UNITED STATES ENVIRONMENTAL PROTECTION AGENCY Region 4

In the Matter of:	
Wood-Fruitticher Grocery Company, Inc.	Docket No. CAA-04-2023-0211(b)
Respondent.	

CONSENT AGREEMENT

I. NATURE OF ACTION

- 1. This is an administrative penalty assessment proceeding brought under Section 113(d) of the Clean Air Act ("CAA" or the "Act"), 42 U.S.C. § 7413(d), and Sections 22.13(b) and 22.18 of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at Title 40 of the Code of Federal Regulations (C.F.R.), Part 22.
- 2. This Consent Agreement and the attached Final Order shall collectively be referred to as the CAFO.
- 3. Having found that settlement is consistent with the provisions and objectives of the Act and applicable regulations, the Parties have agreed to settle this action pursuant to 40 C.F.R. § 22.18 and consent to the entry of this CAFO without Respondent's admission of violation or any adjudication of any issues of law or fact herein.

II. PARTIES

- 4. Complainant is the Director of the Enforcement and Compliance Assurance Division, United States Environmental Protection Agency (EPA), Region 4, who has been delegated the authority on behalf of the Administrator of the EPA to enter into this CAFO pursuant to 40 C.F.R. Part 22 and Section 113(d) of the Act.
- 5. Respondent is Wood-Fruitticher Grocery Company, Inc., a corporation doing business in the State of Alabama. This proceeding pertains to Respondent's facility located at 2900 Alton Road Birmingham, Alabama 35210 (Facility).

III. GOVERNING LAW

- 6. Any person who violates Section 112(r) of the CAA, 42 U.S.C. § 7412(r), or rule promulgated thereunder, may be assessed a civil penalty pursuant to Section 113(d) of the Act, 42 U.S.C. § 7413(d), and 40 C.F.R. Part 19. Each day a violation continues may constitute a separate violation. Civil penalties under Section 113(d) of the Act, 42 U.S.C. § 7413(d), may be assessed by an administrative order.
- 7. Section 112(r) of the Act 42 U.S.C. § 7412(r), addresses the prevention of release of substances listed pursuant to Section 112(r)(3) of the Act, 42 U.S.C. § 7412(r)(3), and other extremely hazardous substances. The purpose of this section is to prevent the accidental release of extremely hazardous substances and to minimize the consequences of such releases. Pursuant to Section 112(r)(7) of the Act, 42 U.S.C. § 7412(r)(7), the EPA is authorized to promulgate regulations for accidental release prevention.
- 8. Pursuant to Sections 112(r)(3) and 112(r)(7) of the Act, 42 U.S.C. §§ 7412(r)(3) and 7412(r)(7), the EPA promulgated rules codified at 40 C.F.R. Part 68, Chemical Accident Prevention Provisions. These regulations are collectively referred to as the "Risk Management Program" (RMProgram) and apply to an owner or operator of a stationary source that has a threshold quantity of a regulated substance in a process. Pursuant to Sections 112(r)(3) and 112(r)(5) of the Act, 42 U.S.C. §§ 7412(r)(3) and 7412(r)(5), the list of regulated substances and threshold levels are codified at 40 C.F.R. § 68.130.
- 9. Pursuant to Section 112(r)(7)(B)(iii) of the Act, 42 U.S.C. § 7412(r)(7)(B)(iii), and 40 C.F.R. §§ 68.10 and 68.150, the owner or operator of a stationary source that has a regulated substance in an amount equal to or in excess of the applicable RMProgram threshold in a "process" as defined in 40 C.F.R. § 68.3, must develop an RMProgram accidental release prevention program, and submit and register a single Risk Management Plan (RMPlan) to the EPA.
- 10. 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 an administrative penalty assessment. 42 U.S.C. § 7413(d); 40 C.F.R. § 19.4.

