

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6
DALLAS, TEXAS**

In the Matter of:

Sasol Chemicals (USA) LLC,

Westlake, Louisiana

Respondent

ADMINISTRATIVE COMPLIANCE ORDER

EPA Docket No. CAA 06-2020-3340

ADMINISTRATIVE COMPLIANCE ORDER

The Director of the Enforcement and Compliance Assurance Division of the United States Environmental Protection Agency, Region 6 (“EPA” or “Region 6” or “Complainant”) and Sasol Chemicals (USA) LLC (“Respondent”), in the above-referenced proceeding, hereby enter into this Administrative Compliance Order (“ACO” or “Order”).

I. INTRODUCTION

1. The following Findings are made and an Order issued pursuant to Section 113(a)(3) of the Clean Air Act (“CAA” or the “Act”), 42 U.S.C. § 7413(a)(3), for Respondent’s alleged failure to comply with Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), with regard to an inspection that occurred at Respondent’s plant located at 2201 Old Spanish Trail (“Facility”) in Westlake, Louisiana 70669. The parties to this Order are EPA Region 6 and Respondent.

2. This Order is entered into upon mutual agreement by the parties. Accordingly, Respondent consents to and agrees not to contest EPA’s jurisdiction to issue this Order or enforce its terms. Further, Respondent will not contest EPA’s jurisdiction to compel compliance with this Order in any subsequent enforcement proceedings, whether administrative or judicial, or to require Respondent’s full compliance with the terms of this Order or impose sanctions for violations of this Order. Respondent consents to the terms of this Order. Respondent reserves

the right to judicial and administrative review of any issue of law or fact, whether set forth in this Order or not, in any subsequent proceeding to address the underlying violations alleged in the Order, but not in an action to enforce the Order itself.

3. This Order shall apply to and be binding upon Respondent, its agents, successors and assigns and upon all persons, contractors, and consultants acting under or for Respondent. No change in ownership or corporate or partnership status of Respondent will in any way alter the status of Respondent or its responsibilities under this Order.

II. STATUTORY AND REGULATORY AUTHORITY

4. Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1), provides that the objective of the regulations and programs authorized under Section 112(r) shall be to prevent the accidental release of regulated substances or other extremely hazardous substances and to minimize the consequences of any such release that does occur.

5. Pursuant to Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), the Administrator is authorized to promulgate regulations dictating release prevention, detection, and correction requirements.

6. On June 20, 1996, the EPA promulgated a final rule known as the Chemical Accident Prevention Provisions, 40 C.F.R. Part 68, which implements Section 112(r)(7) of the Act, 42 U.S.C. § 7412(r)(7).

7. Under 40 C.F.R § 68.10(a), an owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process (“Covered Process”), as determined under 40 C.F.R. § 68.115, shall comply with the requirements of 40 C.F.R. Part 68 no later than the latest of the following dates: (1) June 21, 1999; (2) three years after the date on which a regulated substance is first listed under Section 68.130; or (3) the date on which a

regulated substance is first present above a threshold quantity in a process.

8. Under 40 C.F.R. § 68.12(a), an owner or operator of a stationary source subject to Part 68 requirements must submit a Risk Management Plan (“RMP”) as provided in 40 C.F.R. Part 68 Subpart G (§§ 68.150-68.185) that reflects all covered processes at the stationary source.

9. 40 C.F.R. Part 68 provides general requirements applicable to owners or operators of a stationary source subject to Part 68. It also establishes requirements that apply to an owner or operator based on whether the stationary source operates processes subject to one of three “Programs” -- Program 1, Program 2, and Program 3.

10. Under 40 C.F.R. § 68.12(d), the owner or operator of a stationary source with a process subject to the “Program 3” requirements of the Part 68 regulations, as determined pursuant to 40 C.F.R. § 68.10(d), must comply with the chemical accident prevention requirements of 40 C.F.R. Part 68, Subpart D (Program 3 Prevention Program, at 40 C.F.R. §§ 68.65–68.87).

11. Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), authorizes EPA to issue compliance orders for violations of the Act, including violations of Section 112(r), 42 U.S.C. § 7412(r). A copy of the order must be sent to the relevant State air pollution control agency. An order relating to a violation of Section 112 of the CAA can take effect immediately upon issuance.

12. The authority to issue orders pursuant to Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), has been delegated to EPA Region 6’s Regional Administrator, and in turn delegated to the Director of EPA Region 6’s Enforcement and Compliance Assurance Division.

III. EPA REGION 6 FINDINGS

13. Respondent is a limited liability company authorized to do business in the State of Louisiana.

14. Respondent is a “person” as that term is defined by Section 302(e) of the CAA, 42 U.S.C. § 7602(e).
15. Respondent owns and operates a chemical manufacturing facility located at 2201 Old Spanish Trail in Westlake, Louisiana 70669.
16. The Facility is a “stationary source” as that term is defined by Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C).
17. Respondent is the “owner or operator” of the facility.
18. The Facility operates a chemical manufacturing process (NAICS Code 32511 - Petrochemical Manufacturing and 32619 - Other Plastics Product Manufacturing).
19. The regulated substances held above the threshold quantities identified in 40 C.F.R. § 68.130 include the following: 1-3-butadiene, isopentane, methane, ethylene, propylene, chlorine, 2-butene-cis, ethane, 2-butene-trans, 1-pentene, dimethyldichlorosilane, propadiene, butene, propane, ethylene oxide, hydrogen fluoride/ hydrofluoric acid, butane, pentane, 1-butene, 1,3-pentadiene, ethane, hydrogen, propyne, and isopentane.
20. As a facility with a Program 3 program, Respondent must: develop and implement a management system as provided in 40 C.F.R. § 68.15; conduct a hazard assessment as provided in 40 C.F.R. §§ 68.20–68.42; implement the prevention requirements of 40 C.F.R. §§ 68.65–68.87; develop and implement an emergency response program as provided in 40 C.F.R. §§ 68.90–68.95; and submit, as part of the RMP, the data on prevention program elements for Program 3 processes as provided in 40 C.F.R. § 68.175.
21. On July 23, 2019, Respondent’s Ethylene Operations were in the process of bringing the ethane feed system (area 050) up to full operating pressure (700 psig). When the operating

pressure reached 540 psig, the rubber seal on the ethane coalescer (D050-1005) failed resulting in an unignited release of 57,500 lbs of ethane to the atmosphere.

22. The direct causes leading to the accidental release include rubber seal failure due to improper installation; manufacturer's installation procedures were not followed or provided to the field execution group; and, the Respondent performed the integrity testing with service fluid (ethane) rather than inert fluid (nitrogen).

23. 40 C.F.R. § 68.69(a) requires the owner or operator to develop and implement written operating procedures that provide clear instructions for safely conducting activities involved in each process consistent with the process safety information. The written operating procedures shall include steps for each phase of operations, including initial startup.

24. Respondent failed to follow Standard Operating Procedures (SOP) in re-starting the ethylene unit and failed to properly install the rubber seal per the manufacturer's installation procedure.

IV. ORDER

25. Accordingly, pursuant to Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), it is agreed that Respondent, which has consented to the terms of this Order, shall comply with the following Part 68 requirements applicable at the Facility, including the implementations, as follows:

26. Respondent is ordered to undertake a review of the manufacturers' instructions for all gaskets and seals and ensure that the manufacturer's instruction have been incorporated into Respondents SOPs for installation and use of those products in the Ethylene 2 unit. Respondent shall design and implement a process to ensure that relevant SOPs are provided to field

execution groups prior to the commencement of their activities in the Ethylene 2 unit.

Additionally, Respondent shall re-train all unit personnel in the proper start-up of the ethane coalescer (D050-1005). All activities required by this paragraph shall be completed within 180 days of the effective date of this Order.

27. Respondent shall provide documentation to EPA Region 6 regarding the completion of each activity required pursuant to this Order within 200 days of the effective date of this Order.

