



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Air Pollution Control
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue, 15th Floor
Nashville, TN 37243

June 29, 2022

United Agent Group Inc.
205 Powell Place
Brentwood, Tennessee 37027-7522

Certified Article Number

9414 7266 9904 2198 3520 34

SENDER'S RECORD

RE: Eastman Chemical Company
File ID. 82-0003
Case No. APC22-0011

Dear Sir or Madam:

Enclosed, please find an Amended Order and Assessment of Civil Penalty issued by Michelle Walker Owenby, Technical Secretary of the Air Pollution Control Board, Tennessee Department of Environment and Conservation (TDEC), in the above-referenced matter. Please read it carefully and pay special attention to the Notice of Rights section.

If you have any questions regarding this Amended Order and Assessment of Civil Penalty, please contact William Miller at (615) 532-0136 or via e-mail at William.F.Miller@tn.gov. For all other questions, please contact the TDEC Division of Air Pollution Control at (615) 532-0554 or via e-mail at air.pollution.control@tn.gov.

Sincerely,

A handwritten signature in blue ink, reading "Kevin McLain", is positioned below the "Sincerely," text.

Kevin McLain
Section Manager, Enforcement
Division of Air Pollution Control

vom

Enclosure

TENNESSEE AIR POLLUTION CONTROL BOARD

IN THE MATTER OF:)	DIVISION OF AIR POLLUTION
)	CONTROL
)	
EASTMAN CHEMICAL)	
COMPANY,)	
)	
RESPONDENT.)	CASE NO. APC22-0011

TECHNICAL SECRETARY'S AMENDED ORDER AND
ASSESSMENT OF CIVIL PENALTY

Michelle Walker Owenby, Technical Secretary of the Air Pollution Control Board, states:

PARTIES

I.

Michelle Walker Owenby is the Technical Secretary of the Air Pollution Control Board ("Board") and Director of the Division of Air Pollution Control ("Division"), Tennessee Department of Environment and Conservation ("Department").

II.

Eastman Chemical Company ("Respondent") is a foreign corporation formed in Delaware and authorized to do business in the State of Tennessee. Respondent's facility address is 100 Eastman Road, Kingsport, Tennessee. Respondent's registered agent for service of process is United Agent Group Inc., 205 Powell Place, Brentwood, Tennessee 37027-7522.

AUTHORITY

III.

The Technical Secretary may assess a civil penalty of up to \$25,000 per day for each day of violation of the Tennessee Air Quality Act, Tenn. Code Ann. §§ 68-201-101 to -121 ("Act"), or Tennessee Air Pollution Control Regulations, Tenn. Comp. R. & Regs. 1200-03-01 to -36; 0400-30-01 to -39, ("Rules"). Tenn. Code Ann. § 68-201-116. The Technical Secretary may issue an order for correction to the responsible person when provisions of the Act or Rules are violated, and such person may be liable for resulting damages to the State. *Id.*

IV.

Respondent is a “person,” Tenn. Code Ann. § 68-201-102(7), and has violated the Act and Rules.

V.

“Air contaminant” means particulate matter, dust, fumes, gas, mist, smoke, vapor, or any combinations thereof. Tenn. Code Ann. § 68-201-102(1).

VI.

“Air contaminant source” means any and all sources of emission of air contaminants, whether privately or publicly owned or operated. Tenn. Code Ann. § 68-201-102(2). Respondent operates an air contaminant source.

FACTS

PERMIT 978886

VII.

On April 5, 2021, the Technical Secretary issued Title V construction permit number 978886 (“Permit 978886”), (facility 82-0003), MSOP-04, to Respondent for the production of aliphatic esters.

VIII.

Condition E7-3 of Permit 978886 requires Respondent to conduct quarterly leak inspection and repair for equipment leaks in VOC service.

IX.

On November 22, 2021, the Division received via e-mail Respondent’s semiannual report (“Report”) dated November 15, 2021, for MSOP-04 for the period of April 1, 2021, through September 30, 2021. The Report indicated that the third quarter, quarterly leak inspection was due September 30, 2021, but was not conducted until October 20, 2021. The Report indicated that no leaks were identified during the inspection.

