

ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

IN THE MATTER OF:)
Arkema, Inc.)
Axis, Mobile County, Alabama) CONSENT ORDER NO. 22-XXX-CAP
ADEM Air Facility ID No. 503-5017)

PREAMBLE

This Special Order by Consent is made and entered into by the Alabama Department of Environmental Management ("Department" or "ADEM") and Arkema, Inc. ("Permittee") pursuant to the provisions of the Alabama Environmental Management Act, Ala. Code §§ 22-22A-1 through 22-22A-17, as amended, the Alabama Air Pollution Control Act, Ala. Code §§ 22-28-1 to 22-28-23, as amended, and the regulations promulgated pursuant thereto.

STIPULATIONS

- 1. The Permittee operates a chemical manufacturing plant, Air Division Facility No. 503-5017 ("Facility"), located at 13755 Highway 43 North, Axis, Mobile County, Alabama.
2. The Department is a duly constituted department of the State of Alabama pursuant to Ala. Code §§ 22-22A-1 to 22-22A-17, as amended.
3. Pursuant to Ala. Code §§ 22-22A-4(n), as amended, the Department is the state air pollution control agency for the purposes of the federal Clean Air Act, 42 U.S.C. 7401 to 7671q, as amended. In addition, the Department is authorized to administer and enforce the provisions of the Alabama Air Pollution Control Act, Ala. Code §§ 22-28-1 to 22-28-23, as amended.

4. The Department issued the current Major Source Operating Permit No. 503-5017 (“Permit”) to the Permittee on March 5, 2015, with an effective date of March 5, 2015. A Title V Permit renewal application was received on September 3, 2019. As a result, the Permittee currently operates under a Permit Application Shield.

5. Permit Proviso No. #5 of the Emissions Standards Section of Emission Unit 011 (Durastrength Dryer A) states: “The particulate emission rate from IM-1 shall not exceed 10.8 lb/hr or 0.028 gr/dscf.” These limits were based on the Best Available Control Technology (BACT) when the unit was originally permitted.

6. Permit Proviso No. #7 of the Emissions Standards Section of Emission Unit 027 (Durastrength Dryer B) states: “The particulate emission rate from IM-2 shall not exceed 10.4 lb/hr or 0.022 gr/dscf.” These limits were based on the Best Available Control Technology (BACT) when the unit was originally permitted.

7. General Proviso No. #16 of the Permit states:

All air pollution control devices and capture systems for which this permit is issued shall be maintained and operated at all times in a manner so as to minimize the emissions of air contaminants. Procedures for ensuring that the above equipment is properly operated and maintained so as to minimize the emission of air contaminants shall be established.

DEPARTMENT’S CONTENTIONS

8. On May 17, 2022, the Department received the April 14, 2022, particulate matter (PM) stack test report from the Permittee.

9. On May 17, 2022, the Department received the April 13, 2022, particulate matter (PM) stack test report from the Permittee.

10. On May 17, 2022, the Permittee reported that an inspection of the Durastrength Dust Collector baghouse determined that there was damage to six of the 81 socks, including one

bag with a twelve inch slit. The Permittee reported that the last change out of the socks in the Durastrength Dust Collector baghouse occurred in 2016.

11. On June 9, 2022, the Department completed its evaluation of the April 14, 2022 PM stack test report. The report showed that Durastrength Dryer A exceeded the PM emission limits of 10.8 lb/hr and 0.028 gr/dscf, specifically indicating PM emissions of 23.7 lb/hr and 0.078 gr/dscf.

12. On June 23, 2022, the Department completed its evaluation of the April 13, 2022 PM stack test report. The report showed that the Durastrength Dryer B exceeded the permitted PM emission limit of 0.022 gr/dscf, specifically indicating PM emissions of 0.027 gr/dscf.

13. Pursuant to Ala. Code § 22-22A-5(18) c., *as amended*, in determining the amount of any penalty, the Department must give consideration to the seriousness of the violation, including any irreparable harm to the environment and any threat to the health or safety of the public; the standard of care manifested by such person; the economic benefit which delayed compliance may confer upon such person; the nature, extent, and degree of success of such person's efforts to minimize the effects of such violation upon the environment; such person's history of previous violations; and the ability of such person to pay such penalty. Any civil penalty assessed pursuant to this authority shall not exceed \$25,000.00 for each violation, provided however, that the total penalty assessed in an order issued by the Department shall not exceed \$250,000.00. Each day such violation continues shall constitute a separate violation. In arriving at this civil penalty, the Department has considered the following:

A. **SERIOUSNESS OF THE VIOLATION:** The Department considers the Permittee's failure to comply with PM emission limits for Durastrength Dryer A, Durastrength Dryer B, and

failure to operate the Durastrength Dust Collector baghouse in a manner to minimize emissions to be serious violations.

