



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

February 16, 2022

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

Certified Article Number

9414 7266 9904 2170 1009 81

SENDER'S RECORD

RE: Eastman Chemical Company
File ID. 82-0003
Case No. APC21-0154

Dear Sir or Madam:

Enclosed, please find an 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.

On September 20, 2021, (Amended September 27, 2021), the Division issued a Notice of Violation ("NOV") to Eastman Chemical Company for the late submittal of five-year tune-up reports as required by condition E2-6 of Permit 575805 and E3-16 of Permit 572407. The Division has elected to take no further action regarding these violations due to inconsistent reporting requirements in your Title V permits. The enclosed Order addresses all remaining violations identified in the September 20, 2021, (Amended September 27, 2021), NOV.

If you have any questions regarding this Order and Assessment of Civil Penalty, please contact William Freeman 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,

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. APC21-0154

TECHNICAL SECRETARY'S 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 574267

VII.

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

VIII.

Condition E2-7 of Permit 574267 requires Respondent’s DMT Continuous thermoplastic product process unit (TPPU) to comply with the provisions of 40 CFR Part 63, Subpart JJJ (National Emission Standards for Hazardous Air Pollutant Emissions: Group IV Polymers and Resins), including the requirements shown in **Table 1**.

Table 1: Subpart JJJ Requirements, DMT Continuous TPPU			
Category	Affected Equipment	Summary of Requirement	Rule Citation
Fugitive Equipment Leaks	Applicable portions of Flow Diagram Point X1 in HAP service	Comply with the requirements of 40 CFR 63 Subpart H, except as otherwise specified in Subpart JJJ.	§63.1331(a)
		Each open-ended valve or line shall be equipped with a cap, blind flange, plug, or a second valve, except as provided in §63.162(b) and §§63.167(d) and (e). The cap, blind flange, plug, or second valve shall seal the open end at all times except during operations requiring process fluid flow through the open-ended valve or line, or during maintenance or repair.	§63.167(a)

IX.

On August 25, 2021, the Division received via e-mail Respondent's Semiannual Report ("Report"), dated August 24, 2021, for Permit 574267, for the reporting period of January 1, 2021, through June 30, 2021. The Report indicated that during the reporting period that Respondent identified 34 open-ended lines in the DMT Continuous TPPU. The Report indicated that the open-ended lines have been eliminated and brought into compliance with 40 CFR §63.167 as referenced by 40 CFR §63.1331.

PERMIT 572407

X.

On November 16, 2018, the Technical Secretary issued Title V operating permit 572407 ("Permit 572407"), (facility 82-0003), MSOP-17, to Respondent for synthesis gas production from coal and acid gas removal and sulfur recovery operations.

XI.

Condition E8-1 of Permit 572407 limits sulfur dioxide (SO₂) emissions to 47.6 pounds per hour (lbs/hr). Division Rule 1200-03-20-.06(6) states:

No emission during periods of malfunction, start-up, or shutdown that is in excess of the standards in Division 1200-03 or any permit issued thereto shall be allowed which can be proved to cause or contribute to any violations of the Ambient Air Quality Standards contained in Chapter 1200-03-03 or the National Ambient Air Quality Standards [NAAQS].

40 CFR §50.17 establishes the primary NAAQS for SO₂ as a one-hour average concentration of 75 parts per billion (ppb). The standard is met at an ambient monitoring site when the three year average of the annual (99th percentile) of the daily maximum 1-hour average concentrations is less than or equal to 75 ppb.

XII.

On August 20, 2021, the Division received via e-mail Respondent's Report, dated August 20, 2021, for Permit 572407, for the reporting period of January 1, 2021, through June 30, 2021. The Report indicated that on May 5, 2021, the sulfur recovery plant incinerator lost flame indication and diverted acid gases to the flare. SO₂ emissions during this period were 59.8 lbs/hr. This event was identified as a startup, shutdown, or malfunction event pursuant to Division Rule 1200-03-20, but on May 5, 2021, the ambient SO₂ monitor located at Andrew Johnson Elementary School (AQS ID # 471636001) indicated an exceedance of the SO₂ NAAQS (daily maximum one-hour concentration of 98 ppb). Also, the Report indicated that on June 30, 2021, an inadvertent process level change was made during startup, and the change activated a safety interlock and caused a process unit shutdown. On June 30, 2021, the 24-hour SO₂ emission rate was 48.4 lbs/hr.

PERMIT 576606

XIII.

On September 1, 2020, the Technical Secretary issued Title V operating permit 576606 ("Permit 576606"), (facility 82-0003), MSOP-25, to Respondent for a chemical manufacturing operation.

