



**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**

July 15, 2021

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

Certified Article Number

9414 7266 9904 2170 0981 03

SENDER'S RECORD

RE: Eastman Chemical Company
File ID. 82-0003
Case No. APC20-0085

Dear Sir or Madam:

Enclosed please find an Order issued by Michelle Walker Owenby, Technical Secretary of the Air Pollution Control Board, Tennessee Department of Environment and Conservation, 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 Order, please contact attorney Steven R. Stout at (615) 532-0138 via e-mail to steven.stout@tn.gov. For all other questions, please contact the Division at (615) 532-0554 or via e-mail to air.pollution.control@tn.gov.

Sincerely,

Kevin McLain
Section Manager, Enforcement
Division of Air Pollution Control

vom

Enclosure

TENNESSEE AIR POLLUTION CONTROL BOARD

IN THE MATTER OF:

EASTMAN CHEMICAL COMPANY

RESPONDENT

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DIVISION OF AIR POLLUTION
CONTROL

CASE NO. APC20-0085

TECHNICAL SECRETARY'S ORDER AND ASSESSMENT OF CIVIL PENALTY

Comes now, Michelle Walker Owenby, Technical Secretary of the Air Pollution Control Board, and states that:

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.

Pursuant to Tennessee Code Annotated ("Tenn. Code Ann.") § 68-201-116, 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 ("Act") or any rules or regulations promulgated thereunder ("Division Rules") against any person who violates said Act or Division Rules, and/or the Technical Secretary may issue an order for correction to the responsible person when provisions of the Act or Division

Rules are violated. In addition, such person may also be liable for any damages to the State resulting therefrom.

IV.

Respondent is a “person” within the meaning of Tenn. Code Ann. § 68-201-102 and has violated the Division Rules as hereinafter stated.

V.

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

VI.

“Air contaminant source” means any and all sources of emission of air contaminants, whether privately or publicly owned or operated, as stated in Tenn. Code Ann. § 68-201-102.

VII.

Respondent operates an “air contaminant source” within the meaning of Tenn. Code Ann. § 68-201-102.

FACTS

PERMIT 576513

VIII.

On January 1, 2020, the Technical Secretary issued Title V operating permit number 576513 (“Permit 576513”), emission source reference number 82-0003, MSOP-23, to Respondent for an acid concentration manufacturing operation.

IX.

Condition E3-3 of Permit 576513 limits volatile organic compound (“VOC”) emissions from PES B-55-1, vents H, S, T, U, V, and Y (B-55 vacuum system vents) to 1.71 pounds per hour (lbs./hr.). Vents H and Y represent emissions from independent vacuum pumps (one serves as a spare for the other) and vents S, T, U, and V represent emissions from steam jets. Normal operation

is for one vacuum pump to be in service at a time. On occasion, the steam jets can also be utilized if additional vacuum is needed.

X.

On May 29, 2020, the Division received Respondent's semiannual report ("SAR") for MSOP-23 via e-mail for the reporting period of October 1, 2019, through March 31, 2020. The SAR indicated that on March 9, 2020, an emissions test on vent H was conducted to determine the Total Resource Effectiveness (TRE) index value (40 CFR Part 60, Subparts NNN and RRR and 40 CFR Part 63, Subpart G) for the system. This test was conducted as a result of process changes made to equipment connected to the vacuum system. The measured VOC emission rate during the test was 2.00 lbs./hr., indicating 0.29 lb./hr. of excess VOC emissions from the vacuum system.

XI.

Respondent operated the vacuum pump associated with vent H between March 9 and April 18, 2020, when operations switched to the vacuum pump associated with vent Y. Respondent also operated vent H vacuum pump between May 21 and May 22, 2020, to verify liquid flow rates and establish a new parametric monitoring range for the system. The SAR indicated that Respondent estimated excess emissions by looking at hourly production rate information and linearly factoring the emissions rate during these periods. The SAR estimated 553 lbs. of excess VOC emissions between March 9 and April 18, 2020, and indicated that Respondent does not believe there were any excess emissions during the period of operation between May 21 and May 22, 2020. The SAR indicated that Respondent does not expect there to have been any excess emissions during the period operating the vent Y vacuum pump.

