

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

EVONIK CORPORATION (F/K/A EVONIK
MATERIALS CORPORATION)

AI # 13560

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-AE-24-0025
*
* Enforcement Tracking No.
* AE-PP-21-00643
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Evonik Corporation (f/k/a Evonik Materials Corporation) (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a corporation that owned and/or operated an alkoxyate alcohols production facility located in Reserve, St. John the Baptist Parish, Louisiana (“the Facility”).

II

On May 30, 2023, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-21-00643 (Exhibit 1).

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of FIVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$5,500.00), of which Seven Hundred Nineteen and 13/100 Dollars (\$719.13) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement Agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s), permit record(s), the Notice of Potential Penalty and this Settlement Agreement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This Settlement Agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this Settlement Agreement in any action by the Department to enforce this Settlement Agreement.

VII

This Settlement Agreement is being made in the interest of settling the state's claims and

avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and Settlement Agreement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

VIII

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

The Respondent has caused public notice advertisement to be placed in the official journal of the parish governing authority in St. John the Baptist Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement Agreement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within thirty (30) days from notice of the Secretary's signature. If payment is not received within that time, this Settlement Agreement is voidable at the option of the Department. The Respondent shall provide its tax identification number when submitting payment. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form attached hereto.

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement Agreement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

EVONIK CORPORATION

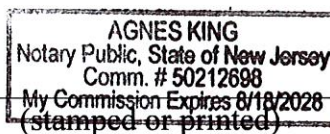
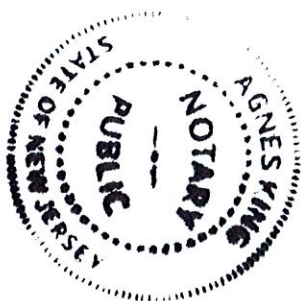
BY: Bonnie Tully
(Signature)

Bonnie Tully
(Printed)

TITLE: COO - North America

THUS DONE AND SIGNED in duplicate original before me this 21 day of October, 20 24, at Piscataway, New Jersey.

Agnes King
NOTARY PUBLIC (ID # 50212698)



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Aurelia S. Giacometto, Secretary

BY: [Signature]
Jerrie "Jerry" Lang, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 31st day of January, 20 25, at Baton Rouge, Louisiana.

Deirdra Hise
NOTARY PUBLIC (ID # 51205)
NOTARY PUBLIC
EAST BATON ROUGE PARISH
LOUISIANA
NOTARY ID NO. 51205
(stamped or printed)

Approved: [Signature]
Jerrie "Jerry" Lang, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR

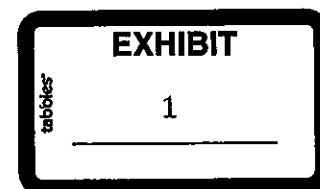


ROGER W. GINGLES
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

MAY 30 2023

CERTIFIED MAIL (7018 3090 0002 0488 4781)
RETURN RECEIPT REQUESTED



EVONIK MATERIALS CORPORATION
c/o Corporation Service Company
Agent for Service of Process
501 Louisiana Avenue
Baton Rouge, LA 70802

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-21-00643
AGENCY INTEREST NO. 13560**

Dear Sir/Madam:

On or about October 23-25, 2018, an inspection of the **RESERVE PLANT** (the facility), an alkoxyate alcohols production facility owned and/or operated by **EVONIK MATERIALS CORPORATION (RESPONDENT)**, was conducted to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act), the Chemical Accident Prevention Provisions, and the Air Quality Regulations. On or about May 3, 2023, a subsequent file review was conducted. The facility is located at 474 West 19th Street in Reserve, St. John the Baptist Parish, Louisiana. The facility operates or has operated under the authority of the following Minor Source Air Permits:

2580-00023-09	12/03/2020	12/03/2030
2580-00023-08	03/19/2020	03/19/2030
2580-00023-07	11/01/2016	11/01/2026

On or about May 28, 2019, the Louisiana Department of Environmental Quality (the Department) received a Notification of Change (NOC-1) Form for the facility. According to the NOC-1, the company name, facility name, ownership, and operational control changed, and permits transferred effective July 1, 2019, from Evonik Materials Corporation to Evonik Corporation. The Department effectively transferred the permits and updated records to reflect the changes on July 25, 2019.

