

**U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 7
11201 RENNER BOULEVARD
LENEXA, KANSAS 66219**

FILED

September 22, 2026

10:55AM

**U.S. EPA REGION 7
HEARING CLERK**

In the Matter of

Equistar Chemicals, LP

Respondent.

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Docket No. CAA-07-2026-0229

CONSENT AGREEMENT AND FINAL ORDER

Preliminary Statement

The U.S. Environmental Protection Agency, Region 7 (EPA or Complainant), and Equistar Chemicals, LP (Respondent) have agreed to a settlement of this action before the filing of a complaint, and thus this action is simultaneously commenced and concluded pursuant to Rules 22.13(b) and 22.18(b)(2) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. §§ 22.13(b) and 22.18(b)(2).

Jurisdiction

1. This proceeding is an administrative action for the assessment of civil penalties initiated pursuant to Section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d). Pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d), the Administrator and the Attorney General jointly determined that this matter, in which the first date of alleged violation occurred more than twelve months prior to the initiation of the administrative action and the penalty amount is greater than the statutory limitation, was appropriate for administrative penalty action.

2. This Consent Agreement and Final Order serves as notice pursuant to Section 113(d)(2)(A) of the CAA, 42 U.S.C. § 7413(d)(2)(A), of the EPA's intent to issue an order assessing penalties for alleged violations of the National Emission Standards for Hazardous Air Pollutants for Source Categories: Generic Maximum Achievable Control Technology Standards at 40 C.F.R. Part 63 Subpart YY, the National Emission Standard for Benzene Waste Operations at 40 C.F.R. Part 61 Subpart FF, and Section 112 of the CAA.

Parties

3. Complainant is the Director of the Enforcement and Compliance Assurance Division, Region 7, as duly delegated by the Administrator of EPA.

4. Respondent is Equistar Chemicals, LP, a limited partnership incorporated in the State of Delaware and authorized to do business in the State of Iowa.

Statutory and Regulatory Background

5. The CAA was promulgated “to protect and enhance the quality of the Nation’s air resources so as to promote the public health and welfare and the productive capacity of its population.” 42 U.S.C. § 7401(b)(1).

National Emission Standards for Hazardous Air Pollutants

6. Section 112 of the CAA, 42 U.S.C. § 7412, requires the EPA to develop emission standards that apply to specific categories of major sources and area sources of listed hazardous air pollutants. The National Emissions Standards for Hazardous Air Pollutants (NESHAPs) apply to specific sources that emit listed hazardous air pollutants (HAPs). The EPA develops and implements the NESHAPs and delegates authority over them to the states after submission of adequate regulatory procedures for implementation and enforcement for a particular NESHAP. The EPA retains concurrent enforcement authority with authorized states for NESHAP violations.

7. Pursuant to Section 112(i)(3) of the CAA, 42 U.S.C. § 7412(i)(3), no person may operate a source in violation of any emission standard, limitation or regulation promulgated under Section 112.

8. Pursuant to 40 C.F.R. § 63.4(a)(1), no owner or operator subject to the provisions of 40 C.F.R. Part 63 may operate any affected source in violation of the requirements of Part 63.

9. The NESHAP for Benzene Waste Operations Sources at 40 C.F.R. Part 61, Subpart FF, establishes emission standards and compliance requirements for owners and operators of chemical manufacturing plants. Examples of chemical manufacturing plants include facilities at which process units are operated to produce ethylene and other chemicals.

10. The regulations at 40 C.F.R. § 61.343(a)(1)(i)(A) pertaining to tanks require that the cover and all openings (e.g., access hatches, sampling ports, and gauge wells) of any fixed-roof and closed-vent system that routes all organic vapors vented from the tank to a control device to be designed to operate with no detectable emissions as indicated by an instrument reading of less than 500 ppmv above background, as determined “initially and thereafter at least once per year by the methods specified in § 61.355(h) of this subpart.”

11. Similar requirements apply to surface impoundments, containers, individual drain systems, oil-water separators, treatment processes, and closed-vent systems and control devices. *See* 40 C.F.R. §§ 61.344(a)(1)(i)(A), 61.345(a), 61.346(a)(1)(i), 61.347(a)(1)(i), 61.348(e)(3), 61.349(a)(1)(i).

12. The regulations at 40 C.F.R. § 61.343(c) require visual inspection of each fixed-roof, seal, access door, and all other openings “initially and quarterly thereafter” to ensure that no cracks or gaps occur and that access doors and other openings are closed and gasketed properly.