PERMIT 571036

X.

On June 1, 2016, the Technical Secretary issued Title V operating permit 571036 (“Permit 571036”), (facility 82-0003), MSOP-04, to Respondent for the production of aliphatic esters. The Technical Secretary amended and modified Permit 571036 as follows:

Type	Issued Date
Minor Modification	October 12, 2016
Administrative Amendment	May 8, 2017
Minor Modification	December 3, 2018
Minor Modification	October 23, 2020
Minor Modification	July 6, 2021
Minor Modification	August 24, 2021

XI.

Condition E4-9 of Permit 571036 requires the recovery scrubber for PES B-99-8, Tanks 64, 65, and 168 (Vent D) to maintain a 75% control efficiency at the design rating. The Title V application dated June 9, 2021, (Minor Modification #5) indicated that this scrubber is one foot in diameter and 7.8 feet high with a packing of one-inch pall rings.

XII.

The Report indicated that on September 9, 2021, maintenance personnel opened the scrubber and found the packing in the scrubber to be missing. The Report indicated that with no packing present in the scrubber, the control efficiency was reduced. The Report indicated that maintenance personnel installed new packing into the system as quickly as possible.

PERMIT 573610

XIII.

On July 10, 2018, the Technical Secretary issued Title V operating permit 573610 (“Permit 573610”), (facility 82-0003), MSOP-10, to Respondent for hydroquinone production, miscellaneous organic chemicals production, chemical storage tanks, chemical loading/unloading

operations, and various materials handling processes. On February 18, and December 9, 2019, the Technical Secretary modified Permit 573610.

XIV.

Condition E6-3 of Permit 573610 requires annual leak inspection and repair for equipment leaks in VOC service at PES B-90B-1.

XV.

On November 22, 2021, the Division received via e-mail Respondent's Report dated November 15, 2021, for MSOP-10 for the period of April 1, 2021, through September 30, 2021. The Report indicated that the annual inspection was not conducted in 2019 or in 2020. The Report indicated that equipment in PES B-90B-1 is used to manufacture two different products, and one product (BHA) was shut down. The applicability determination for the running product (SAIB) failed to identify that the annual inspection was still required for a small portion of the unit (two pumps, two agitators, and 24 valves) when running SAIB. The Report indicated that the annual inspection was conducted on September 13, 2021, and no leaks were detected. The Report also indicated that the potential impact of process changes on existing work practice standards has been reinforced with the appropriate personnel by way of targeted training.

PERMIT 576162

XVI.

On January 1, 2020, the Technical Secretary issued Title V operating permit 576162 ("Permit 576162"), (facility 82-0003), MSOP-24, to Respondent for the production of glycol and esters in the Polymers Division. The Technical Secretary amended and modified Permit 576162 as follows:

Type	Issued Date
Administrative Amendment	January 10, 2020
Administrative Amendment	June 12, 2020
Significant Modification	September 8, 2021
Significant Modification	December 15, 2021

XVII.

Condition E2-6 of Permit 576162 requires Respondent to comply with the provisions of 40 CFR Part 60, Subpart VVa (Standards of Performance for Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry for which Construction, Reconstruction, or Modification Commenced after November 7, 2006). Pursuant to §60.480a(e)(2) of Subpart VVa, Owners or operators may choose to comply with the provisions of 40 CFR 63 Subpart H to satisfy the requirements of Subpart VVa.

XVIII.

Condition E2-7 of Permit 576162 requires Respondent to comply with the provisions of 40 CFR Part 63, Subpart H (National Emission Standards for Organic Hazardous Air Pollutants for Equipment Leaks). For pumps in light liquid service, §63.169(c)(1) of Subpart H indicates that leaking pumps shall be repaired not later than 15 calendar days after the leak is detected, except as otherwise provided by Subpart H. Pursuant to §63.161 of Subpart H, repaired means that equipment is adjusted, or otherwise altered, to eliminate a leak, and the equipment is monitored to verify that emissions from the equipment are below the applicable leak definition.

XIX.

