections for protective coatings); IIAR 2-2014 § 5.10 (Insulation); IIAR 9-2020 § 7.26 (same); IIAR 2-2021 § 5.10 (same). And, the recommended industry practice and standard of care is to protect ammonia piping from physical and environmental damage. <i>See, e.g.</i>, IIAR 4-2020 § 4.8 (Location of Components).</p>
<p><u>Condition 9</u> There was no eyewash/safety shower station located inside the machinery room.</p>	<p>Failure to minimize the consequences of releases which do occur.</p>	<p>An inadequate or missing eyewash and shower station delays emergency responders and workers in washing off this corrosive, toxic chemical in the event of exposure.</p>	<p>The recommended industry practice and standard of care for ammonia refrigeration systems is to provide access to eyewash/safety shower units inside the machinery room where the path of travel is unobstructed, and the path of travel is no more than 55 feet. <i>See, e.g.</i>, IIAR 2-2014 § 6.7 (Eyewash/Safety Shower); IIAR 9-2020 § 7.3.7 (same); IIAR 2-2021 § 6.7 (same).</p>

Alleged Hazards/Dangerous Condition	GDC Violation	How Condition Could Lead to or Exacerbate the Consequences of a Release, Causing Harm	Examples of Industry Standards of Care, Showing that (1) Hazard is Recognized by Owner/Operator's Industry, and (2) There are Way(s) to Eliminate or Reduce the Hazard
<p><u>Condition 10</u> There were no ammonia detectors or alarms in the machinery room or at any other locations in the Facility.</p>	<p>Failure to minimize the consequences of releases which do occur.</p>	<p>Ammonia detectors and alarms provide early warning that a release is taking place, enabling quick response and protecting workers, emergency responders, and the public from a larger release.</p>	<p>The recommended industry practice and standard of care for ammonia refrigeration systems of this size is to provide well-labeled audible and visual alarms inside and immediately outside each entrance to the machinery room. <i>See, e.g.</i>, IAR 2-2014 §§ 6.13.1 (Ammonia Detection and Alarms and Chapter 17); IAR 9-2020 § 7.3.12.1.3 (Ammonia Detection and Alarms); IAR 2-2021 §§ 6.13.1 (Ammonia Detection and Alarm, and Chapter 17).</p>

APPENDIX B
Mountain Meadows Lamb Corporation
SUPPLEMENTAL ENVIRONMENTAL PROJECT

This Supplemental Environmental Project (SEP) requires installation of an advanced ammonia control, detection, and automatic shut-down system, and a backup generator, to ensure the system remains running in the event of a power outage to prevent pressure buildup in the ammonia refrigeration system, which could lead to a release of anhydrous ammonia. Mountain Meadows Lamb Corporation, doing business as Superior Farms, Inc. (Superior Farms), will expend no less than Two Hundred Fifty Thousand Dollars (\$250,000) implementing the SEP, will order all the equipment described below within 120 days following the date of the final order, ratifying the Consent Agreement, is filed by the Regional Hearing Clerk (Filing Date), and shall complete this SEP no later than 18 months after the Filing Date.³

The International Institute of Ammonia Refrigeration (IIAR) standards do not have specific requirements on the automated operating controls of an ammonia refrigeration system. Superior Farms is proposing the installation of an advanced control system that will monitor, alert, and respond to life safety events such as ammonia release or dangerous pressure conditions that could lead to an ammonia release. This control system will provide operators with enhanced system visibility and implement automated response to some conditions to mitigate the “human factor” for the start-up and shutdown of equipment. While a control system does not replace a qualified operator the advanced control system enhances operator capabilities and protections.

1. Advanced Control System. Superior Farms is required to install an advanced control system to monitor and control the ammonia refrigeration system at its Facility that includes:
 - a. Automated Life Safety Response and Condition Monitoring – This advanced control system requires additional ammonia sensors in the engine room and refrigerated areas to monitor the release of ammonia. The control system will provide automated responses to the detection of ammonia to close valves, pump out coils and pipes, isolation of ammonia to a central location, and shutdown of equipment. In addition to the automated responses to mitigate a release, the continuous monitoring after a release provides valuable information to first responders and Superior Farms personnel about current conditions. Historical trending of release data provides additional information to estimate release amounts.
 - b. Remote Monitoring - This advanced control system will provide, Superior Farms personnel and supporting contractors, remote access to the ammonia system through an advanced touchscreen control system (also known as a Human Machine Interface), which will enable off-site personnel to monitor the full ammonia refrigeration system and ensure continuous oversight, including during non-operational evening hours. In the event of a critical condition the

³ Overhead costs, employee time and salary, administrative expenses or contractor oversight overhead and legal fees are not considered costs for implementing the SEP to satisfy the minimum expense requirement.

ability to remotely access the system allows Superior Farms personnel and supporting contractors to properly respond and, in some circumstances, remotely respond to events. Remote access monitoring will provide critical information to guide operators through emergency procedures, minimizing response time and preventing further ammonia release because it allows an operator to quickly assess the situation, activate safety protocols, and shut down the system if necessary without requiring in-person access to the engine room to understand errors in the system.