IV. FINDINGS OF FACTS

- 11. Respondent is the owner and/or operator of the Facility, which is a "stationary source" as that term is defined by Section 112(r)(2)(C) of the Act, 42 U.S.C. § 7412(r)(2)(C).
- 12. Respondent has registered an RMPlan with the EPA for its Facility and has developed an RMProgram accidental release prevention program for the Facility.
- 13. On November 30, 2022, the EPA issued to Respondent a Notice of Potential Violation and Opportunity to Confer ("NOPVOC"), providing notice that the EPA found that Respondent potentially committed the alleged violations described in Section V of this Agreement and providing Respondent an opportunity to confer with the EPA. On March 14, 2023, representatives of Respondent and the EPA held a meeting to discuss the NOPVOC.

14. At its Facility:

- a. Respondent operates an ammonia refrigeration facility.
- b. Respondent has on-site for use, 14,300 pounds of anhydrous ammonia.
- c. Respondent has one RMProgram level 3 covered process, which stores or otherwise uses anhydrous ammonia in an amount exceeding its applicable threshold of 10,000 pounds.
- 15. On May 19, 2022, the EPA conducted an on-site inspection of the RMProgram related records and equipment for the purpose of assessing the Respondent's compliance with the RMProgram requirements and the implemented recognized and generally accepted good engineering practices (RAGAGEP) for its covered process at its Facility.
- 16. At the time of the inspection, EPA observed the following:
 - a. The Respondent did not document that equipment complies with RAGAGEP because:
 - i) Significant corrosion and pitting were observed on various pipes and valve groups associated with the Air Unit equipment on the roof.

Section 11.1 of the American National Standards
Institute/International Institute of Ammonia Refrigeration
(ANSI/IIAR) 6 (2019) states, "ITM [(inspection testing and maintenance)] tasks shall be performed on carbon steel and stainless-steel piping at the indicated frequencies set forth in Table 11.1 or per manufacturers' instructions, unless a different frequency is justified in accordance with Section 5.2.1."

Section 11.1.1.1 of ANSI/IIAR 6 (2019) states, "Where pitting, surface damage, general corrosion, or a combination thereof, has materially reduced the remaining pipe wall thickness, the piping remaining wall thickness shall be measured using appropriate techniques." Section 11.1.1.2 of ANSI/IIAR 6 (2019) states, "Where pitting, surface damage, general corrosion, or a combination thereof, has not materially reduced the remaining pipe wall thickness, the piping metal surface shall be cleaned and recoated to arrest further deterioration." Section 11.1.1.3 of ANSI/IIAR 6 (2019) states, "Where pitting, surface damage, general corrosion, or a combination thereof, has materially reduced the remaining pipe wall thickness beyond the owner's established acceptance criteria, the piping shall be evaluated to determine suitability for continued operation."

ii) Significant ice buildup was observed on various equipment throughout the Facility, on pipes and valve groups on the roof, as well as on the compressors and other equipment in the engine room. Ice was observed to be building up over insulation and potentially between the insulation and piping. This amount of ice buildup adds weight to the system which could damage piping and equipment, and it has the potential to affect valve usage.

Section 5.6.8 of ANSI/IIAR 6 (2019) states, "Equipment and piping shall be kept free from excessive ice buildup.

1. Ice buildup shall not interfere with the operation of emergency shut-off valves.

- 2. Ice accumulation shall not be permitted to deflect or bend pipes, displace components, or negatively impact the system's structural integrity."
- iii) Pipe insulation was extensively damaged both on the roof and in the engine room. There were large gaps in the insulation where metal piping was exposed, as well as cracks, tears, and holes in the insulation.

Section 5.10.1 of ANSI/IIAR 2 (2021) states, "Piping and equipment surfaces not intended for heat exchange shall be insulated, treated, or otherwise protected to mitigate effects of condensation and excessive frost buildup to a level that interferes with valve operation or creates damage to piping, equipment or supports. Portions of a system that have the potential for condensation shall not be placed above electrical equipment unless the electrical equipment is protected from damage caused by condensation."