Additionally, condition E2-7 of Permit 576162 requires the t-DMCD Miscellaneous Chemical Manufacturing Process Unit (MCPU) to comply with the provisions of 40 CFR Part 63, Subpart FFFF (National Emission Standards for Hazardous Air Pollutants: Miscellaneous Organic Chemical Manufacturing). For equipment leaks, §63.2480 and Table 6 to Subpart FFFF require equipment in organic HAP service to comply with the requirements of 40 CFR Part 63, Subpart H, 40 CFR Part 63, Subpart FFFF, or 40 CFR Part 65 Subpart F. For the t-DMCD MCPU, Respondent complies with §63.2480 using 40 CFR 63 Subpart H. Section 63.167(a) of Subpart H requires that each open-ended valve or line shall be equipped with a cap, blind flange, plug, or a second valve, except as otherwise provided in Subpart H.

XX.

On November 22, 2021, the Division received via e-mail Respondent's Report dated November 15, 2021, for MSOP-24 for the period of April 1, 2021, through September 30, 2021. The Report indicated that one leaking pump in the DMT CMPU was found to be leaking on May

24, 2021, and was not confirmed to be repaired within 15 days of identification as required by condition E2-7 of Permit 576162. The Report indicated that the pump seal was replaced on May 27, 2021, and Method 21 was used to confirm successful repair on June 15, 2021.

XXI.

The Report indicated that Respondent identified eight open-ended lines in the t-DMCD MCPU. The Report indicated that the open-ended lines were eliminated and brought into compliance with §63.167 of Subpart H as referenced by §63.2480 of Subpart FFF.

PERMIT 576603

XXII.

On April 1, 2021, the Technical Secretary issued Title V operating permit 576603 (“Permit 576603”), (facility 82-0003), MSOP-33, to Respondent for the production of esters in the Cellulose Esters and Specialty Plastics Division.

XXIII.

Condition E3-8 of Permit 576603 requires Respondent to comply with the provisions of 40 CFR Part 64 Compliance Assurance Monitoring (CAM). Section §64.2 indicates that CAM requirements apply to a pollutant-specific emissions unit at a major source if the unit satisfies the applicability criteria of Part 64 (the unit is subject to an emission limitation or standard for a regulated air pollutant, the unit uses a control device to achieve compliance with the standard, and the unit has potential pre-control device emissions equal to or greater than the major source threshold). Section §64.3 requires monitoring of the control device that provides a reasonable assurance of compliance with the emission limit(s) for the anticipated range of operations, and §64.4 requires Respondent to submit monitoring that satisfies the design requirements in §64.3. Section §64.7(a) requires Respondent to conduct the monitoring required under Part 64 by the date specified in Permit 576603. Except as specifically allowed by Part 64, §64.7(c) requires Respondent to conduct all monitoring in continuous operation at all times that the pollutant-specific emissions unit is operating.

The CAM plan established minimum inlet water flowrates for the proper operation of scrubbers 1205 (Vent AL), 1206 (Vent AM), and 1208 (Vent AN). For maintenance, startup, or shutdown activities, the CAM plan allows a single scrubber to be taken out of service and the

vapor from the out-of-service scrubber to be diverted to the other scrubbers. When vapors are diverted to scrubber 1205, the CAM plan requires the daily average inlet water flow rate to be greater than or equal to 30 gallons per minute.

XXIV.

Conditions E4-1, E5-4, and E6-2 of Permit 576603 require Respondent to demonstrate compliance with the applicable particulate matter emission limits through quarterly verifications of blower capacities as specified in the Title V Application dated December 29, 2020.

XXV.

On November 23, 2021, the Division received via e-mail Respondent's Report dated November 23, 2021, for MSOP-33 for the period of April 1, 2021, through September 30, 2021.

XXVI.

The Report indicated that water was diverted to scrubber 1205 on two separate periods during the reporting period, but the scrubber flow rate was less than the required minimum (30 gallons per minute), as shown in the table below.

Reported Scrubber Excursions		
Start Date/Time	End Date/Time	Average Water Flow Rate to Scrubber 1205
6/21/2021, 00:35	6/24/2021, 14:15	20 gpm
4/1/2021, 00:00	6/9/2021, 00:40	20 gpm

XXVII.