B. THE STANDARD OF CARE: The Permittee did not exhibit the required standard of care by failing to operate and maintain Durastrength Dryer A and Durastrength Dryer B in a manner that would comply with existing PM emission limits.

C. ECONOMIC BENEFIT WHICH DELAYED COMPLIANCE MAY HAVE CONFERRED: The Department is not aware of any economic benefit gained by the Permittee by not maintaining the equipment in a manner to comply with existing emission limits. The material that would have been captured in the baghouses would be considered a marketable product.

D. EFFORTS TO MINIMIZE OR MITIGATE THE EFFECTS OF THE VIOLATION UPON THE ENVIROMENT: The Permittee has performed maintenance on both Durastrength Dryer A and Durastrength Dryer B and performed additional stack testing showing the units are now both in compliance with required PM emission limits. The Permittee has also lowered the action level for determining whether maintenance issues exist from an opacity level of 10% to a level of 2.5%.

E. HISTORY OF PREVIOUS VIOLATIONS: In August 2020, the Permittee was issued a Consent Order for failure to meet minimum flowrates on the S379 Scrubber associated with the PEKK unit.

F. THE ABILITY TO PAY: The Permittee has not alleged an inability to pay the civil penalty.

G. OTHER FACTORS: It should be noted that this Special Order by Consent is a negotiated settlement and, therefore, the Department has compromised the amount of the penalty to resolve this matter amicably without incurring the unwarranted expense of litigation.

14. The Department has carefully considered the six statutory penalty factors enumerated in Ala. Code § 22-22A-5(18)c., *as amended*, as well as the need for timely and effective enforcement and, based upon the foregoing and attached contentions, has concluded that the civil penalty is appropriate (*See* “Attachment A”, which is hereby made a part of Department’s Contentions).

15. The Department neither admits nor denies Permittee’s Contentions, which are set forth below. The Department has agreed to the terms of this Consent Order in an effort to resolve the alleged violations cited herein without unwarranted expenditure of State resources in prosecuting the above violations. The Department has determined that the terms contemplated in this Consent Order are in the best interests of the citizens of Alabama.

PERMITTEE’S CONTENTIONS

16. The Permittee neither admits nor denies the Department’s contentions. The Permittee consents to abide by the terms of this Consent Order and pay the civil penalty assessed herein.

ORDER

THEREFORE, the Permittee, along with the Department, desires to resolve and settle the compliance issues cited above. The Department has carefully considered the facts available to it and has considered the six penalty factors enumerated in Ala. Code § 22-22A-5(18)c., *as amended*, as well as the need for timely and effective enforcement and has determined that the following conditions are appropriate to address the violations alleged herein. Therefore, the Department and the Permittee agree to enter into this Consent Order with the following terms and conditions:

A. The Permittee agrees to pay to the Department a civil penalty in the amount of \$60,000.00 in settlement of the violations alleged herein within forty-five days from the effective

date of this Consent Order. Failure to pay the civil penalty within forty-five days from the effective date may result in the Department's filing a civil action in the Circuit Court of Montgomery County to recover the civil penalty.

B. The Permittee agrees to submit a revised maintenance plan for the control equipment associated with the Durastrength Dryer A and Durastrength Dryer B units within 45 days of the effective date of this Consent Order.

C. The Permittee agrees that all penalties due pursuant to this Consent Order shall be made payable to the Alabama Department of Environmental Management by certified or cashier's check and shall be remitted to:

Office of General Counsel
Alabama Department of Environmental Management
P.O. Box 301463
Montgomery, Alabama 36130-1463

Or, in the alternative, payment of the civil penalties assessed herein shall be made in the form of a wire transfer payable to the Alabama Department of Environmental Management pursuant to the wire transfer instructions to be provided to the Permittee by the Department.

D. The Permittee agrees to comply with all requirements of ADEM Administrative Code div. 335-3 and the Permit, immediately upon the effective date of this Order and continuing every day thereafter.

E. The parties agree that this Consent Order shall apply to and be binding upon both parties, their directors, officers, and all persons or entities acting under or for them. Each signatory to this Consent Order certifies that he or she is fully authorized by the party he or she represents to enter into the terms and conditions of this Consent Order, to execute the Consent Order on behalf of the party represented, and to legally bind such party.

F. The parties agree that, subject to the terms of these presents and subject to provisions otherwise provided by statute, this Consent Order is intended to operate as a full resolution of the violations which are cited in this Consent Order.

G. The Permittee agrees that it is not relieved from any liability if it fails to comply with any provision of this Consent Order.