Section 7.2.6.1 of ANSI/IIAR 9 (2020) states, "Piping and equipment surfaces not intended for heat exchange shall be insulated, treated, or otherwise protected to mitigate condensation and excessive frost buildup where the surface temperature is below the dew point of the surrounding air during normal operation and in an area where condensation and frost could develop and become a hazard to occupants or cause damage to the structure, electrical equipment, or refrigeration system."

iv) Pipes were not adequately labeled, particularly on long ammonia piping runs located on the roof of the Facility. Many pipe labels were unreadable due to fading and damage. Pipe labels were missing on piping around the evaporators in the cooler area as well.

Section 7.2.9.4 of ANSI/IIAR 9 (2020) states, "Ammonia piping mains, headers, and branches shall be identified with the following information":

- 1. "AMMONIA."
- 2. Physical state of the ammonia.
- 3. Relative pressure level of ammonia, being low or high as applicable.
- 4. Pipe service, which shall be permitted to be abbreviated.
- 5. Direction of flow."

Section 5.14.6 of ANSI/IIAR 2 (2021) states, "Ammonia piping mains, headers, and branches shall be identified with the following information:

- 1. "AMMONIA."
- 2. Physical state of the ammonia.
- 3. Relative pressure level of ammonia, being low or high as applicable.
- 4. Pipe service, which shall be permitted to be abbreviated.
- 5. Direction of flow."

"The marking system shall either be one established by a recognized model code or standard or one described and documented by the facility owner or the owner's agent."

v) The door of the engine room that opened into the warehouse had a large vent built

into it, and so the door was not tight fitting.

Section 6.2.5 of ANSI/IIAR 2 (2021) states, "Air shall not flow to or from any portion of a premises that is routinely accessible to or occupied by people on a part-time or full-time basis through a machinery room unless the air is ducted and sealed to prevent ammonia leakage from entering the airstream. Access doors and panels in ductwork and air-handling units located in a machinery room shall be gasketed and tight-fitting."

Section 7.3.2.1 of ANSI/IIAR 9 (2020) states, "The machinery room shall be separated from the remainder of the building by tight-fitting construction."

vi) Combustible materials (cardboard boxes, spare parts, coolant, pump oil, and various other chemicals) were stored on shelves in the engine room outside of fire-rated storage containers.

Section 6.4 of ANSI/IIAR 2 (2014) states, "Combustible materials shall not be stored in machinery rooms outside of approved fire-rated storage containers.

EXCEPTION: This provision shall not apply to spare parts, tools, and incidental materials necessary for the operation and maintenance of the refrigeration system."

Section 7.3.4 of ANSI/IIAR 9 (2020) states, "Combustible materials shall not be stored in machinery rooms outside of approved fire-rated storage containers."

Section 605.11 of the International Fire Code (IFC; 2018) states, "Flammable and combustible materials shall not be stored in machinery rooms for refrigeration systems having a refrigerant circuit containing more than 220 pounds (100 kg) of Group A1 or 30 pounds (14 kg) of any other group refrigerant. Storage, use or handling of extra refrigerant or refrigerant oils shall be as required by Chapters 50, 53, 55 and 57.

Exception: This provision shall not apply to spare parts, tools and incidental materials necessary for the safe and proper operation and maintenance of the system."

b. The process hazard analysis (PHA) completed in 2018 had two action items that were not resolved in a timely manner. The first action item was to install an emergency eyewash and shower in the equipment room. This item was due to be completed by February 23, 2020, but was not completed until April 6, 2021 (The PHA listed the completion date as April 6, 2020. EPA confirmed the actual date is April 6, 2021, which is consistent with the completion date listed in the Compliance Audit for this same task). The second action item was to establish a program to regularly exercise and lubricate valve stems. This item was due to be completed by August 2020. The task was not assigned until April 26, 2022, and was not completed until after the RMP inspection.