13. Similar requirements apply to surface impoundments, containers, individual drain systems, oil-water separators, and closed-vent systems and control devices. *See* 40 C.F.R. §§ 61.344(b), 61.345(b), 61.346(a)(2), 61.347(b), 61.348(e)(1), 61.349(f).

14. The NESHAP for Source Categories: Generic Maximum Achievable Control Technology Standards at 40 C.F.R. Part 63, Subpart YY, establishes national emission standards for owners and operators of chemical manufacturing plants. Subpart YY requires compliance with the requirements of 40 C.F.R. Part 63, Subpart UU (National Emission Standards for Equipment Leaks – Control Level 2 Standards). Subparts UU and YY have been delegated to the State of Iowa and EPA retains concurrent enforcement authority with the State for Subpart UU and YY violations.

15. The regulations at 40 C.F.R. § 63.1025(b), which is part of Subpart UU, require the owner or operator to monitor all valves at the intervals specified in subsection (b)(3). Specifically, “at process units with less than 0.25 percent leaking valves, the owner or operator may elect to monitor each valve once every 2 years.” *Id.* § 63.1025(b)(3)(v).

16. Section 112(a)(3) of the CAA and the NESHAP General Provisions at 40 C.F.R. § 63.2 define “stationary source” as any building, structure, facility, or installation which emits or may emit any air pollutant.

17. Section 113(d) of the CAA, 42 U.S.C. § 7413(d), states that the Administrator may issue an administrative order against any person assessing a civil administrative penalty of up to \$25,000 per day of violation whenever, on the basis of any available information, the Administrator finds that such person has violated or is violating any requirement or prohibition of Section 112, 42 U.S.C. § 7412, and its implementing regulations. The Debt Collection Improvement Act of 1996, 31 U.S.C. § 3701, as amended, and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, 28 U.S.C. § 2461, and implementing regulations at 40 C.F.R. Part 19, increased these statutory maximum penalties to \$59,114 for violations that occur after November 2, 2015, and for which penalties are assessed on or after January 8, 2025.

Factual Allegations

18. Respondent is, and at all times referred to herein was, a “person” as defined by Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

19. Respondent is the owner and/or operator of a production facility of ethylene and both high- and low-density polyethylene, located at 3400 Anamosa Road, Clinton, Iowa (“Respondent’s facility”) within the meaning of Section 112(a) of the CAA, 42 U.S.C. § 7412(a).

20. Respondent’s facility is a “stationary source” as that term is defined in Section 112(a)(3) of the CAA, 42 U.S.C. § 7412(a)(3).

21. Respondent's facility is a "major" air stationary source of volatile organic compounds, individual hazardous air pollutants and combined hazardous air pollutants, as defined at Section 112(a)(1) of the CAA, 42 U.S.C. § 7412(a)(1).

22. On June 10-13, 2024, representatives of the EPA conducted an on-site inspection of the Facility to evaluate its compliance with the CAA.

Alleged Violations

23. Complainant hereby states and alleges that Respondent has violated the CAA and federal regulations promulgated thereunder as follows.

24. For each count below, the facts stated in Paragraphs 18 through 22 are incorporated herein.

Count 1 (Failure to Conduct Inspections of Leak Components (NESHAP FF))

25. During the EPA inspection, EPA inspectors reviewed a leak detection and repair database provided by Equistar. This review indicated that there were multiple violations of the requirement to monitor various leak components (e.g., valves, connectors, caps, plugs, pumps, compressors and pressure relief valves) initially or on a quarterly or annual basis, spanning a period of January 2022 through October 2023, in violation of the provisions of 40 C.F.R. §§ 61.343-61.349 outlined above in paragraphs 9-13.

26. The failure to conduct these required inspections resulted in a potential for releases of benzene, which is a hazardous air pollutant under the CAA. 42 U.S.C. § 7412(b)(1).

27. Respondent's failure to conduct the required inspections, as required by Subpart FF, violates Section 112(i)(3) of the CAA, 42 U.S.C. § 7412(i)(3).

Count 2 (Failure to Conduct Inspections of Leak Components (MACT UU))

28. A review of Equistar's leak detection and repair database by EPA indicated that there were multiple violations of this requirement to monitor valves at a frequency of no less than once every two years, in violation of 40 C.F.R. § 63.1025(b)(3)(v).

29. Respondent's failure to conduct these inspections at the required frequency, as required by Subpart UU, violates Section 112(i)(3) of the CAA, 42 U.S.C. § 7412(i)(3).