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While the investigation by the Department is not yet complete, the following violation(s) were noted during the course of the inspection and/or file review:

- A. The Respondent failed to assign emergency shutdown responsibilities to qualified operators. The Respondent's Emergency Operation procedure stated all facility personnel are responsible for execution of the emergency shutdown; however, only lead technicians and Tech 1 operators are responsible for emergency shutdowns. Failure to assign emergency shutdown responsibilities to qualified operators is a violation of 40 CFR 68.69(a)(1)(iv) as of July 1, 2017, which language has been incorporated by reference as Louisiana regulation LAC 33:III.5901.A, as of July 2018, Specific Required 77 of Minor Source Air Permit No. 2580-00023-07, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In correspondence dated November 14, 2018, the Respondent provided documentation demonstrating the procedure was updated to assign emergency shutdown responsibilities to lead technicians and Tech 1 operators.

- B. It was noted during the October 23-25, 2018 inspection that the Respondent failed to address the specific safety and health considerations associated with operating procedures as listed in the table below:

Emergency Operations [01-EMR-05_H.P.T]	1) properties of hazards presented by chemicals in the process [40 CFR 68.69(a)(3)(i)]; 2) precautions necessary to prevent exposure [40 CFR 68.69(a)(3)(ii)]; 3) control measures to be taken if physical or airborne exposure occurs [40 CFR 68.69(a)(3)(iii)]; and 4) any special or unique hazards [40 CFR 68.69(a)(3)(v)]
Reactor Operations [03-POP-04_P.T]	1) properties of hazards presented by chemicals in the process [40 CFR 68.69(a)(3)(i)]; 2) control measures to be taken if physical or airborne exposure occurs [40 CFR 68.69(a)(3)(iii)]; and 3) any special or unique hazards [40 CFR 68.69(a)(3)(v)]
Oxide Unloading and Storage Operations [03-POP-05.P.T]	1) control measures to be taken if physical or airborne exposure occurs [40 CFR 68.69(a)(3)(iii)];

Each failure to address the required safety and health considerations is a violation of 40 CFR 68.69(a)(3)(i)-(iii) and (v) as of July 1, 2017, which language has been incorporated by reference as Louisiana regulation LAC 33:III.5901.A as of July 2018, Specific Required 77 of Minor Source Air Permit No. 2580-00023-07, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In correspondence dated November 14, 2018, the Respondent provided documentation demonstrating the procedures were updated to include a reference to the Process Safety Information.

- C. The Respondent failed to timely certify the operating procedures for 2018. The Respondent is required to certify the operating procedures on an annual basis. The 2018 annual certification was due in June 2018; the annual certification was not conducted until September 2018. Failure to timely certify the operating procedures is a violation

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of 40 CFR 68.69(c) as of July 1, 2017, which language has been incorporated by reference as Louisiana regulation LAC 33:III.5901.A as of July 2018, Specific Required 77 of Minor Source Air Permit No. 2580-00023-07, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In correspondence dated November 14, 2018, the Respondent provided documentation of the creation of an electronic reminder for annual certification.