V. ALLEGED VIOLATIONS

- 17. Respondent is a "person" as defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e).
- 18. Based on EPA's compliance monitoring investigation, the EPA alleges that the Respondent Consent Agreement and Final Order, Docket No. CAA-04-2023-0211(b)

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violated 40 C.F.R. Part 68, the codified rules governing the Act's Chemical Accident Prevention Provisions and Section 112(r) of the Act, 42 U.S.C. § 7412(r), when it:

- a. Failed to document that equipment complies with RAGAGEP, as required by 40 C.F.R. § 68.65(d)(2); and
- b. Failed to establish a system to promptly address the team's findings and recommendations (of the PHA); assure that the recommendations are resolved in a timely manner and that the resolution is documented; document what actions are to be taken; complete actions as soon as possible; develop a written schedule of when these actions are to be completed; and communicate the actions to operating, maintenance and other employees whose work assignments are in the process and who may be affected by the recommendations or actions, as required by 40 C.F.R. § 68.67(e).

VI. STIPULATIONS

- 19. The issuance of this CAFO simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).
- 20. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:
 - a. admits that EPA has jurisdiction over the subject matter alleged in this CAFO;
 - b. neither admits nor denies the factual allegations set forth in Section IV (Findings of Facts) of this CAFO;
 - c. consents to the assessment of a civil penalty as stated below;
 - d. consents to the conditions specified in this CAFO;
 - e. waives any right to contest the allegations set forth in Section V (Alleged Violations) of this CAFO; and
 - f. waives its rights to appeal the Final Order accompanying this CAFO.
- 21. For the purpose of this proceeding, Respondent:
 - a. agrees that this CAFO states a claim upon which relief may be granted against Respondent;
 - b. acknowledges that this CAFO constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions:
 - c. waives any rights it may possess at law or in equity to challenge the authority of EPA to bring a civil action in a United States District Court to compel compliance with the CAFO, and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action;
 - d. by executing this CAFO, certifies to the best of its knowledge that Respondent is currently in compliance with all relevant requirements of the Act and its implementing regulations, and that all violations alleged herein, which are neither admitted nor denied, have been corrected;
 - e. waives any right it may have pursuant to 40 C.F.R. § 22.8 to be present during any discussions with, or to be served with and reply to, any memorandum or communication addressed to EPA officials where the purpose of such discussion,

memorandum, or communication is to persuade such official to accept and issue this CAFO; and

- f. agrees to comply with the terms of this CAFO.
- 22. In accordance with 40 C.F.R. § 22.5, the individuals named in the certificate of service are authorized to receive service related to this proceeding and the parties agree to receive service by electronic means.

VII. TERMS OF PAYMENT

- 23. Respondent consents to the payment of a civil penalty, which was calculated in accordance with the Act, in the amount of \$71,469 which is to be paid within thirty (30) calendar days of the Effective Date of this CAFO.
- 24. Payment(s) shall be made by cashier's check, certified check, by electronic funds transfer (EFT), or by Automated Clearing House (ACH) (also known as REX or remittance express). If paying by check, the check shall be payable to: Treasurer, United States of America, and the Facility name and docket number for this matter shall be referenced on the face of the check. If Respondent sends payment by the U.S. Postal Service, the payment shall be addressed to:

U.S. Environmental Protection Agency P.O. Box 979078 St. Louis, MO 63197-9000

If Respondent sends payment by non-U.S. Postal express mail delivery, the payment shall be sent to:

U.S. Environmental Protection Agency Government Lockbox 979078 1005 Convention Plaza SL-MO-C2-GL St. Louis, MO 63101

If paying by EFT, Respondent shall transfer the payment to:

Federal Reserve Bank of New York

ABA: 021030004

Account Number: 68010727 SWIFT address: FRNYUS33

33 Liberty Street New York, NY 10045

Beneficiary: Environmental Protection Agency

If paying by ACH, Respondent shall remit payment to:

