COMMONWEALTH of VIRGINIA

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STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION - ORDER BY CONSENT ISSUED TO CELANESE ACETATE, LLC

Registration No. 20304

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 and -1316, between the State Air Pollution Control Board and Celanese Acetate, LLC, regarding the Celanese Acetate, LLC facility, for the purpose of resolving certain violations of the Virginia Air Pollution Control Law, the applicable permit and regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Board" means the State Air Pollution Control Board, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and -1301.

2. "BRRO" means the Blue Ridge Regional Office of DEQ, located in Roanoke, Virginia.

3. "Celanese Acetate" means Celanese Acetate, LLC, a limited liability company authorized to do business in Virginia and its members, affiliates, partners, subsidiaries, and parents. Celanese Acetate, LLC, is a "person" within the meaning of Va. Code § 10.1-1300.

4. "CFR" means the Code of Federal Regulations, as incorporated into the Regulations.

5. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.

6. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.

7. "Facility" means the Celanese Acetate, LLC facility located at 3520 Virginia Avenue, Narrows, Virginia.

8. "Notice of Violation" or "NOV" means a type of Notice of Violation under Va. Code § 10.1-1309.

9. "O & M" means operations and maintenance.

10. "Order" means this document, also known as a "Consent Order" or "Order by Consent," a type of Special Order under the Virginia Air Pollution Control Law.

11. "Permit" means the Title V Permit to operate a cellulose acetate flake and fiber manufacturing plant, which was issued under the Virginia Air Pollution Control Law and the Regulations to Celanese Acetate, LLC, on March 12, 2003 (amended April 16, 2004).

12. "Regulations" or "Regulations for the Control and Abatement of Air Pollution" means 9 VAC 5 Chapters 10 through 80.

13. "Va. Code" means the Code of Virginia (1950), as amended.

14. "VAC" means the Virginia Administrative Code.

15. "Virginia Air Pollution Control Law" means Chapter 13 (§ 10.1-1300 *et seq.*) of Title 10.1 of the Va. Code.

SECTION C: Findings of Fact and Conclusions of Law

1. Celanese Acetate owns and operates the Facility in Narrows, Virginia. The Facility manufactures cellulose acetate and fiber.

2. The Facility is the subject of the Permit which grants authorization to operate a Stationary Source of Air Pollution.

3. On April 21, 2010, DEQ staff conducted a Partial Compliance Evaluation of the facility records submitted by Celanese Acetate, LLC on March 25, 2010 and March 31, 2010 as requested by DEQ. The records were provided to clarify deviations identified during the review of the Title V Semi-Annual Monitoring Report submitted on February 26, 2010. Based on the inspection and record review, Department staff made the following observations:

   a. In the anhydride manufacturing process unit, 131 valves were not monitored in September 2007 or September 2008 as required by § 60.482-2.

b. In September 2009, the facility conducted the annual monitoring of the valves in the anhydride manufacturing process unit subject to NSPS VV. The results of the monitoring indicated a leak rate of greater than 2%. Since the percent of valves was greater than 2%, the facility is required to monitor the valves monthly in accordance with the requirements of § 60.482-7(a)(1). This required the facility to monitor the valves for two successive months before returning to a quarterly monitoring schedule. The valves were monitored in October 2009 but 174 valves were not re-monitored in November 2009.

c. Thirty valves found leaking in 2009, were not re-monitored as required. Of the thirty valves, twenty-nine were not monitored for the second successive month. One valve was not monitored for two successive months.

d. In the anhydride manufacturing process unit subject to 40 CFR Part 63, Subpart H, five valves and twenty connectors were not monitored.

4. 40 CFR 60.483-2(b)(3) states: After 5 consecutive quarterly leak detection periods with the percent of valves leaking equal to or less than 2.0, an owner may begin to skip 3 of the quarterly leak detection periods for the valves in gas/vapor and light liquid service.

5. 40 CFR 60.483-2(b)(4) states: If the percent of valves leaking is greater than 2.0, the owner or operator shall comply with the requirements as described in §60.482-7 but can again elect to use this section.

