

ILLINOIS POLLUTION CONTROL BOARD

March 6, 2025

PEOPLE OF THE STATE OF ILLINOIS,)	
)	
Complainant,)	
)	
v.)	PCB 25-49
)	(Enforcement – Water, NPDES)
SUGAR CAMP ENERGY, LLC, a Delaware)	
limited liability company,)	
)	
Respondent.)	

ORDER OF THE BOARD (by A. Tin):

On February 25, 2025, the Office of the Attorney General, on behalf of the People of the State of Illinois (People), filed a five-count complaint against Sugar Camp Energy, LLC (Sugar Camp). The complaint concerns Sugar Camp's coal mining operation located at 11351 Thompsonville Road in Macedonia, Franklin County. Specifically, the complaint addresses Sugar Camp's construction of a fan bleeder shaft for the M-Class longwall mine located south of Akin Road and approximately three-quarters of a mile east of Corn Road in Hamilton County. For the reasons below, the Board accepts the complaint for hearing.

Under the Environmental Protection Act (Act) (415 ILCS 5 (2022)), the Attorney General and the State's Attorneys may bring actions before the Board to enforce Illinois' environmental requirements on behalf of the People. *See* 415 ILCS 5/31 (2022); 35 Ill. Adm. Code 103. In this case, the People allege that Sugar Camp violated Section 12(a), 12(d), and 12(f) of the Act (415 ILCS 5/12(a), 12(d), 12(f) (2022)); Sections 302.208(d) and 309.102(a) of the Board's water pollution rules (35 Ill. Adm. Code 302.208(d), 309.102(a)); and Sections 406.107 and 406.202 of the Board's mine-related water pollution rules (35 Ill. Adm. Code 406.107, 406.402).

The People allege that Sugar Camp violated these provisions by causing, threatening, or allowing discharges of contaminants into the environment so as to cause or tend to cause water pollution; causing, threatening, or allowing the discharge of a contaminant into the environment so as to violate Board rules; depositing contaminants upon the land in a place and manner so as to create a water pollution hazard; causing, threatening, or allowing the discharge of a contaminant into waters of the State in violation of regulations adopted by the Board under the National Pollutant Discharge Elimination System (NPDES) program and without an NPDES permit issued by the Illinois Environmental Protection Agency (IEPA); discharging contaminants from an unpermitted point source into water of the State; causing an exceedance of an applicable water quality standard; causing, threatening, or allowing the discharge of a contaminant into the environment so as to violate Board rules; and discharging mine effluent containing obvious levels of turbidity.

Under Section 42(a) of the Act (415 ILCS 5/42(a) (2022)), the People ask the Board to order Sugar Camp to cease and desist from any further violations of the Act and regulations and pay civil penalties of \$50,000 for each violation and \$10,000 for each day during which each violation continued. The People also ask the Board to award the People their costs including expert witness, consultant, and attorney fees.

Under Section 42(b)(1) of the Act (415 ILCS 5/42(b)(1) (2022)) for the alleged violations of Section 12(f) of the Act (415 ILCS 5.12(f) (2022) and Section 309.102(a) of the Board's water pollution rules (35 Ill. Adm. Code 309.102(a)), the People also ask the Board to order Sugar Camp to cease and desist from any further violations and pay civil penalties of \$10,000 for each day of violation. The People also ask the Board to award the People their costs including expert witness, consultant, and attorney fees.

The Board finds that the complaint meets the content requirements of the Board's procedural rules and accepts the complaint for hearing. *See* 35 Ill. Adm. Code 103.204(c), (f), 103.212(c). A respondent's failure to file an answer to a complaint within 60 days after receiving the complaint may have severe consequences. Generally, if Sugar Camp fails within that timeframe to file an answer specifically denying, or asserting insufficient knowledge to form a belief of, a material allegation in the complaint, the Board will consider Sugar Camp to have admitted the allegation. *See* 35 Ill. Adm. Code 103.204(d).

The Board directs the hearing officer to proceed expeditiously to hearing. Upon its own motion or the motion of any party, the Board or the hearing officer may order that the hearing be held by videoconference. In deciding whether to hold the hearing by videoconference, factors that the Board or the hearing officer will consider include cost-effectiveness, efficiency, facility accommodations, witness availability, public interest, the parties' preferences, and the proceeding's complexity and contentiousness. *See* 35 Ill. Adm. Code 101.600(b), 103.108.

Among the hearing officer's responsibilities is the "duty . . . to ensure development of a clear, complete, and concise record for timely transmission to the Board." 35 Ill. Adm. Code 101.610. A complete record in an enforcement case thoroughly addresses, among other things, the appropriate remedy, if any, for the alleged violations, including any civil penalty.

If a complainant proves an alleged violation, the Board considers the factors set forth in Sections 33(c) and 42(h) of the Act to fashion an appropriate remedy for the violation. *See* 415 ILCS 5/33(c), 42(h) (2022). Specifically, the Board considers the Section 33(c) factors in determining, first, what to order the respondent to do to correct an on-going violation, if any, and, second, whether to order the respondent to pay a civil penalty. The factors provided in Section 33(c) bear on the reasonableness of the circumstances surrounding the violation, such as the character and degree of any resulting interference with protecting public health, the technical practicability and economic reasonableness of compliance, and whether the respondent has subsequently eliminated the violation.

If, after considering the Section 33(c) factors, the Board decides to impose a civil penalty on the respondent, only then does the Board consider the Act's Section 42(h) factors in determining the appropriate amount of the civil penalty. Section 42(h) sets forth factors that may

mitigate or aggravate the civil penalty amount. These factors include the following: the duration and gravity of the violation; whether the respondent showed due diligence in attempting to comply; any economic benefits that the respondent accrued from delaying compliance based upon the “lowest cost alternative for achieving compliance”; the need to deter further violations by the respondent and others similarly situated; and whether the respondent “voluntarily self-disclosed” the violation. 415 ILCS 5/42(h) (2022). Section 42(h) requires the Board to ensure that the penalty is “at least as great as the economic benefits, if any, accrued by the respondent as a result of the violation, unless the Board finds that imposition of such penalty would result in an arbitrary or unreasonable financial hardship.” *Id.* Such penalty, however, “may be off-set in whole or in part pursuant to a supplemental environmental project agreed to by the complainant and the respondent.” *Id.*

Accordingly, the Board further directs the hearing officer to advise the parties that in summary judgment motions and responses, at hearing, and in briefs, each party should consider: (1) proposing a remedy for a violation, if any (including whether to impose a civil penalty), and supporting its position with facts and arguments that address any or all of the Section 33(c) factors; and (2) proposing a civil penalty, if any (including a specific total dollar amount and the portion of that amount attributable to the respondent’s economic benefit, if any, from delayed compliance), and supporting its position with facts and arguments that address any or all of the Section 42(h) factors. The Board also directs the hearing officer to advise the parties to address these issues in any stipulation and proposed settlement that may be filed with the Board.

IT IS SO ORDERED.

I, Don A. Brown, Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above order on March 6, 2025, by a vote of 5-0.

A handwritten signature in cursive script that reads "Don A. Brown". The signature is written in dark ink and is positioned above a horizontal line.

Don A. Brown, Clerk
Illinois Pollution Control Board