H. For purposes of this Consent Order only, the Permittee agrees that the Department may properly bring an action to compel compliance with the terms and conditions contained herein in the Circuit Court of Montgomery County. The Permittee also agrees that in any action brought by the Department to compel compliance with the terms of this Agreement, the Permittee shall be limited to the defenses of *Force Majeure*, compliance with this Agreement and physical impossibility. A *Force Majeure* is defined as any event arising from causes that are not foreseeable and are beyond the reasonable control of the Permittee, including its contractors and consultants, which could not be overcome by due diligence (i.e., causes which could have been overcome or avoided by the exercise of due diligence will not be considered to have been beyond the reasonable control of the Permittee) and which delays or prevents performance by a date required by the Consent Order. Events such as unanticipated or increased costs of performance, changed economic circumstances, normal precipitation events, or failure to obtain federal, state, or local permits shall not constitute *Force Majeure*. Any request for a modification of a deadline must be accompanied by the reasons (including documentation) for each extension and the proposed extension time. This information shall be submitted to the Department a minimum of ten working days prior to the original anticipated completion date. If the Department, after review of the extension request, finds the work was delayed because of conditions beyond the control and without the fault of the Permittee, the Department may extend the time as justified by the

circumstances. The Department may also grant any other additional time extension as justified by the circumstances, but it is not obligated to do so.

I. The Department and the Permittee agree that the sole purpose of this Consent Order is to resolve and dispose of all allegations and contentions stated herein concerning the factual circumstances reference herein. Should additional facts and circumstances be discovered in the future concerning the Facility which would constitute possible violations not addressed in this Consent Order, then such future violations may be addressed in Orders as may be issued by the Director, litigation initiated by the Department, or such other enforcement action as may be appropriate, and the Permittee shall not object to such future orders, litigation, or enforcement action based on the issuance of this Consent Order if future orders, litigation, or other enforcement action addresses new matters not raised in this Consent Order.

J. The Department and the Permittee agree that this Consent Order shall be considered final and effective immediately upon signature of all parties. This Consent Order shall not be appealable, and the Permittee does hereby waive any hearing on the terms and conditions of the same.

K. The Department and the Permittee agree that this Order shall not affect the Permittee's obligation to comply with any Federal, State, or local laws or regulations.

L. The Department and the Permittee agree that final approval and entry into this Order are subject to the requirements that the Department give notice of proposed Orders to the public, and that the public have at least thirty days within which to comment on the Order.

M. The Department and the Permittee agree that, should any provision of this Order be declared by a court of competent jurisdiction or the Environmental Management Commission to

be inconsistent with Federal or State law and therefore unenforceable, the remaining provisions hereof shall remain in full force and effect.

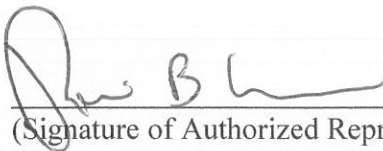
N. The Department and the Permittee agree that any modifications of this Order must be agreed to in writing signed by both parties.

O. The Department and the Permittee agree that, except as otherwise set forth herein, this Order is not and shall not be interpreted to be a permit or modification of an existing permit under Federal, State, or local law, and shall not be construed to waive or relieve the Permittee of its obligations to comply in the future with any permit.

Executed in duplicate, with each part being an original.

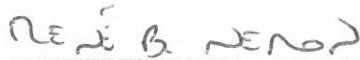
ARKEMA, INC.

ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

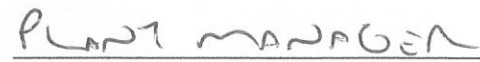


(Signature of Authorized Representative)

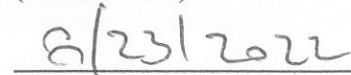
Lance R. LeFleur
Director



(Printed Name)



(Printed Title)



(Date)

(Date Executed)

Attachment A

Arkema, Inc.

Axis, Mobile County

ADEM Air Facility ID No. 503-5017

Violation	Number of Violations	Seriousness of Violation	Standard of Care	History of Previous Violations	
Failure to comply with PM emission limits associated with the D-200 Dryer A Unit.	1	\$20,000	\$5,000	-	\$25,000
Failure to comply with the PM emission limits associated with the D-200 Dryer B Unit	1	\$5,000	\$5,000		\$10,000
Failure to maintain and operate control equipment in a manner to minimize emissions.	1	\$5,000	\$15,000	\$5,000	\$25,000
TOTAL PER FACTOR		\$30,000	\$30,000	\$0	\$60,000

Adjustments to Amount of Initial Penalty	
Mitigating Factors (-)	
Ability to Pay (-)	
Other Factors (+/-)	
Total Adjustments (+/-) <i>Enter at Right</i>	\$0

Economic Benefit (+)	\$0
Amount of Initial Penalty	\$60,000
Total Adjustments (+/-)	\$0
FINAL PENALTY	\$60,000

Footnote:

**See the "Department's Contentions" portion of the Order for a detailed description of each violation and the penalty factors.*