28. Notifications:

- a. Submissions required by this Order shall be in writing and shall be mailed to the following addresses with a copy also sent by electronic mail:

U.S. Environmental Protection Agency - Region 6
Attn: Justin McDowell (6ECDAC)
1201 Elm St. Suite 500
Dallas, Texas 75270
McDowell.Justin@epa.gov

- b. EPA will send all written communications to the following representative(s) for Respondent:

Heather N. Kress
Senior Legal Counsel – SHE
North America Operations
Sasol Chemicals (USA) LLC
2201 Old Spanish Trail
Westlake, Louisiana 70669
Heather.Kress@us.sasol.com

29. All documents submitted to EPA in the course of implementing this Order shall be available to the public unless identified as confidential by Respondent pursuant to 40 C.F.R. Part 2, Subpart B, and determined by EPA to merit treatment as confidential business information in accordance with applicable law.

V. GENERAL PROVISIONS

30. The provisions of this Order shall apply to and be binding upon Respondent, its officers, directors, agents, and employees.

31. Nothing in this Order shall be construed to affect EPA's authority under Section 114 of the CAA, 42 U.S.C. § 7414.

32. Nothing contained in this Order shall affect the responsibility of Respondent to comply with all applicable federal, state, or local laws or regulations, including Section 303 of the CAA, 42 U.S.C. § 7603.

33. Any and all information required to be maintained or submitted pursuant to this Order is not subject to the Paperwork Reduction Act of 1995, 44 U.S.C. §§ 3501 et seq., because it seeks to collect information from specific individuals or entities to assure compliance with this administrative action.

34. This Order is not intended to be nor shall it be construed to be a permit. Further, the parties acknowledge and agree that EPA's approval of this Order does not constitute a warranty or representation that requirements provided hereunder will meet the requirements of 40 C.F.R. Part 68. Compliance by Respondent with the terms of this Order shall not relieve Respondent of their obligations to comply with Section 112(r)(7) of the CAA or any other applicable local, state, or federal laws and regulations.

35. EPA reserves all of its statutory and regulatory powers, authorities, rights, and remedies, both legal and equitable, which may pertain to Respondent's failure to comply with any of the requirements of this Order. This Order shall not be construed as a covenant not to sue, release, waiver, or limitation of any rights, remedies, powers, and/or authorities, civil or criminal, which EPA has under any statutory, regulatory, or common law authority of the United States.

36. This Order does not resolve any civil or criminal claims of the United States for the violations alleged in this Order; nor does it limit the rights of the United States to obtain penalties or injunctive relief under the CAA or other applicable federal law or regulations.

37. Respondent neither admits nor denies any of the factual or legal determinations made by the EPA in this Order. For the limited purpose of settling this matter, Respondent admits all jurisdictional allegations, and waives its right to contest EPA's jurisdiction to issue or enforce this Order. Respondent has entered into this Order in good faith without trial or adjudication of any issue of fact or law. Respondent consents to the terms of this Order.

38. Respondent waives any right to judicial review of the issuance or requirements of this Order.

39. The parties shall bear their own costs and fees in this action, including attorney's fees.

VI. FAILURE TO COMPLY

40. Failure to comply with this Order may result in enforcement action for appropriate injunctive relief and penalties pursuant to Section 113(b) of the Act, 42 U.S.C. § 7413(b), or, in appropriate cases, criminal penalties.

VII. ENFORCEMENT

41. This Order does not in any way impair EPA's rights to enforce the CAA.

42. Be advised that issuance of this Order does not preclude EPA from electing to pursue any other remedies or sanctions authorized by law in this or any other matter.

VIII. EFFECTIVE DATE

43. This Order shall become effective upon the date of signature by EPA.

44. This Order shall terminate upon Respondents completion of all the requirements of this Order.

RESPONDENT:

Date

Sasol Chemical (USA) LLC

For United States Environmental Protection Agency, Region 6:

COMPLAINANT:

Date

Cheryl T. Seager
Director
Enforcement and
Compliance Assurance Division
U.S. EPA Region 6

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing Administrative Compliance Order was electronically mailed to the following by the method indicated:

VIA ELECTRONIC MAIL:

Ms. Heather Kress, Esquire
Heather.Kress@us.sasol.com

U.S. EPA, Region 6
Dallas, Texas