CONSENT AGREEMENT

30. For the purposes of this proceeding, as required by 40 C.F.R. § 22.18(b)(2),
Respondent:

- a. admits the jurisdictional allegations set forth herein;
- b. neither admits nor denies the specific factual allegations stated herein;
- c. consents to the assessment of a civil penalty, as stated herein;
- d. consents to the issuance of any specified compliance or corrective action order;
- e. consents to any conditions specified herein;
- f. consents to any stated Permit Action;
- g. waives any right to contest the allegations set forth herein; and
- h. waives its rights to appeal the Final Order accompanying this Consent Agreement.

31. By signing this consent agreement, Respondent waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the Final Order accompanying the Consent Agreement.

32. Respondent consents to the issuance of this Consent Agreement and Final Order and consents for the purposes of settlement to the payment of the civil penalty specified herein.

33. Respondent and EPA agree to conciliate this matter without the necessity of a formal hearing and to bear their respective costs and attorneys' fees.

34. The parties consent to service of this Consent Agreement and Final Order electronically at the following e-mail addresses: chen.alex@epa.gov (for Complainant) and andy.torrant@lyondellbasell.com (for Respondent). Respondent understands that the Consent Agreement and Final Order will become publicly available upon filing.

Penalty Payment

35. Respondent agrees that, in settlement of the claims alleged herein, Respondent shall pay a civil penalty of \$821,570, as set forth below.

36. Respondent shall pay the penalty within thirty (30) days of the effective date of the Final Order. Such payment shall identify Respondent by name and docket number and shall

be made using any payment method provided at <http://www.epa.gov/financial/makepayment>. For instructions for wire transfers and additional information, see <https://www.epa.gov/financial/additional-instructions-making-payments-epa>.

37. Confirmation of payment shall simultaneously be sent to the following:

Regional Hearing Clerk
R7_Hearing_Clerk_Filings@epa.gov; and

Alex Chen, Attorney
chen.alex@epa.gov.

38. Respondent understands that its failure to timely pay any portion of the civil penalty may result in the commencement of a civil action in Federal District Court to recover the full remaining balance, along with penalties and accumulated interest. In such case, interest shall begin to accrue on a civil or stipulated penalty from the date of delinquency until such civil or stipulated penalty and any accrued interest are paid in full. 31 C.F.R. § 901.9(b)(1). Interest will be assessed at a rate of the United States Treasury Tax and loan rates in accordance with 31 U.S.C. § 3717. Additionally, a charge will be assessed to cover the costs of debt collection including processing and handling costs, and a non-payment penalty charge on a per year, compounded annually basis will be assessed on any portion of the debt which remains delinquent more than ninety (90) days after payment is due; 31 U.S.C. § 3717(e)(2).

39. Pursuant to 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1, EPA is required to send to the Internal Revenue Service (“IRS”) annually, a completed IRS Form 1098-F (“Fines, Penalties, and Other Amounts”) with respect to any court order or settlement agreement (including administrative settlements) that require a payor to pay an aggregate amount that EPA reasonably believes will be equal to, or in excess of, \$50,000 for the payor’s violation of any law or the investigation or inquiry into the payor’s potential violation of any law, including amounts paid for “restitution or remediation of property” or to come “into compliance with a law.” The EPA is further required to furnish a written statement, which provides the same information provided to the IRS, to each payor (i.e., a copy of IRS Form 1098-F). Respondent’s failure to provide IRS Form W-9 or Tax Identification Number (“TIN”), as described below, may subject Respondent to a penalty, per 26 U.S.C. § 6723, 26 U.S.C. § 6724(d)(3), and 26 C.F.R. § 301.6723-1. To provide EPA with sufficient information to enable it to fulfill these obligations, Respondent herein agrees that:

- a. Respondent shall complete an IRS Form W-9 (“Request for Taxpayer Identification Number and Certification”), which is available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>;
- b. Respondent shall certify that its completed IRS Form W-9 includes Respondent’s correct TIN or that Respondent has applied and is waiting for issuance of a TIN;

- c. Respondent shall email its completed Form W-9 to EPA's Cincinnati Finance Division at *sherrer.dana@epa.gov* within 30 days after the Final Order ratifying this Agreement is filed, and EPA recommends encrypting IRS Form W-9 email correspondence; and
- d. In the event that Respondent has certified in its completed IRS Form W-9 that it does not yet have a TIN but has applied for a TIN, Respondent shall provide EPA's Cincinnati Finance Division with Respondent's TIN, via email, within five (5) days of Respondent's receipt of a TIN issued by the IRS.