- D. The Respondent failed to provide refresher training every three (3) years as required by regulation. Refresher training is required at least every three (3) years, and more often if necessary, to each employee involved in operating a process to assure the employee understands and adheres to the current operating procedures of the process. Training records for four (4) employees were reviewed during the inspection. The Respondent provided refresher training on August 12, 2015; subsequent refresher training was due on or before August 12, 2018. At the time of the inspection, refresher training had not been provided. Each failure to provide refresher training as required is a violation of 40 CFR 68.71(b) as of July 1, 2017, which language has been incorporated by reference as Louisiana regulation LAC 33:III.5901.A as of July 2018, Specific Required 77 of Minor Source Air Permit No. 2580-00023-07, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In correspondence dated November 14, 2018, and March 8, 2019, the Respondent reported and provided documentation of the corrective actions taken which included but were not limited to, the creation of electronic reminders for training and conducting the required training. The correspondence also noted only two (2) of the four (4) employees received late refresher training.
- E. The Respondent failed to maintain records supporting the implementation of the regulations for five (5) years. The Respondent failed to maintain documentation of initial training for requested personnel and documentation of the consultation with employees regarding the frequency of training. Each failure to maintain records is a violation of 40 CFR 68.200 as of July 1, 2017, which language has been incorporated by reference as Louisiana regulation LAC 33:III.5901.A as of July 2018, Specific Required 77 of Minor Source Air Permit No. 2580-00023-07, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In correspondence dated November 14, 2018, and March 8, 2019, the Respondent provided training records and other documentation demonstrating the violation was corrected.
- F. It was noted during the October 23-25, 2018 inspection that the Respondent failed to document that fire prevention and protection requirements in 29 CFR 191.252(a) were implemented prior to beginning the hot work operations. The Respondent's hot work permit did not identify restriction of hot work when a sprinkler system is impaired or specify to protect ducts/conveyors during hot work. Failure to document that fire prevention and protection requirements were implemented prior to beginning the hot work operations is a violation of 40 CFR 68.85(b) as of July 1, 2017, which language has been incorporated by reference as Louisiana regulation LAC 33:III.5901.A as of July 2018, Specific Required 77 of Minor Source Air Permit No. 2580-00023-07, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In correspondence dated

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February 12, 2019, the Respondent provided documentation the hot work permit was updated to address the deficiencies.

- G. The Respondent documented a 2017 inspection Finding A-17-05 regarding hot work was completed; however, the deficiency was not corrected at the time of the October 23-25, 2018 inspection. The changes were not made to the hot work permit and the Respondent was cited for the violation in Paragraph F. Failure to correct the deficiency is a violation of 40 CFR 68.79(d) as of July 1, 2017, which language has been incorporated by reference as Louisiana regulation LAC 33:III.5901.A as July 2018, Specific Required 77 of Minor Source Air Permit No. 2580-00023-07, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The Respondent provided documentation dated February 12, 2019, which showed the hot work permit was updated to address the deficiency.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Antoinette Cobb at (225) 219-3072 or via email at antoinette.cobb@la.gov within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify this statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

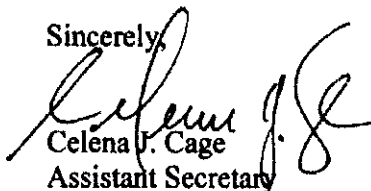
The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt

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of this **NOTICE OF POTENTIAL PENALTY**. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,



Celena J. Cage
Assistant Secretary

Office of Environmental Compliance

CJC/AFC/afc
Alt ID No. 2580-00023

c: Evonik Corporation
c/o Mr. Stephen Sumerlin, Site Manager
474 West 19th Street
Reserve, LA 70084

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION
 POST OFFICE BOX 4312
 BATON ROUGE, LOUISIANA 70821-4312



**NOTICE OF POTENTIAL PENALTY
 REQUEST TO SETTLE (OPTIONAL)**

Enforcement Tracking No.	AE-PP-21-00643	Contact Name	Antoinette Cobb
Agency Interest (AI) No.	13560	Contact Phone No.	(225) 219-3072
Alternate ID No.	2580-00023		
Respondent:	Evonik Corporation	Facility Name:	Reserve Plant
	c/o Corporation Service Company	Physical Location:	474 West 19 th Street
	Agent for Service of Process		
	501 Louisiana Avenue	City, State, Zip:	Reserve, LA
	Baton Rouge, LA 70802	Parish:	St. John

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

_____ The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:I.Subpart1.Chapter7.

_____ In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-PP-21-00643), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

_____ In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-PP-21-00643), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.

- Monetary component = \$ _____
- Beneficial Environmental Project (BEP) component (optional)= \$ _____
- **DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM-** the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

_____ The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-PP-21-00643), and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:

Louisiana Department of Environmental Quality
 Office of Environmental Compliance
 Enforcement Division
 P.O. Box 4312
 Baton Rouge, LA 70821
 Attn: Antoinette Cobb