- c. Automated Alarming - This advanced control system will automatically notify operators and management in the event of specified conditions. This automated notification, in addition to remote monitoring, allows remote operators to take immediate action if required to prevent or mitigate ammonia release. If any abnormal conditions arise the control system alerts operators and on-site workers promptly. This early detection allows for timely intervention to prevent or mitigate ammonia releases to protect on-site workers and nearby communities. This automated alarming will provide text or email notifications for specific detailed ammonia system problems that enables operators to observe critical parameters such as pressure temperature and system status.
 - d. Testing and Training - Following installation of this advanced control system, Superior Farms shall train staff on how to use said system. Respondent will also document and implement procedures to inspect the new system in accordance with the manufacturer's recommendations, both substantive and regarding the frequency of such inspections. If the manufacturer does not provide such instructions, they shall be established by Respondents in accordance with industry standards of care.
2. Backup Power Generator. Superior Farms is required to install a backup power generator for the ammonia refrigeration system at its Facility. Backup Power Generators for ammonia systems ensure continuous operation, preventing disruptions in critical processes such as emergency ventilation and ammonia detection. A sudden power loss would compromise safety features like ventilation, ammonia detection alarms, or the controlled shutdown of the ammonia system. During the restart of an ammonia refrigeration system following a power outage, there is a risk of a phenomenon called "hydraulic shock." This abnormal transient condition can result in a sharp pressure change within the system, potentially causing catastrophic failure of piping, valves, and other components. In August of 2010, there was a catastrophic failure at the Millard Refrigerated Services facility in Theodore, Alabama, which resulted in the released 32,000 pounds of anhydrous ammonia after a 7-hour power outage.
3. Nexus to section 112(r) of the Clean Air Act (CAA): This SEP has an adequate nexus to the alleged General Duty Clause, section 112(r), violations because the objective of the regulations and programs authorized under section 112(r) is to prevent the accidental release of anhydrous ammonia, and to minimize consequences of any such

release that does occur. The advanced control system with automated and remote monitoring and alarms helps accomplish these objectives. Specifically, this system will prevent unplanned shutdowns, which in turn prevents pressure buildup in the ammonia refrigeration system that could lead to a release. Finally, the addition of a backup generator will ensure continued operation of the Facility’s safety features in the event of a power loss, which could lead to a release.

4. Nexus to Communities with Environmental Justice Concerns: The EPA has identified northeast Denver, including the Globeville neighborhood, as a community with environmental justice concerns. The Superior Farm facility is located in a community that is located next to major highways, large numbers of regulated facilities, and areas burdened by legacy pollution, which has led community members to express continued concerns about their health and environment. The EPA utilizes EJ Screen as a screening tool to identify when violations potentially impact EJ communities of concern. EJ Screen considers both environmental (e.g., particulate matter, ozone, air toxics, lead, and hazardous waste proximity) and demographic (e.g., income, employment, education, life expectancy) indicators. The EJ Screen for the community surrounding the Facility, determined that all of the environmental indicators are at or above the 90th percentile for the impacted community. This SEP will mitigate potential damage or reduce potential risks to local communities with environmental justice concerns.

5. Planned Purchases: The following chart lists the estimated costs of purchasing the advanced control system the Superior Farms Facility:

Description	Total
Materials for advanced control system	\$124,965
Labor to build and install advanced control system	\$78,035
Electrical wiring and landing to equipment for advanced control system	\$50,000
Advanced Touchscreen Control Panel (also known as Human Machine Interface (HMI))	\$3500
Backup Generator	\$51,400
Grand Total	\$307,900

GRAND TOTAL SEP EQUIPMENT COST (EXCLUDING TAX): \$307,900.

6. Documentation

Superior Farms will send a confirmation email to EPA within 10 calendar days of completing the purchase agreement of the equipment required for this SEP. Superior Farms will send emails to EPA that provide detailed status reports on the purchase and installation of the SEP equipment, on a quarterly basis with the first email status report is due no later than four months after the Final Order ratifying the Consent Agreement, and then

quarterly thereafter until the SEP is completed. Within 30 calendar days after completion of the SEP, Superior Farms will submit an SEP Completion Report to EPA pursuant to terms of the Consent Agreement.