Effect of Settlement and Reservation of Rights

40. Full payment of the penalty proposed in this Consent Agreement shall only resolve Respondent's liability for federal civil penalties for the violations alleged herein. Complainant reserves the right to take any enforcement action with respect to any other violations of the CAA or any other applicable law.

41. The effect of settlement described in the immediately preceding paragraph is conditioned upon the accuracy of Respondent's representations to the EPA, as memorialized in the paragraph directly below.

42. Respondent certifies by the signing of this Consent Agreement that it is presently in compliance with all requirements of the CAA and its implementing regulations.

43. Full payment of the penalty proposed in this Consent Agreement shall not in any case affect the right of the Agency or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Consent Agreement and Final Order does not waive, extinguish, or otherwise affect Respondent's obligation to comply with all applicable provisions of the CAA and regulations promulgated thereunder.

44. The allegations in this Consent Agreement and Final Order constitute "prior violations" as that term is used in EPA's *Clean Air Act Stationary Source Civil Penalty Policy* to determine Respondent's "history of noncompliance" under Section 113(e) of the CAA, 42 U.S.C. § 7413(e).

45. Complainant reserves the right to enforce the terms and conditions of this Consent Agreement and Final Order.

General Provisions

46. By signing this Consent Agreement, the undersigned representative of Respondent certifies that they are fully authorized to execute and enter into the terms and conditions of this Consent Agreement and have the legal capacity to bind the party they represent to this Consent Agreement.

47. This Consent Agreement shall not dispose of the proceeding without a final order from the Regional Judicial Officer or Regional Administrator ratifying the terms of this Consent Agreement. This Consent Agreement and Final Order shall be effective upon the filing of the Final Order by the Regional Hearing Clerk for EPA, Region 7. Unless otherwise stated, all time periods stated herein shall be calculated in calendar days from such date.

48. The penalty specified herein shall represent civil penalties assessed by EPA and shall not be deductible for purposes of Federal, State, or local taxes.

49. This Consent Agreement and Final Order shall apply to and be binding upon Respondent and Respondent's agents, successors and/or assigns. Respondent shall ensure that all contractors, employees, consultants, firms, or other persons or entities acting for Respondent with respect to matters included herein comply with the terms of this Consent Agreement and Final Order.

RESPONDENT:
EQUISTAR CHEMICALS, LP

Date: Sep 18, 2026 | 11:59:45 PDT
Signed by: Andrew Torrant
Signature

Andrew Torrant
Name

Managing Counsel – HSES
Title

COMPLAINANT:
U.S. ENVIRONMENTAL PROTECTION AGENCY

JODI BRUNO  Digitally signed by JODI
BRUNO
Date: 2026.09.22 06:58:06
-05'00'

Jodi Bruno
Acting Director
Enforcement and Compliance Assurance Division

**ALEXANDER
CHEN**  Digitally signed by ALEXANDER
CHEN
Date: 2026.09.18 14:41:36 -05'00'

Alex Chen
Senior Counsel
U.S. Environmental Protection Agency, Region 7

FINAL ORDER

Pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. Part 22, the foregoing Consent Agreement resolving this matter is hereby ratified and incorporated by reference into this Final Order.

Respondent is ORDERED to comply with all of the terms of the Consent Agreement. In accordance with 40 C.F.R. § 22.31(b), the effective date of the foregoing Consent Agreement and this Final Order is the date on which this Final Order is filed with the Regional Hearing Clerk.

IT IS SO ORDERED.

KARINA
BORROMEIO



Digitally signed by
KARINA BORROMEIO
Date: 2026.09.22
10:52:57 -05'00'

Karina Borromeo
Regional Judicial Officer

CERTIFICATE OF SERVICE
(to be completed by EPA)

I certify that a true and correct copy of the foregoing Consent Agreement and Final Order was sent this day in the following manner to the addressees:

Copy via E-mail to Complainant:

chen.alex@epa.gov,

appier.christopher@epa.gov

venerable.carrie@epa.gov.

Copy via E-mail to Respondent:

andy.torrant@lyondellbasell.com

mark.mueller@lyondellbasell.com

LDyar@bdlaw.com

AMY GONZALES

Digitally signed by AMY
GONZALES
Date: 2026.09.23 07:48:57 -05'00'

Signed and dated