The Report indicated that Respondent discovered that the quarterly verifications of blower capacities were not recorded for the second and third quarters of 2021. The Report indicated that on November 16, 2021, Respondent completed a review of the Management of Change (MOC) documentation covering the second and third quarters and determined that there were no changes that would have affected the blower capacities. The Report indicated that Respondent would improve the quarterly reasonable inquiry (QRI) process to ensure that the requirement for these verifications is detailed in the QRI documentation and by adding electronic notifications for operations personnel.

PERMIT 574267

XXVIII.

On September 1, 2019, the Technical Secretary issued Title V operating permit 574267 (“Permit 574267”), (facility 82-0003), MSOP-09, to Respondent for a polyester polymer and plastics manufacturing and associated material handling operations. The Technical Secretary amended and modified Permit 574267 as follows:

Type	Issued Date
Administrative Amendment #1	October 16, 2019
Minor Modification #1	January 22, 2020
Minor Modification #2	March 19, 2021

XXIX.

Condition E2-7 of Permit 574267 requires Respondent to comply with 40 CFR Part 63, Subpart FFFF (National Emission Standards for Hazardous Air Pollutants: Miscellaneous Organic Chemical Manufacturing). Section §63.2455 and Table 1 to Subpart FFFF require Group 1 process vents to reduce organic HAP emissions by 98 percent by weight or to an outlet concentration of 20 parts per million by volume (ppmv); vent emissions to a flare; or use a recovery device to maintain a minimum TRE value. Compliance with Subpart FFFF is demonstrated by routing Group 1 process vents to a scrubber and catalytic oxidizer.

Additionally, Condition E2-7 requires Respondent to comply with 40 CFR 63 Subpart JJJ (National Emission Standards for Hazardous Air Pollutants: Group IV Polymers and Resins). 40 CFR §63.1314(a) requires compliance with §63.119 through §63.123 and §63.148 for storage vessels. 40 CFR §63.119 9(e)(1) requires Group 1 storage vessels using a control device to reduce inlet emissions of total organic HAP by 95 percent or greater. Compliance with Subpart JJJ is demonstrated by routing control vessel emissions to either the primary or backup scrubbers.

XXX.

On February 22, 2021, the Division received via e-mail Respondent’s Report dated February 21, 2022, for MSOP-09 for the period of July 1, through December 31, 2021.

XXXI.

The Report indicated that Respondent discovered on August 5, 2021, a loose thief hatch on methanol tank DA-03, and when tightened over pressurization of the scrubber vent header occurred. The root cause of the over pressure was determined to be an incorrectly positioned valve on the scrubber underflow line. The high header pressure caused emissions to by-pass scrubber DA-30A through individual tank conservation vents. As a result, 70 lbs. of methanol (MeOH) and 5 lbs. of ethylene glycol (EG) were emitted over a period of 50 minutes. As corrective action, the valve position was corrected, and spot trainers were distributed to operators on proper thief hatch operation.

XXXII.

The Report indicated that Respondent discovered on November 11, 2021, DMT solidified in the line between the DMT feed station and the first reactor, during a Y-line start up. Pressurized nitrogen was used by Respondent to verify the feed path was open after melting the solidified DMT. The nitrogen pressure used destabilized the catalytic oxidizer, causing the safety interlock to open the bypass valve. As result, 2.2 lbs. of VOC were emitted over a period of 25 minutes. As corrective action, coaching to operations regarding the start-up procedure and minimization of nitrogen use was provided.

XXXIII.

On December 30, 2021, the Division issued a NOV to Respondent for the violations identified in paragraphs **IX, XII, XV, XX, XXI, XXVI, XXVII, XXXI, and XXXII.**

VIOLATIONS

XXXIV.

By failing to comply with the conditions of multiple Title V operating permits, as discussed herein, Respondent violated Division Rule 1200-03-09-.02(6), which states, in pertinent part:

Operation of each air contaminant source shall be in accordance with the provisions and stipulations set forth in the operating permit, all provisions of these regulations, and all provisions of the Tennessee Air Quality Act.

AMENDED ORDER AND ASSESSMENT OF CIVIL PENALTY

XXXV.