XII.

The SAR indicated that Respondent is planning to submit a minor permit modification to increase the allowable emission rate for vents H, S, T, U, V, and Y. The SAR indicated that Respondent was not able to operate the B-55 equipment at maximum production rates during the March 9, 2020 TRE evaluation. Respondent plans to perform another TRE evaluation once the B-55 equipment is available to operate at maximum production rates.

PERMIT 976169

XIII.

On March 25, 2019, the Technical Secretary issued Title V construction permit number 976169 (“Permit 976169”), emission source reference number 82-0003, MSOP-24, to Respondent for a Trans-Ester Plant and Hydrogen Plants.

XIV.

Condition 3 of Permit 976169 states:

A completed startup certification shall be submitted to the Permitting Program, as specified in Attachment 3 of this permit, no later than thirty (30) days after the air contaminant source is started-up.

XV.

Conditions E8-4 and E8-5 of Permit 976169 require completion of an annual audio, visual, and olfactory (“AVO”) inspection of equipment in carbon monoxide (“CO”) and VOC service for Flow Diagram Points ZZ5 (Hydrogen Plant #5) and ZZ6 (Hydrogen Plant #6), respectively.

XVI.

On May 26, 2020, the Division received Respondent’s SAR for MSOP-24 via e-mail for the reporting period of October 1, 2019, through March 31, 2020. The SAR indicated that equipment in PES B-368-1 began operation on December 20, 2019. Therefore, the required startup notification was not submitted within 30 days of startup.

XVII.

The SAR for MSOP-24 states that the annual AVO inspection for Hydrogen Plants #5 and #6 was not completed in its entirety during 2019. Specifically, a portion of the fuel gas line from the process to the Hydrogen Plants and the burner portions of the inspection were not completed. Respondent indicated that the missed portion of the inspection accounts for less than 10% of the total equipment included in the inspection.

PERMIT 574985

XVIII.

On September 1, 2019, the Technical Secretary issued Title V operating permit number 574985 (“Permit 574985”), emission source reference number 82-0003, MSOP-27, to Respondent for a Plastics Manufacturing operation. On October 16, 2019, the Technical Secretary amended Permit 574985.

XIX.

Condition E5-2 of Permit 574985 limits particulate matter emissions from PES B-190-1 (entire source, excluding fugitive equipment leaks) to 7.35 tons per year. For vents B, C, J, K, and L, Respondent demonstrates compliance with the limit by performing a quarterly certification of blower capacity (Table I(a)).

Table I(a): Maximum Blower Capacities, PES-B-190-1	
Stack ID	Maximum Vapor Flow Rate (dscfm)
B	4,495
C	904
J	762
K	762
L	2,480

XX.

On May 29, 2020, the Division received Respondent’s SAR for MSOP-27 via e-mail for the reporting period of October 1, 2019, through March 31, 2020. The SAR indicated that during the first quarter 2020, a flow test was conducted on three of the five blowers (vents J, K, and L), and the results indicated flow rates higher than the capacity values stated in the permit application for each of the blowers. The SAR indicated that there have been no known physical or operational changes to two of the blowers (vents J and K) that would account for the increased flow rates. Respondent believes there was an error in the initial determination of the maximum capacities of these blowers that accounts for the discrepancy in the permit application. The SAR indicated that the remaining blower (vent L) was modified in 2014, and the modifications resulted in an increase

in the blower capacity. The SAR indicated that Respondent notified the Division of the increased flow rate on October 20, 2014, but the updated vent flow rate information was not incorporated into the operating plan at the next application submittal. On May 29, 2020, Respondent submitted a minor permit modification to update the blower capacities and to increase the particulate matter emission limit. Table 1(b) summarizes the estimated excess emissions from vent L, dating to the fourth quarter of 2014 (date of the blower modifications). The SAR indicated that Respondent had no record of modifications to the blowers associated with vents J and K and no knowledge of when the increase in flow rate from those vents occurred other than the date of the 1st quarter 2020 certification. Consequently, the SAR indicated that Respondent does not believe excess emissions from vents J and K occurred between discovery of the deviation and submittal of the application for a minor permit modification.

