

March 31, 2025

Via Electronic Mail

airaction@epa.gov

Re: Presidential Exemption: New Source Performance Standards for the Synthetic Organic Chemical Manufacturing Industry and National Emission Standards for Hazardous Air Pollutants for the Synthetic Organic Chemical Manufacturing Industry and Group I & II Polymers and Resins ("HON Rule"): Stepan Company, Millsdale, Illinois Facility

To whom it may concern.

I write on behalf of Stepan Company ("Stepan") to request that the President of the United States issue a two-year exemption pursuant to his authority under Clean Air Act (CAA) Section 112(i)(4) for emission standards and associated requirements set or revised in the U.S. Environmental Protection Agency's (US EPA's) May 16, 2024 *New Source Performance Standards for the Synthetic Organic Chemical Manufacturing Industry and National Emission Standards for Hazardous Air Pollutants for the Synthetic Organic Chemical Manufacturing Industry and Group I & II Polymers and Resins*, 89 FR 42,932 (May 16, 2024) (the "HON Rule"). For the reasons described in this letter, Stepan believes it is necessary and appropriate for the President to grant an exemption under CAA Section 112(i)(4) for sources regulated by the final rule either on an individual basis or collectively. If done collectively, Stepan requests that EPA include Stepan's regulated facilities under that collective action.

Following are the requested details for this Presidential Exemption request:

Emissions standards or limitations subject to the request:

Stepan requests that the Presidential Exemption apply to all standards (including emission limitations, monitoring, reporting, and recordkeeping requirements) issued or revised in the HON Rule. For Stepan, there are three emission standards and associated requirements set or revised in EPA's May 16, 2024 HON Rule that are of particular concern:

- 40 C.F.R. Part 63, Subpart G
 - 40 C.F.R. § 63.113, Process vent provisions—reference control technology
- 40 C.F.R. Part 63, Subpart H
 - 40 C.F.R. § 63.165, Standards: Pressure relief devices in gas/vapor service or light liquid service
 - 40 C.F.R. § 63.184, Fenceline monitoring provisions

Facilities and/or affected sources:

The subject of this Presidential Exemption request is Stepan's Millsdale facility that is located at 2900 Millsdale Road in Elwood, Illinois 60436.

Length of compliance period being requested:

Stepan requests that the President issue a two-year exemption as quickly as possible and designate it as taking effect on the compliance deadlines for the standards in the HON Rule. Specifically:

- For standards set or revised under 40 C.F.R. § 63.113 and 40 C.F.R. § 63.165 and all corresponding requirements (including monitoring requirements), the exemption should apply for two years commencing on July 15, 2027 (the compliance deadline for those standards).
- For standards set or revised under 40 C.F.R. § 63.184 and all corresponding requirements (including monitoring requirements), the exemption should apply for two years commencing on July 15, 2026 (the compliance deadlines for those standards).

Justification to support the request and additional information:

Stepan is committed to compliance with Environmental laws and maintaining emission controls that meet regulatory requirements. Stepan's Millsdale facility is already heavily regulated by the US EPA and the Illinois Environmental Protection Agency and Stepan has extensive compliance systems in place. These controls have been in place for many years and are inspected regularly. Stepan makes this two-year exemption request because it needs additional time to install and optimize the necessary technological upgrades and monitoring equipment to meet the challenging and complex requirements of the HON Rule.

For purposes of this application, we understand that: 1) "availability" refers not only to the existence of technology capable of achieving compliance with the rule, but encompasses practical challenges with the timeframes necessary to plan, procure, and install required technologies and equipment¹, and such activity cannot occur within the current compliance timeframes; and 2) national security encompasses not only military defense applications and infrastructure, but also economic security, a perspective that has been acknowledged by the President in Executive Orders and key security agencies like the Department of Defense. Indeed, as the White House has stated regarding domestic priorities, "economic security is national security."²

The HON Rule requires upgrades and additions to the emission control systems, process control systems, and emission monitoring systems at Stepan's Millsdale facility. Although Stepan has developed a plan to implement the HON Rule's rigorous requirements, significant work remains. Compliance with the HON Rule's requirements will require significant additional engineering work, equipment procurement, and the installation of new equipment, all of which are time-intensive actions that require testing and validation to ensure the systems are fully operational. As a result of all these required steps, the necessary technology is functionally unavailable within the timeframes and deadlines set in the HON Rule.

In addition to the above-described complications, various provisions in the HON Rule—including those related to fence-line monitoring—add technical complexity and cost without

¹ Specific challenges include, but are not limited to, establishing sufficient areas within the facility to construct additional control equipment, installing energy infrastructure to support control equipment, and prolonged permitting processes related to area attainment designation.

² <https://www.whitehouse.gov/presidential-actions/2025/02/america-first-investment-policy/>.

delivering meaningful emission reductions. These burdens hinder efficient implementation and divert resources from more impactful control efforts.

The approval of Stepan's exemption request is in the national security interests of the United States. The products developed and manufactured by Stepan play a critical role in maintaining the supply chain and financial stability of the US. Stepan's products are used in polyester resins, alkyd resins, and plasticizers for applications in construction materials and components of automotive, boating, and other consumer products, and internally in the production of polyols. In addition, Stepan develops and manufactures essential chemical ingredients used in agricultural products and food production markets, institutional and industrial cleaning operations, and the energy industry through increased oilfields production. Compliance with the HON Rule's deadlines and requirements at Stepan's Millsdale facility may significantly reduce the company's production, development, and manufacturing capacities. Based on current requirements of the HON Rule, absent the Presidential Exemption, Stepan will be required to take lengthy outages to install the necessary equipment upgrades. Furthermore, it may be necessary for Stepan to reduce production of its various products, which numerous customers and clients comprising the US economy rely on, to ensure continued compliance with the HON Rule's requirements. These potential disruptions in production capacity could have severe impacts on the continued supply of key products and goods in the United States.

As a result of the technology, including its required installation and operational readiness, that is necessary to comply with the HON Rule being unavailable or unachievable within the allotted timeframe, and due to the anticipated impacts to the national security of the United States, the President has the authority to grant the relief requested by Stepan through this letter.

If you have any questions on this exemption request or require additional information, please contact Michael Schmidt, Stepan's Millsdale Facility Air Team Manager, by phone at (815) 274-6469 or email at mschmidt@stepan.com. Stepan appreciates EPA's attention to this important matter and urges EPA to recommend that the President issue the requested exemption as quickly as possible.

Sincerely,

STEPAN COMPANY



Argeo Barrera
Site Director, Stepan, Millsdale Facility