XIV.

Condition E3-1 of Permit 576606 limits VOC emissions from PES OC-BATCH (entire source, excluding fugitive equipment leaks) to 801.30 tons/year. The periodic monitoring used to ensure compliance with this limit requires Respondent to follow an operation and maintenance plan in the form of written procedures, training modules and/or operator check sheets.

XV.

On August 25, 2021, the Division received via e-mail Respondent's Report, dated August 19, 2021, for Permit 576606 for the reporting period of January 1, 2021, through June 30, 2021. The Report indicated that the hard copy of the daily inspection records for Vents 7-A, 7-B, 7-C, 7-D, 7-E, 7-F (#1 - #6 Rotoclone Scrubbers), Vent 7-G (#10 Heil Scrubbers), Vent 7-I (B-267 caustic scrubber). Vents 7-K, 7-L (North #1 and South #2 Sly Scrubbers), and Vents DC, D-E (Durcon #22 and # 28 Scrubbers) could not be located for June 24, 2021. The Report indicated that the inspection records for June 23, and June 25, 2021, were recorded and did not document any follow-up actions for inspection item concerns.

XVI.

Condition E5-5 of Permit 576606 limits emissions of VOC and other organics from PES B-267Y-2 (entire source, excluding fugitive equipment leaks) to 7.50 tons/year. The periodic monitoring used to ensure compliance with this limit requires the semiannual verification of a continuous automatic shutdown system associated with Vent A, which closes the process steam valves, redirects steam flow to the atmosphere, and alerts operators to close the associated feed valves when the vent temperature reaches 45°C. To assure mechanical integrity of the system, semiannual testing must be performed to verify that all elements of the shutdown system are functioning, and that the system is activated at the high temperature setpoint.

XVII.

The August 19, 2021, Report indicated that the vent stack interlock check was not performed during the semiannual reporting period. Interlock checks were conducted on October 6, 2020, and August 23, 2021; the system performed as designed on both dates. The Report indicated that the frequency for the automated work order used to schedule this task was inadvertently designated as annual. The Report indicated that the inspection frequency was corrected to semiannual.

PERMIT 576931

XVIII.

On October 1, 2020, the Technical Secretary issued Title V operating permit 576931 ("Permit 576931"), (facility 82-0003), MSOP-34, to Respondent for a chemical manufacturing operation.

XIX.

Condition E3-8 of Permit 576931 limits VOC emissions from PES B-232-1, Vents J, AQ, and WY to 16.30 lbs/hr.

XX.

On August 25, 2021, the Division received via e-mail Respondent's Report for Permit 576931, dated August 24, 2021, for the reporting period of January 1, 2021, through June 30, 2021. The Report indicated that a performance test conducted on June 8, 2021, indicated an exceedance of the VOC emission limit due to higher than anticipated emissions from Vent AQ. The Report indicated that VOC emissions exceeded the permit limit by 4.77 lbs/hr. The Report indicated that on June 11, 2021 (the same day that test data became available), Respondent reduced production rates to minimize emissions, and on June 12, 2021, Respondent applied for a minor modification to Permit 576931, which requested an increase in the allowable emission rate from Vents J, AQ, and WY. Respondent's application indicated that there were no known physical or operational changes that were made to increase the emission rate.

XXI.

On September 20, 2021, (Amended September 27, 2021), the Division issued a NOV to Respondent for the violations identified in paragraphs **IX, XII, XV, XVII, and XX**.

VIOLATIONS

XXII.

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.

ORDER AND ASSESSMENT OF CIVIL PENALTY

XXIII.

Respondent is assessed a civil penalty of \$15,750 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 Order and Assessment of Civil Penalty. The case number, **APC21-0154**, should be clearly written on all correspondence.

RESERVATION OF RIGHTS

In issuing this 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 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 Order and Assessment or this 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.

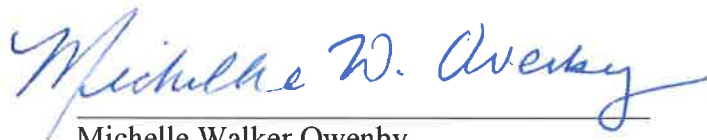
At the conclusion of any initial hearing, the ALJ has the authority to affirm, modify, or deny this Order and Assessment of Civil Penalty, including the authority to increase or decrease the penalty. Tenn. Code Ann. § 68-201-116. The ALJ, on behalf of the Board, has the authority to assess additional 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, **APC21-0154**, 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 16th day of February, 2022.



Michelle Walker Owenby
Technical Secretary
Tennessee Air Pollution Control Board

Reviewed by:



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