Table 1(b): Estimated Excess Emissions, PES-B-190-1, Vent L		
Semiannual Reporting Period	Operating Time ¹ (days)	Excess Emissions ² (lbs.)
10/1/14 through 3/31/15	169	1,541
4/1/15 through 9/30/15	69	629
10/1/15 through 3/31/16	152	1,386
04/1/16 through 09/30/16	167	1,523
10/1/16 through 03/31/17	157	1,432
04/1/17 through 09/30/17	183	1,669
10/1/17 through 03/31/18	144	1,313
04/1 /18 through 09/30/18	177	1,614
10/1/18 through 03/31/ 19	130	1,186
04/1 /19 through 09/30/19	124	1,131
10/1/19 through 03/31/20	161	1,468
Notes: 1 Operating time of blower associated with vent L 2 Based on an increase of 0.38 lb./hr. particulate from vent L with the higher blower capacity		

XXI.

On June 16, 2020, the Division issued a Notice of Violation to Respondent for the violations identified in paragraphs X, XI, XVI, XVII and XX.

PERMIT 568170

XXII.

On November 24, 2014, the Technical Secretary issued Title V operating permit number 568170 (“Permit 568170”), emission source reference number 82-0003, MSOP-34, to Respondent for a Plastics Manufacturing operation. The Technical Secretary amended and modified Permit 568170 as follows.

Minor Modification #1	May 26, 2015
Significant Modification #1	August 30, 2016
Minor Modification #2	August 30, 2016
Administrative Amendment #1	June 16, 2017
Minor Modification #3	September 1, 2017
Minor Modification #4	June 20, 2019

XXIII.

Condition E2-1(a)(5) SM1 and MM4 of Permit 568170 states, in pertinent part:

The semiannual reports shall cover the six-month periods from January 1 to June 30 and from July 1 through December 31 of each calendar year. The reports shall be submitted within 60 days after the end of each six-month reporting period. Semiannual reports of this facility (82-0003-MSOP-34) shall include: . . . (5) Identification of all instances of deviations from all permit requirements”.

XXIV.

Condition E3-1 MM3 of Permit 568170 establishes VOC emission limits for PES B-232-1 (entire source excluding fugitive equipment leaks). Specifically, Condition E3-1 MM3 requires the maintenance of a daily production rate log of the No. 6 oxidizer while vent TB is in operation to demonstrate compliance with the established VOC emission limit.

XXV.

Condition E3-26 MM4 of Permit 568170 requires Respondent to comply with 40 CFR Part 63, Subpart H - National Emission Standards for Organic Hazardous Air Pollutants for Equipment Leaks for portions of Point AJ at PES B-232-1 in Organic HAP Service. For pumps in light liquid

service, §63.163(b)(3) requires each pump to be checked by visual inspection each calendar week for indications of liquids dripping from the pump seal.

XXVI.

Condition E3-31 SM1 of Permit 568170 requires Respondent to comply with the requirements of 40 CFR Part 60 New Source Performance Standards (NSPS) 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. Components at PES B-232-1 are subject to an EPA approved NSPS VVa-Alternative Monitoring Plan for equipment in acetic acid service. The Alternative Monitoring Plan states, in pertinent part, “(a) A leak inspection of all equipment in air contaminant service (contains or contacts a process fluid that is at least 10% air containment by weight) that is not in heavy liquid service or “ in vacuum service” shall be performed once per calendar quarter, except that pumps shall be inspected weekly[.]”

XXVII.

Condition E3-32 of Permit 568170 requires Respondent to comply with 40 CFR Part 64 – Compliance Assurance Monitoring (CAM). CAM recordkeeping and reporting requirements in 40 CFR 64.9(a)(2)(ii) state, in pertinent part:

“Summary information on the number, duration and cause (including unknown cause, if applicable) for monitor downtime incidents (other than downtime associated with zero and span or other daily calibration checks, if applicable);...”

XXVIII.

