



REGION 3

PHILADELPHIA, PA 19103

March 14, 2025

Via Electronic Mail

Richard J. Shaffer
SVP Asset Manager & Environmental Lead
Stronghold Digital Mining, Inc.
2151 Lisbon Road
Kennerdell, Pennsylvania 16374
Rj.shaffer@scrubgrass.com

RE: Request for Information Pursuant to Section 3007(a) of the Resource Conservation and Recovery Act, U.S.C. § 6927(a), Regarding Panther Creek Power Operating, LLC & Scrubgrass Reclamation Company, L.P.
Reference Number: C25-001

Dear Mr. Shaffer:

The U.S. Environmental Protection Agency, Region 3 ("EPA") is requesting to supplement information obtained from EPA Region 3's May 21, 2024 Information Request Letter ("2024 IRL") to Stronghold Digital Mining, regarding Panther Creek Power Operating, LLC, located at 4 Dennison Road, Nesquehoning, Pennsylvania ("Panther Creek"), and Scrubgrass Reclamation Company, L.P., located at 2151 Lisbon Road, Kennerdell, Pennsylvania ("Scrubgrass").

EPA is requesting this information pursuant to Section 3007(a) of the Resource Conservation and Recovery Act, 42 U.S.C. § 6927(a), regarding generation and management of coal combustion residuals ("CCR"). CCR are regulated under a comprehensive set of regulatory requirements for the management of CCR in landfills and surface impoundments at 40 C.F.R. Part 257. These regulations were promulgated pursuant to Subtitle D of the Resource Conservation and Recovery Act ("RCRA"), as amended in 2016 by the Water Infrastructure Improvements for the Nation ("WIIN") Act. Together, these authorities establish a framework for the handling and management of CCR and grant the Administrator the authority to use Section 3007 of RCRA, 42 U.S.C. § 6927, to obtain requested information to assess compliance and Section 3008 of RCRA, 42 U.S.C. 6928, to enforce the prohibition on open dumping under Section 4005(a), 42 U.S.C. § 6945(a), with respect to CCR units. See 42 U.S.C. § 6945(d)(4)(A)(i).

EPA requires that you furnish to EPA, within **thirty (30) calendar days** of receipt of this letter, the information requested below, including documents responsive to such requests.

Section 3007(a) of the Resource Conservation and Recovery Act

For each and every request, if you have any reason to believe that there may be a person(s) who may be able to provide a more detailed or complete response to such request or provide additional responsive documents, then as a part of your response to such request, identify each such person and the additional information or documents which such person may be able to provide. Furthermore, for each and every response, if information or documents responsive to such request are not in your possession, custody or control, then as part of your response to such request, identify each person from whom such information or documents may be obtained.

Please provide a separate narrative response to each information request. Precede each answer with the number of the question or letter of the subpart of the request to which it corresponds. A request for documents shall be construed as a request for any and all documents maintained by you or in your custody, control, or possession or in the possession, custody or control of any employees or agents, relating to the matters described below. All copies of documents submitted to EPA in response to the following requests must be complete and legible.

As used herein, the term “document” means: writings (handwritten, typed or otherwise produced or reproduced) and includes, but is not limited to, any invoices, checks, receipts, bills of lading, weight receipts, tolls receipts, correspondence, offers, contracts, agreements, deeds, leases, manifests, licenses, permits, bids, proposals, policies of insurance, logs, books of original entry, minutes of meetings, memoranda, notes, calendar or daily entries, agendas, bulletins, notices, announcements, charts, maps, photographs, drawings, manuals, brochures, reports of scientific study or investigation, schedules, price lists, telegrams, teletypes, phonograph records, magnetic voice or video records, tapes, summaries, magnetic tapes, punch cards, recordings, discs, computer print outs, or other data compilations from which information can be obtained and translated.

All other terms used in this request for information that are defined in RCRA, 42 U.S.C. §§ 6901 *et seq.*, 40 C.F.R. Part 257.

Please provide the information requested below:

Information Request

1. In your response to the 2024 IRL, you stated that Panther Creek has a PADEP-approved ash placement (“ash placement”) on site. Regarding the ash placement, please answer the following questions.
 - a. Provide a detailed description of the ash placement.
 - b. Answer whether:
 - i. Is the ash placed on an area of land or excavation, sand or gravel pit, or quarry?
 - ii. Is the ash placed into a natural topographic depression, man-made excavation, or diked area, which is designed to hold an accumulation of ash and liquid. If yes, does the unit treat, store, or dispose of the ash?