Respondent is assessed a civil penalty of \$16,250.00 for violation of the Act and Rules, to be paid to the Department at the following address:

Division of Fiscal Services - Consolidated Fees Section
Tennessee Department of Environment and Conservation
William R. Snodgrass Tennessee Tower, 10th Floor
312 Rosa L. Parks Avenue
Nashville, Tennessee 37243

The civil penalty shall be delivered to the Department on or before the 31st day after receipt of this Amended Order and Assessment of Civil Penalty. The case number, APC22-0011, should be clearly written on all correspondence.

RESERVATION OF RIGHTS

In issuing this Amended Order and Assessment of Civil Penalty, the Department does not implicitly or expressly waive any provision of the Act or Rules promulgated thereunder or the authority to assess costs, civil penalties, and/or damages incurred by the State against the Respondent(s). The Department expressly reserves all rights it has at law and in equity to order further corrective action, assess civil penalties and/or damages, and to pursue further enforcement action including, but not limited to, monetary and injunctive relief. Compliance with this order will be considered as a mitigating factor in determining the need for future enforcement action(s).

NOTICE OF RIGHTS

The Respondent may appeal this Amended Order and Assessment. Tenn. Code Ann. §§ 68-201-108(a) and 68-201-116(b). To do so, a written petition setting forth the reasons for requesting a hearing must be received by the Technical Secretary within 30 days of the date Respondent received this Amended Order and Assessment or this Amended Order and Assessment becomes final. Any petition for review must be directed to:

Commissioner of the Department of Environment and Conservation
c/o Jenny L. Howard, General Counsel
Tennessee Department of Environment and Conservation
William R. Snodgrass Tennessee Tower, 2nd Floor

312 Rosa L. Parks Avenue
Nashville, Tennessee 37243

If an appeal is filed, an initial hearing of this matter will be conducted by an Administrative Law Judge (ALJ) as a contested case hearing. Tenn. Code Ann. § 68-201-108(a); Tenn. Code Ann. § 4-5-301 to -325; Tenn. Comp. R. & Regs. 1360-04-01. Such hearings are legal proceedings in the nature of a trial. Individual respondents may represent themselves or be represented by an attorney licensed to practice law in Tennessee. Artificial respondents (*e.g.*, corporations, limited partnerships, limited liability companies, etc.) cannot engage in the practice of law and therefore may only pursue an appeal through an attorney licensed to practice law in Tennessee. Low-income individuals may be eligible for representation at reduced or no cost through a local bar association or legal aid organization.

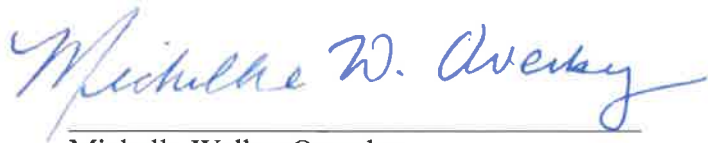
At the conclusion of any initial hearing, the ALJ has the authority to affirm, modify, or deny this Amended Order and Assessment of Civil Penalty, including the authority to increase or decrease the penalty. Tenn. Code Ann. § 68-201-116. The ALJ, on behalf of the Board, has the authority to assess additional damages incurred by the Department including, but not limited to, all docketing expenses associated with the setting of the matter for a hearing, and the hourly fees incurred due to the presence of the ALJ and a court reporter.

Technical questions and other correspondence involving compliance issues should be sent to:

Kevin McLain, Division of Air Pollution Control
Tennessee Department of Environment and Conservation
William R. Snodgrass Tennessee Tower, 15th Floor
312 Rosa L. Parks Avenue
Nashville, Tennessee 37243

Attorneys should contact the undersigned counsel of record. The case number, APC22-0011, should be written on all correspondence regarding this matter.

Issued by the Technical Secretary, Tennessee Air Pollution Control Board, Department of Environment and Conservation, on June 29, 2022.



Michelle Walker Owenby
Technical Secretary
Tennessee Air Pollution Control Board

Reviewed by:



William Freeman Miller
BPR# 28826
Assistant General Counsel
Department of Environment & Conservation
312 Rosa L. Parks Avenue, 2d Floor
Nashville, Tennessee 37243
615-532-0136
William.F.Miller@tn.gov