US Treasury REX / Cashlink ACH Receiver

ABA: 051036706

Account Number: 310006, Environmental Protection Agency

CTX Format Transaction Code 22 – checking Physical location of US Treasury facility:

5700 Rivertech Court Riverdale, MD 20737 REX (Remittance Express): 1-866-234-5681

25. Respondent shall send proof of payment, within 24 hours of payment of the civil penalty, to:

Regional Hearing Clerk r4 regional hearing clerk@epa.gov

and

Jordan Noles
Air Enforcement Branch
Enforcement and Compliance Assurance Division
noles.jordan@epa.gov

- 26. "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 Facility name and Docket No. CAA-04-2023-0211(b).
- 27. Pursuant to 42 U.S.C. § 7413(d)(5), if Respondent fails to timely pay any portion of the penalty assessed under this CAFO, EPA may recover in addition to the amount of the unpaid penalty assessed, the following amounts on any amount overdue:
 - a. <u>Interest</u>. Interest will begin to accrue on the civil penalty from the Effective Date of this CAFO. If the civil penalty is paid within 30 days of the Effective Date of this CAFO, Interest is waived. However, if the civil penalty is not paid in full within 30 days of the Effective Date of this CAFO, Interest will continue to accrue on any unpaid portion until the unpaid portion of the civil penalty and accrued Interest are paid. Interest will be assessed at rates established pursuant to 26 U.S.C. § 6621(a)(2).
 - b. <u>Non-Payment Penalty</u>. A 10 percent quarterly nonpayment penalty pursuant to 42 U.S.C. § 7413(d)(5).
 - c. <u>Attorneys' Fees and Costs of Collection</u>. The United States enforcement expenses, including, but not limited to, attorneys' fees and cost of collection.
- 28. If Respondent fails to timely pay any portion of the penalty assessed under this CAFO, EPA may:
 - a. Refer the debt to a credit reporting agency or a collection agency pursuant to 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 to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 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, 40 C.F.R. § 13.17; and/or
- d. Request that the Attorney General bring a civil action in the appropriate district court to recover the amount assessed, in addition to the amounts described above, pursuant to 42 U.S.C. § 7413(d)(5). In any such action, the validity, amount, and appropriateness of the penalty and of this CAFO shall not be subject to review.
- 29. Penalties paid pursuant to this CAFO shall not be deductible for purposes of federal taxes.

VIII. EFFECT OF CAFO

- 30. In accordance with 40 C.F.R. § 22.18(c), Respondent's full compliance with this CAFO shall only resolve Respondent's liability for federal civil penalties for the violations and facts specifically alleged above.
- 31. Full payment of the civil penalty, as provided in Section VII (Terms of Payment) shall satisfy the requirements of this CAFO; but, shall not in any case affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. 40 C.F.R. § 22.18(c).
- 32. Any violation of this CAFO may result in a civil judicial action for civil penalties as provided in Section 113(b) of the Act, 42 U.S.C. § 7413(b), as well as criminal sanctions as provided in Section 113(c) of the Act, 42 U.S.C. § 7413(c). EPA may use any information submitted under this CAFO in an administrative, civil judicial, or criminal action.
- 33. Nothing in this CAFO shall relieve Respondent of the duty to comply with all applicable provisions of the Act and other federal, state, or local laws or statutes, nor shall it restrict 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, except as expressly provided herein.
- 34. Nothing herein shall be construed to limit the power of EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment as provided under the Act.
- 35. The terms, conditions, and compliance requirements of this CAFO may not be modified or amended except upon the written agreement of both Parties, and approval of the Regional Judicial Officer.
- 36. The provisions of this CAFO shall apply to and be binding upon Respondent and its successors and assigns. Respondent shall direct its officers, directors, employees, agents, trustees, and authorized representatives to comply with the provisions of this CAFO.
- 37. Any change in the legal status of the Respondent, or change in ownership, partnership, corporate or legal status relating to the Facility, will not in any way alter Respondent's obligations and responsibilities under this CAFO.