6. 40 CFR 60.482-7 states in part: (a)(1) Each valve shall be monitored monthly to detect leaks by the methods specified in §60.485(b) and shall comply with paragraphs (b) through (e) of this section… (c)(1)(i) Any valve for which a leak is not detected for 2 successive months may be monitored the first month of every quarter, beginning with the next quarter, until a leak is detected.

7. Condition IV.A.1 of the Permit states in part: Except where this permit is more restrictive than the applicable requirement, the acetic anhydride production equipment shall be operated in compliance with the requirements of 40 CFR 60, Subpart VV (Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry).

8. 40 CFR 60.482-7(c)(2) states: If a leak is detected, the valve shall be monitored monthly until a leak is not detected for 2 successive months.

9. 40 CFR 63.168(b) states in part: The owner or operator of a source subject to this subpart shall monitor all valves, except as provided in §63.162(b) of this subpart and paragraphs (h) and (i) of this section, at the intervals specified in paragraphs (c) and (d) of this section and shall comply with all other provisions of this section.

10. 40 CFR 63.174(a) states in part: The owner or operator of a process subject to this subpart shall monitor all connectors in gas/vapor and light liquid service, except as provided by §63.162(b) of this subpart, and in paragraphs (f) through (h) of this section, at the intervals specified in paragraph (b) of this section.

11. On May 26, 2010, based on the results of the inspection and records review, the Department issued a Notice of Violation to Celanese Acetate, LLC, for the violations listed in paragraphs C3 through C10 above.

12. On June 24, 2010, Department staff met with representatives of Celanese Acetate to discuss the violations.

13. Based on the results of the April 21, 2010 inspection and June 24, 2010 meeting, and documentation submitted on March 25, 2010 and March 31, 2010, the Board concludes that Celanese Acetate has violated Condition IV(A)(1) of the Permit, 40 CFR Part 60 Subpart VV [60.483-2(b)(3), 60.483-2(b)(4), and 60.482-7] and 40 CFR Part 63 Subpart H [63.168(b) and 63.174(a)]; as described in paragraphs C3 through C10 above.

14. In order for Celanese Acetate to return to compliance, Department staff and the representatives of Celanese Acetate have agreed to a Schedule of Compliance as outlined in Appendix A of this Order.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in §§ 10.1-1309 and -1316, the Board orders Celanese Acetate, and Celanese Acetate agrees to:

1. Perform the actions described in Appendix A of this Order.

2. Celanese Acetate will pay a civil charge of $15,715.70 within 30 days of the effective date of the Order in settlement of the violations cited in this Order

Payments shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

Celanese Acetate shall include its Federal Employer Identification Number (FEIN) 56-2051387 with the civil charge payment and shall indicate that the payment is being made in accordance with the requirements of this Order for deposit into the Virginia Environmental Emergency Response Fund (VEERF).

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of Celanese Acetate for good cause shown by Celanese Acetate or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.

2. This Order addresses and resolves only those violations specifically identified in Section C of this Order. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce the Order.

3. For purposes of this Order and subsequent actions with respect to this Order only, Celanese Acetate admits the jurisdictional allegations, and agrees not to contest, but neither admits nor denies the findings of fact and conclusion of law in this Order.

4. Celanese Acetate consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.

5. Celanese Acetate declares it has received fair and due process under the Administrative Process Act and the Virginia Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.

6. Failure by Celanese Acetate to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.

7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.

8. Celanese Acetate shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Celanese Acetate shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Celanese Acetate shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:

a. the reasons for the delay or noncompliance;

b. the projected duration of any such delay or noncompliance;

c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and

d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director verbally within 24 hours and in writing within three business days, of learning of any condition above, which Celanese Acetate intends to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on Celanese Acetate hereto, its successors in interest, designees and assigns, jointly and severally.

10. This Order shall become effective upon execution by both the Director or his designee and Celanese Acetate. Nevertheless, Celanese Acetate agrees to be bound by any compliance date which precedes the effective date of this Order.

11. This Order shall continue in effect until:

a. Celanese Acetate petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or

b. The Director or Board terminates the Order in his or its sole discretion upon 30 days written notice to Celanese Acetate.

12. Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Celanese Acetate from their obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

13. Any plans, reports, schedules or specifications attached hereto or submitted by Celanese Acetate and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.

14. The undersigned representative of Celanese Acetate certify that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind Celanese Acetate to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of Celanese Acetate.

15. This Order constitutes the entire agreement and understanding of Celanese Acetate concerning settlement of the violations identified in Section C of this Order, and there are no representations, warranties, covenants, terms or conditions agreed upon between Celanese Acetate other than those expressed in this Order.

16. By its signature below, Celanese Acetate, LLC, voluntarily agree to the issuance of this Order.

And it is so ORDERED this 5TH day of AUGUST, 2010.

Robert J. Weld, Regional Director
Department of Environmental Quality
Blue Ridge Regional Office

Celanese Acetate, LLC, voluntarily agrees to the issuance of this Order.

Date: 8/4/2010 By: Bill Batson

Bill Batson, Site Director
Celanese Acetate, LLC

Commonwealth of Virginia
City/County of Giles

The foregoing document was signed and acknowledged before me this 4 day of August, 2010 by Bill Batson, who is Site Director of Celanese Acetate, LLC.

Ora Lea Lucas-Belcher

Notary Public

ORA LEA LUCAS-BELCHER
MY COMMISSION EXPIRES
COMMONWEALTH OF VIRGINIA COMMISSION # 338567
6-30-2011
NOTARY PUBLIC

Notary Seal

My commission expires: 6/30/2011

APPENDIX A
SCHEDULE OF COMPLIANCE

1. Celanese Acetate, LLC, shall:

a) Submit training documentation for the Leak Detection and Repair (LDAR) monitoring staff. The documentation shall include detailed procedures for each training method. (i.e. on the job training, video, etc.). In addition, for each trainee, the record shall include the following information: the name of the trainee, the date of the training, nature of the training, and the methods used to evaluate the training. The training documentation shall be included in each quarterly report and submitted by the date specified in 1(c). If training is not conducted during a specific quarter, the facility shall state that training was not conducted during the quarter.

b) Submit a comprehensive Monitoring Plan for components subject to NSPS VV and Subpart H. The monitoring plan shall include, but is not limited to, the following information:
- Name of each process unit subject to the standard
- Types of components to be monitored in each process unit
- Frequency/standard for each component
- QA/QC procedures for evaluating monitoring data
- Corrective Action Plan

The Monitoring Plan shall be submitted within 45 days of the effective date of this Order.

c) Submit quarterly progress reports for the components (valves, pumps, compressors) in the anhydride manufacturing process unit subject to NSPS VV monitoring requirements. The report shall include the following information: process unit identification, number of components in the monitoring program, number of components monitored, monitoring schedule/frequency, leaks detected, leaks not repaired in a timely manner, leaks placed on delay of repair, explanation for delay of repair and dates of process unit shutdowns. The report shall also include any deviations from monitoring requirements that occurred during the quarterly period and the corrective actions taken to address the deviations. The quarterly reports shall be submitted to the Department as outlined below:

2010 Quarters	Received by the Department
Second – April, May, June	Within 30 days of the effective date of the Order
Third – July, August, Sept.	No later than October 31, 2010
Fourth – Oct., Nov., Dec.	No later than January 31, 2011

d) For the term of this Order, the facility shall be prohibited from conducting alternative monitoring of the valves in the anhydride manufacturing process unit using skip periods as outlined in 40 CFR 60.483-2.

2. Certification of Documents and Reports

In accordance with 9 VAC 5-20-230(A), in all documents or reports, including, without limitation, the SEP Completion Report, submitted to DEQ pursuant to this Consent Order, Celanese Acetate shall by its officers, sign and certify under penalty of law that the information contained in such document or report is true, accurate, and not misleading by signing the following statement:

> "I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering and evaluating the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

3. DEQ Contact

Unless otherwise specified in this Order, Celanese Acetate shall submit all requirements of Appendix A of this Order to:

Mary S. Monroe
Air Compliance Engineer
VA DEQ-BRRO Roanoke
3019 Peters Creek Road
Roanoke, VA 24019
(540) 562-6850
mary.monroe@deq.virginia.gov