On June 19, 2020, the Division received Respondent’s Inspection Record Summary document via e-mail containing previously unreported potential deviations with Permit 568170. These potential deviations were discovered by Respondent in preparation for the inspection. After review and consideration of the pertinent facts associated with the disclosed deviations, the Division determined the following violations occurred:

- Respondent indicated that the factor used to determine the production rate of the No. 6 oxidizer was changed but was not updated in the calculations used to log the production

rate. This resulted in excess production on February 19, 2018. Respondent has corrected the production rate calculation and does not expect any excess CO or VOC emission as a result of the exceedance due to the low magnitude.

- Respondent indicated that the February 19, 2018 deviation from condition E3-1 MM3 of Permit 568170 was discovered while preparing the submittal of inspection records on June 19, 2020. Subsequently, this deviation was not reported in the semiannual report covering January 1, 2018, to June 30, 2018, as required by condition E2-1(a)(5) SM1 of Permit 568170.
- Respondent indicated that two weekly audio, visual, olfactory (“AVO”) pump inspections in the IPA CMPU and four weekly AVO pump inspections in the TPA CMPU were not inspected during week 30 of 2019, as required by condition E3-26 MM4 of Permit 568170. The pumps were inspected during week 31 of 2019 and no leaks were discovered.
- Respondent indicated they were not aware of the deviations from condition E3-26 MM4 of Permit 568170 until March 16, 2020. Subsequently, these deviations were not reported in the semiannual report covering July 1, 2019, to December 31, 2019, as required by condition E2-1(a)(5) of Permit 568170.
- Respondent indicated that all 126 pumps in the TPA CMPU that require weekly AVO inspections were not inspected during week 30 of 2019, as required by condition E3-31 SM1 of Permit 568170. The pumps were inspected during week 31 of 2019 and no leaks were discovered.
- Respondent indicated the deviations from condition E3-31 MM4 of Title V Operating Permit #568170 were not discovered until March 16, 2020 (Attachment 1, Page 11, Item 3.). Subsequently, this deviation was not reported in the semiannual report covering July 1, 2019, to December 31, 2019, as required by condition E2-1(a)(5) MM4 of Title V Operating Permit #568170.
- Respondent indicated there were periods of missing data due to Process Information (PI) computer server outages that were the result of system patching or server reboots that were not previously reported. The following table contains the unreported missing data during each semiannual reporting period.

Vent ID	Monitoring Point	Start (Date – Time)	End (Date – Time)	Event Duration (hours)	Semiannual Reporting Period
UA	Catox Inlet Temperature	6/22/17 - 21:00	6/22/17 - 21:45	0.75	1/1/17 – 6/30/17
		6/22/17 – 22:45	6/23/17 – 00:00	1.25	1/1/17 – 6/30/17
		6/23/17 – 17:30	6/23/17 – 18:15	0.75	1/1/17 – 6/30/17
		6/23/17 – 18:45	6/23/17 – 19:00	0.25	1/1/17 – 6/30/17
	Catox Outlet Temperature	3/11/18 – 23:30	3/11/18 – 23:45	0.25	1/1/18 – 6/30/18
		5/10/18 – 07:15	5/10/18 – 07:30	0.25	1/1/18 – 6/30/18
		5/24/18 – 20:15	5/24/18 – 20:30	0.25	1/1/18 – 6/30/18
		1/13/19 - 08:30	1/13/19 – 08:45	0.25	1/1/19 – 6/30/19
UC	Catox Inlet Temperature	6/22/17 – 21:00	6/22/17 – 21:45	0.75	1/1/17 – 6/30/17
		6/22/17 – 22:45	6/23/17 – 00:00	1.25	1/1/17 – 6/30/17
		6/23/17 – 17:30	6/23/17 – 18:15	0.75	1/1/17 – 6/30/17
		6/23/17 – 18:45	6/23/17 – 19:00	0.25	1/1/17 – 6/30/17

XXIX.

On July 17, 2020, the Division issued a Notice of Violation to Respondent for the violations identified in paragraph **XXVIII**.

VIOLATIONS

XXX.

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.

XXXI.

By failing to comply with conditions 3, E8-4, and E8-5 of Permit 976169, Respondent violated Division Rule 1200-03-09-.01(1)(d), which states, in pertinent part:

Construction of a new air contaminant source or the modification of an air contaminant source which may result in the discharge of air contaminants must be in accordance with the approved construction permit application or notice of intent; the provisions and stipulations set forth in the construction permit, notice of coverage, or notice of authorization [.]