- 38. By signing this Consent Agreement, Respondent acknowledges that this CAFO will be available to the public and agrees that this CAFO does not contain any confidential business information or personally identifiable information.
- 39. By signing this Consent Agreement, the Complainant and the undersigned representative of Respondent each certify that he or she is fully authorized to execute and enter into the terms and conditions of this CAFO and has the legal capacity to bind the party he or she represents to this CAFO.
- 40. By signing this Consent Agreement, both Parties agree that each party's obligations under this CAFO constitute sufficient consideration for the other party's obligations.
- 41. By signing this Consent Agreement, Respondent certifies that the information it has supplied concerning this matter was at the time of submission, and continues to be, 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.
- 42. EPA also reserves the right to revoke this CAFO and settlement penalty if and to the extent that EPA finds, after signing this CAFO, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to EPA. If such false or inaccurate material was provided, EPA reserves the right to assess and collect any and all civil penalties for any violation described herein. EPA shall give Respondent notice of its intent to revoke, which shall not be effective until received by Respondent in writing.
- 43. It is the intent of the parties that the provisions of this CAFO are severable. If any provision or authority of this CAFO or the application of this CAFO to any party or circumstances is held by any judicial or administrative authority to be invalid or unenforceable, the application of such provisions to other parties or circumstances and the remainder of the CAFO shall remain in force and shall not be affected thereby.
- 44. Unless specifically stated otherwise in this CAFO, each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

IX. EFFECTIVE DATE

45. This CAFO shall become effective after execution of the Final Order by the Regional Judicial Officer, on the date of filing with the Hearing Clerk.

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Complainant and Respondent will Each Sign on Separate Pages

The foregoing Consent Agreement in the Matter of Wood-Fruitticher Grocery Company, Inc., Docket No. CAA-04-2023-0211(b), is Hereby Stipulated, Agreed, and Approved for Entry.

FOR RESPONDENT:

Signature		8 31 2023 Date		
Printed Name:	Brian Shupe			_
Γitle:	COO + CFO			_
Address:	2900 Alton Road	Irondale Al	- 35210	

The foregoing Consent Agreement in the Matter of Wood-Fruitticher Grocery Company, Inc.,

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 4 $\,$

In the Matter of:	
Wood-Fruitticher Grocery Company, Inc.,	Docket No. CAA-04-2023-0211(b)
Respondent.	
	FINAL ORDER
Consent Agreement is, therefore, hereby approved	40 C.F.R. §§ 22.4(b) and 22.18(b)(3). The foregoing I, ratified and incorporated by reference into this Final of Practice Governing the Administrative Assessment
The Respondent is hereby ORDERED to comply a Agreement effective immediately upon filing of the Regional Hearing Clerk. This Final Order dispose 22.31.	
BEING AGREED, IT IS SO ORDEREI) .
	Tanya Floyd
	Regional Judicial Officer

CERTIFICATE OF SERVICE

I certify that the foregoing Consent Agreement and Final Order, in the Matter of **Wood-Fruitticher Grocery Company, Inc., Docket No. CAA-04-2023-0211(b)**, were filed and copies of the same were emailed to the parties as indicated below.

Via email to all parties at the following email addresses:

To Respondent: Brian Shupe, COO & CFO

Wood-Fruitticher Grocery Company, Inc.

Brian.shupe@woodfruitticher.com

2900 Alton Road

Birmingham, AL 35210

(205) 838-0733

To EPA: Jordan Noles, Case Development Officer

noles.jordan@epa.gov

Ellen Rouch, Attorney-Advisor

rouch.ellen@epa.gov

Shannon L. Richardson, Regional Hearing Clerk r4_regional_hearing_clerk@epa.gov