- iii. Is the ash placed into a noncontainerized accumulation of solid, nonflowing waste that is used for treatment or storage?
 - c. Provide any and all documents related to PADEP's approval of the ash placement.
 - d. Has anything been added to the ash placement since May 21, 2024?
 - i. If yes:
 - 1. Was any fly ash, bottom ash, boiler slag, or flue gas desulfurization materials generated from burning coal added to the ash placement?
 - 2. Was any waste coal ash added to the ash placement?
 - e. Other than the ash placement, does Panther Creek maintain on site a separate area or enclosure for the storage, treatment, or disposal of CCR or waste coal ash.
 - i. If the answer is "yes", please indicate whether:
 - 1. The ash is placed on an area of land or excavation, sand or gravel pit, or quarry?
 - 2. The ash is placed into a natural topographic depression, man-made excavation, or diked area, which is designed to hold an accumulation of ash and liquid. If yes, does the unit treat, store, or dispose of the ash?
 - 3. The ash is placed into a noncontainerized accumulation of solid, nonflowing waste that is used for treatment or storage?
- 2. In your response to the 2024 IRL, you stated that Scrubgrass has an ash placement on site. Regarding the ash placement, please answer the following questions.
 - a. Provide a detailed description of the ash placement.
 - b. Answer whether:
 - i. Is the ash placed on an area of land or excavation, sand or gravel pit, or quarry?
 - ii. Is the ash placed into a natural topographic depression, man-made excavation, or diked area, which is designed to hold an accumulation of ash and liquid. If yes, does the unit treat, store, or dispose of the ash?
 - iii. Is the ash placed into a noncontainerized accumulation of solid, nonflowing

waste that is used for treatment or storage?

c. Provide any and all documents related to PADEP's approval of the ash placement.

d. Has anything been added to the ash placement since May 21, 2024?

i. If yes:

1. Was any fly ash, bottom ash, boiler slag, or flue gas desulfurization materials generated from burning coal added to the ash placement?

2. Was any waste coal ash added to the ash placement?

e. Other than the ash placement, does Scrubgrass maintain on site a separate area or enclosure for the storage, treatment, or disposal of CCR or waste coal ash.

i. If the answer is "yes", please indicate whether:

1. The ash is placed on an area of land or excavation, sand or gravel pit, or quarry?

2. The ash is placed into a natural topographic depression, man-made excavation, or diked area, which is designed to hold an accumulation of ash and liquid. If yes, does the unit treat, store, or dispose of the ash?

3. The ash is placed into a noncontainerized accumulation of solid, nonflowing waste that is used for treatment or storage?

3. Provide a detailed narrative of how CCR or waste coal ash is managed from the point of generation until disposal for the following facilities:

a. Panther Creek

b. Scrubgrass

The provisions of Section 3008 of RCRA, 42 U.S.C. § 6928 authorize EPA to pursue penalties for failure to comply with Section 3007(a) of RCRA respectively. In addition, Section 3007(a) of RCRA, 42 U.S.C. § 6928 authorizes EPA to pursue penalties for failure to respond adequately to an information request under Section 3007(a) of RCRA. In addition, providing false, fictitious, or fraudulent statements or representations may subject you to criminal penalties under 18 U.S.C. § 1001. The information you provide may be used by EPA in administrative, civil, or criminal proceedings. **Your response must include the following signed and dated certification:**

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this and all attached documents and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete.

Signature: _____
Date: _____
Name: _____
Title: _____

With regard to the Small Business Regulatory Enforcement and Fairness Act ("SBREFA"), please see the "Information for Small Businesses" memo, found at <https://www.epa.gov/sites/production/files/2017-06/documents/smallbusinessinfo.pdf>, which might be applicable to your facility. This enclosure provides information on contacting the SBREFA Ombudsman to comment on federal enforcement and compliance activities and also provides information on compliance assistance. As noted in the enclosure, any decision to participate in such program or to seek compliance assistance does not relieve your facility of its obligation to respond in a timely manner to an EPA request or other enforcement action, create any rights or defenses under law, and will not affect EPA's decision to pursue an enforcement action. To preserve your facility's legal rights, you must comply with all rules governing the administrative enforcement process. The Ombudsman and fairness boards do not participate in the resolution of EPA's enforcement actions. EPA has not made a determination as to whether or not your facility is covered by SBREFA.

Your Facility is entitled to assert a claim of business confidentiality covering any part or all of the information submitted, in a manner described in 40 C.F.R. § 2.203(b). Information subject to a claim of business confidentiality will be made available to the public only in accordance with 40 C.F.R. Part 2, Subpart B. Unless a claim of business confidentiality is asserted at the time the requested information is submitted, EPA may make this information available to the public without further notice to your facility.

This request for information is not subject to review by the Office of Management and Budget pursuant to the Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520.

Please send your response electronically to:

Jeremy Dearden (3ED22)
Dearden.jeremy@epa.gov
U.S. Environmental Protection Agency
Region 3
Four Penn Center
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103-2029

If you have any questions concerning this matter, please contact Mr. Dearden, Enforcement Officer, at (215) 814-5351 or dearden.jeremy@epa.gov, or have your attorney contact Amy Stevens, Assistant Regional Council, at (215) 814-2617 or stevens.amy@epa.gov.

Sincerely,

Jeanna R. Henry
Branch Chief
Air and RCRA Branch
Enforcement and Compliance Assurance Division

cc: Jeremy Dearden, EPA (dearden.jeremy@epa.gov)
Amy Stevens, EPA (stevens.amy@epa.gov)
Melissa Gross, PADEP (melgross@pa.gov)
Stephen Matzura, Esq., Saxton & Stump (smatzura@saxtonstump.com)