RELIEF

XXXII.

WHEREFORE, PREMISES CONSIDERED, I, Michelle Walker Owenby, Technical Secretary, under the authority vested in me, hereby order as follows:

1. Respondent is assessed a Civil Penalty in the amount of **\$9,500** for the violation of Division Rules, as discussed herein.
2. Respondent shall pay the assessed Civil Penalty in full as follows: Payments of the civil penalty and/or damages shall be made payable to the "Treasurer, State of Tennessee" and sent to the Division of Fiscal Services - Consolidated Fees Section, Tennessee Department of Environment and Conservation, William R. Snodgrass Tennessee Tower, 312 Rosa L. Parks Avenue, 10th Floor, Nashville, Tennessee 37243. The case number, **APC20-0085**, should be clearly shown on the check or money order to ensure that the payment is properly credited. Payment shall be made on or before the 31st day after receipt of this Order and Assessment.

DEPARTMENT'S RESERVATION OF RIGHTS

In issuing this Order and Assessment, the Department does not implicitly or expressly waive any provision of the Act or the regulations promulgated thereunder or the authority to assess costs, civil penalties, and/or damages incurred by the State against the Respondent. 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

Tenn. Code Ann. §§ 68-201-108(a) and 68-201-116(b), allow Respondent to appeal this Order and Assessment. To do so, a written petition setting forth the grounds (reasons) for requesting a hearing must be RECEIVED by the Technical Secretary within 30 DAYS of the date Respondent received this Order and Assessment or this Order and Assessment becomes final (not subject to review).

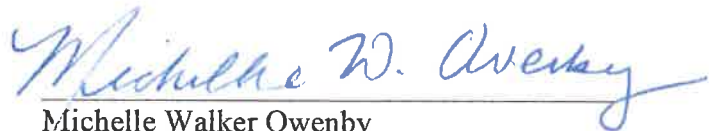
If an appeal is filed, an initial hearing of this appeal will be conducted by an Administrative Law Judge (“ALJ”) as a contested case hearing pursuant to the provisions of Tenn. Code Ann. § 68-201-108(a), Tenn. Code Ann. § 4-5-301 *et seq.* (the Uniform Administrative Procedures Act), and Tenn. Comp. R. & Regs. 1360-04-01 *et seq.* (the Department of State’s Uniform Rules of Procedure for Hearing Contested Cases Before State Administrative Agencies). 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 (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 Order and Assessment. This includes the authority to modify (decrease or increase) the penalty within the statutory confines of Tenn. Code Ann. § 68-201-116 (up to \$25,000 per day per violation). Furthermore, 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.

Any petition for review (appeal) must be directed to the Technical Secretary, Tennessee Division of Air Pollution Control, c/o Jenny L. Howard, General Counsel, Department of Environment and Conservation, William R. Snodgrass Tennessee Tower, 312 Rosa L. Parks


Avenue, 2nd Floor, Nashville, Tennessee 37243. An appeal may also be filed by sending the petition to the following email address: TDEC.Appeals@tn.gov. Payments of the civil penalty and/or damages shall be made payable to the "Treasurer, State of Tennessee" and sent to the Division of Fiscal Services - Consolidated Fees Section, Tennessee Department of Environment and Conservation, William R. Snodgrass Tennessee Tower, 312 Rosa L. Parks Avenue, 10th Floor, Nashville, Tennessee 37243. Technical questions and other correspondence involving compliance issues should be sent to Attn: Tammy Gambill, Division of Air Pollution Control, William R. Snodgrass Tennessee Tower, 312 Rosa L. Parks Avenue, 15th Floor, Nashville, Tennessee 37243 or via e-mail to air.pollution.control@tn.gov. Attorneys should contact the undersigned counsel of record. **The case number, APC20-0085, 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 this 8th day of June, 2021.



Michelle Walker Owenby
Technical Secretary
Tennessee Air Pollution Control Board

Reviewed by:



Steven R. Stout
BPR # 014174
Senior Counsel
Department of Environment & Conservation
312 Rosa L. Parks Avenue, 2nd Floor
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