

OFFICE OF THE MAYOR CITY OF CHICAGO

**FOR IMMEDIATE RELEASE** December 10, 2014

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## MAYOR RAHM EMANUEL ANNOUNCES LATEST EFFORTS TO CRACK DOWN ON HARMFUL PETCOKE EMISSIONS

City Introduces Ordinance to Limit Petcoke Stored in City and Denies Requests by KCBX to Relax Toughest Rules in the Country

Mayor Rahm Emanuel announced today additional steps to crack down on the harmful emission of petroleum coke dust within the City of Chicago. First, the Mayor, Alderman Ed Burke (14th), and Alderman John Pope (10th) introduced an ordinance that will require the Department of Planning and Development (DPD) to issue one or more orders by March 31, 2015 that would limit the amount of petcoke stored in the City. And second, the Chicago Department of Public Health (CDPH) has denied two variance requests from the City's petcoke regulations sought by KCBX after CDPH determined that granting the requests would result in more petcoke dust reaching residential areas. The CDPH variance decision can be viewed <u>HERE</u>.

"Petcoke operators must play by the rules we established to protect our residents from the harmful effects of petcoke dust," said Mayor Emanuel, "Today's actions make clear that no one gets to make profits at the expense of the health, welfare and quality of life of Chicagoans."

Since CDPH first promulgated its Rules and Regulations for Control of Emissions from the Handling and Storage of Bulk Material Piles in March 2014, which required KCBX to construct a building to fully enclose its petcoke piles within two years, the company has taken little significant action to demonstrate its intent to comply. Today, roughly 350,000 tons of petcoke – the equivalent of more than 17,000 truckloads – enters the City every month for storage at the KCBX facilities. These facilities are only hundreds of feet from residential areas. Based on a recent analysis by CDM Smith – an expert consultant retained by the City of Chicago – and contrary to the claims made by KCBX, petcoke has migrated into the neighborhoods surrounding the facilities.

"Our response to protect the air Chicagoans breathe has been unyielding in the face of petcoke operators' continued push to store these materials in our City," said Alderman Edward M. Burke (14th). "The City's newest crackdown on petcoke emissions is another aggressive step that lets these operators know that Chicago is not and will never be a dumping ground for this harmful material."

The City is introducing the ordinance to ensure that sufficient controls are in place to limit the amount of petcoke stored in Chicago going forward. Under the proposed ordinance, DPD will be required to review the data it has collected on petcoke storage and transfer and establish, by March 31, 2015, a hard ceiling on the amount of petcoke that will be allowed to be stored in the City.

"The City of Chicago and our residents have worked too hard in the fight against the harmful effects of petcoke to relax the stringent rules we put in place to keep the health and well-being of our families first," said Alderman John Pope, 10th Ward. "Our continued efforts to kick petcoke out of our neighborhoods will ensure Chicagoans can be outside to enjoy their communities."

CDPH is also rejecting requests by KCBX to weaken the City's rules and regulations. On June 9, 2014, KCBX sent a letter to CDPH seeking variances from a number of provisions in the regulations, including rules setting a 30 foot maximum height allowed for petcoke piles and requiring the enclosure or covering of conveyors. In a determination issued on Tuesday, December 9, 2014, CDPH denied two of the company's requests outright while issuing strict guidelines regarding the remaining requests.

"When we championed tough new laws and regulations, we were serious about ensuring that residents had clean air to breathe," said CDPH Commissioner Bechara Choucair, M.D. "We carefully reviewed the variance request, and the community input that we were given."

The CDPH ruling on the variance includes:

• A rejection of a request by KCBX to not have to comply with the requirement to have all conveyors covered or enclosed within 6 months of the effective date of Bulk Material Regulations. KCBX requested to not cover 8 of its 55 conveyors, and this request was denied. CDPH denied this request because KCBX has not demonstrated that issuance of the variance will not create a public nuisance or adversely impact the surrounding area. A CDPH analysis using electron microscopy found petcoke dust on neighborhood sidewalks, in direct contradiction to a flawed study from KCBX that claimed to have found no petcoke in soil samples. The City's expert determined that soil sampling of the sort undertaken by KCBX is unlikely to detect petcoke even if it is present because materials like petcoke must accumulate for many years before they are detectable. Moreover, the City's expert identified gaps

in the air monitoring programs around the North and South Terminals regarding potential fugitive dust impacts on some of the nearest residences.

- A rejection of a KCBX request to store 45 foot piles of petcoke 50 percent higher than the 30 foot limit established in the regulations. CDPH rejected this request following analysis by CDM Smith that found that higher piles are likelier to result in an increase in dust emissions to the surrounding neighborhoods. As with the conveyors, KCBX failed to demonstrate that issuance of the variance will not create a public nuisance or adversely impact the surrounding area. KCBX has 90 days to meet the 30 foot limit.
- Setting conditions on winter operations. KCBX requested a variance from the Bulk Material Regulations, which requires that when temperatures fall below freezing, the facility must use water heating systems and/or chemical stabilizers to ensure that dust suppression continues. CDPH granted KCBX's variance request regarding dust suppression system operation during freezing weather, under the condition that KCBX monitor weather forecasts and apply chemical stabilizers before temperatures drop to sub-25 degrees Fahrenheit preventing their application; refuse to accept any loads of material that are not moist as defined in the Bulk Material Regulations; monitor for visible dust during freezing weather operations; and, in the event visible dust is detected and neither water nor chemical stabilizers can be applied due to freezing temperatures, immediately shut down such operations unless dust can be effectively suppressed in another manner. CDPH can revoke the variance if it finds that operation of the facility under this variance creates a public nuisance or otherwise adversely impacts the surrounding area, environment, or property uses.
- Authorizing water runoff management to reduce nuisances. KCBX requested a variance from requirements that the facility maintain stormwater management and grading to ensure proper drainage and to prevent pooling of water. CDPH granted the variance request under the condition that runoff at the KCBX North and South Terminals is managed to ensure that water pooling in ruts created by heavy equipment is temporary and that KCBX ensures that no runoff enters the Calumet River.

CDPH will continue to routinely inspect the sites and monitor for any off-site dust.

"The City is rightly putting people before petcoke. The rejection of key variance requests and language in the ordinance make clear that Chicago is not going to be pushed around," said Henry Henderson, Midwest Director for the Natural Resources Defense Council (NRDC). "There is a lot more to do to safeguard Southeast Siders and fix the unacceptable conditions around these dirty facilities." Today's developments build upon the Mayor's previous efforts to protect residents from harmful petcoke dust. In April 2014, the City Council of Chicago passed Mayor Emanuel's ordinance to ban new petcoke, coke and coal facilities and prohibit the expansion of existing facilities. Months later, the City issued a cease and desist order to Calumet Transload, a company owned by the Beemsterboer family, for illegally storing approximately 12,000 tons of coke material at their facility with plans to bring an additional 8,000 tons to the site. In response to continued pressure from the City, Attorney General Madigan, and community advocates, the Beemsterboer family withdrew its applications for state permits to store petcoke and decided to sell its facility on the Southeast Side of Chicago. The company has removed all petcoke from its Chicago facility, leaving KCBX as the only company dealing in bulk petcoke in Chicago.

Petcoke is a solid carbon material derived as a byproduct of the oil refining process and is typically used as a fuel source in power plants. Inhaling pet coke can contribute to serious respiratory health problems, particularly for individuals who suffer from heart and lung disease and asthma.

The City also asks residents who observe coke or coal dust in their neighborhoods to report it to 311 or by emailing reportpetcoke@cityofchicago.org. Additional information can be found at <u>http://www.cityofchicago.org/petcoke</u>.

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