July 7, 2026 12:37 pm
USEPA – Region II
Regional Hearing Clerk

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2

In the Matter of: Ritz-Carlton (Virgin Islands), Inc. St. Thomas, U.S. Virgin Islands, Respondent, In a proceeding under Section 113(d) of the Clean Air Act, 42 U.S.C. § 7413(d)	CONSENT AGREEMENT AND FINAL ORDER CAA-02-2026-1007

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A. PRELIMINARY STATEMENT

1. This is an administrative penalty assessment proceeding pursuant to Section 113(d) of the Clean Air Act (the "CAA" or "Act"), 42 U.S.C. § 7413(d), and Sections 22.13 and 22.18 of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits ("Consolidated Rules"), codified at 40 C.F.R. Part 22.

2. On behalf of the United States Environmental Protection Agency ("EPA" or "Complainant"), the Director of the Enforcement and Compliance Assurance Division ("ECAD") for EPA Region 2 is delegated the authority to settle civil administrative penalty proceedings under Section 113(d) of the Act. Specifically, pursuant to EPA Delegation of Authority 7-6-A and EPA Region 2 Delegation of Authority 7-6-A, the Administrator has delegated to the Director of ECAD, through the Regional Administrator of EPA Region 2, the authority to (a) make findings of violations, (b) issue CAA Section 113(d) administrative penalty complaints, and (c) agree to settlements and sign consent agreements memorializing those settlements, for CAA violations that occur in the jurisdiction of EPA Region 2.

3. Section 113(d) of the CAA authorizes the EPA Administrator to issue an order assessing civil administrative penalties against any person that has violated or is violating any requirement or prohibition of subchapters I, III, IV-A, V, or VI of the Act, or any requirement or prohibition of any rule, order, waiver, permit, or plan promulgated pursuant to any of those subchapters, including but not limited to any regulation promulgated pursuant to Sections 111 and 114 of the Act, 42 U.S.C. §§ 7411 & 7414.

4. On behalf of the United States Environmental Protection Agency ("EPA" or "Complainant"), the Regional Judicial Officer for Region 2 is delegated the authority to execute CAA Section 113(d) Final Orders. Specifically, pursuant to EPA Delegation of Authority 7-6-C and EPA Region 2 Delegation of Authority 7-6-C, the Administrator has delegated to the Regional Judicial Officer, through the Regional Administrator of EPA Region 2, the authority to execute CAA Section 113(d) Final Orders.

5. Pursuant to Section 113(d) of the Act, the Administrator and the Attorney General, through their respective delegates, have jointly determined that this matter is appropriate for an administrative penalty proceeding. Specifically, the United States Department of Justice has granted the EPA's request for a waiver of the CAA Section 113(d) 12-month and monetary limitations on the EPA's authority to initiate an administrative penalty action in this matter.

6. Respondent Ritz-Carlton (Virgin Islands), Inc. ("Ritz-Carlton" or "Respondent") is operator of The Ritz-Carlton, St. Thomas—a hotel facility located at 6900 Great Bay, Nazareth, St. Thomas, U.S. Virgin Islands 00802 (the "Facility").

7. Respondent is a "person" as defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e).

8. EPA alleges that Respondent violated its Title V permit and Section 111 of the Act—specifically, the Standards of Performance for Stationary Compression Ignition Internal Combustion Engines at 40 C.F.R. Part 60, Subpart IIII. This action will resolve Respondent's alleged CAA violations, discussed below, at the Facility.

9. The violations determined by EPA are set forth in detail in Section E of this Consent Agreement and Final Order ("Consent Agreement"), entitled "Conclusions of Law."

B. JURISDICTION

10. This Consent Agreement is entered into pursuant to Section 113(d) of the Act, as amended, 42 U.S.C. § 7413(d), and the Consolidated Rules, 40 C.F.R. Part 22.

11. Pursuant to Section 113(d)(1)(C), the Administrator and the Attorney General, through their respective delegates, have jointly determined that this matter is appropriate for an administrative penalty assessment. *See* 42 U.S.C. § 7413(d)(1)(C); *see also* 40 C.F.R. § 19.4.

12. The Regional Judicial Officer for Region 2 is authorized to ratify this Consent Agreement which memorializes a settlement between Complainant and Respondent. 40 C.F.R. § 22.4(a) and 40 C.F.R. § 22.18(b).

13. The issuance of this Consent Agreement and attached Final Order simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).

C. GOVERNING LAW

EPA's Clean Air Act Enforcement Authority

14. CAA Section 302(e) states that whenever the term "person" is used in the Act, the term includes "an individual, corporation, partnership, association, State, municipality, political subdivision of a State, and any agency, department, or instrumentality of the United States and any officer, agent, or employee thereof." 42 U.S.C. § 7602(e).

15. CAA Section 101 states that one of the purposes of the Act is 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).

16. Section 114 of the CAA authorizes the EPA Administrator to require testing, monitoring, record-keeping, and reporting of information, to enable him or her to carry out any provision of the Act (except certain provisions in Title II) and to assess compliance with, among other requirements, any regulations promulgated under Section 111 and Title V of the Act. *See* 42 U.S.C. § 7414.

17. Pursuant to EPA Delegation of Authority 7-8 and EPA Region 2 Delegation of Authority 7-8, the EPA Administrator’s information gathering authority under CAA Section 114, 42 U.S.C. § 7414, has been delegated to the Director of ECAD, through the Region 2 Regional Administrator.

CAA Section 111

18. Section 111 of the Act, 42 U.S.C. § 7411, provides for “standards of performance” for new and existing stationary sources of air pollution. Under Section 111(b) of the Act, EPA is required to promulgate standards of performance for new stationary sources, commonly known as New Source Performance Standards (“NSPS”).

19. Section 111(a) of the Act, 42 U.S.C. § 7411(a), contains the following relevant definitions:

a) Section 111(a)(1) of the Act defines “standard of performance” as a standard for emissions of air pollutants which reflects the degree of emission limitation achievable through the application of the best system of emission reduction which, taking into account the cost of achieving such reduction and other specified factors, the Administrator determines has been adequately demonstrated.

b) Section 111(a)(2) of the Act defines “new source” as any stationary source, the construction or modification of which is commenced after the publication of regulations (or, if earlier, proposed regulations) prescribing a standard of performance under CAA Section 111 which will be applicable to the source.

c) Section 111(a)(3) of the Act defines “stationary source” as any building, structure, facility, or installation which emits or may emit any air pollutant. Nothing in Title II of the CAA relating to nonroad engines shall be construed to apply to stationary internal combustion engines.

d) Section 111(a)(5) of the Act defines “owner or operator” as any person who owns, leases, operates, controls, or supervises a stationary source.

20. Section 111(e) of the Act, 42 U.S.C. § 7411(e), prohibits any owner or operator from operating a source in violation of a Section 111 standard of performance that is applicable to the source.

NSPS for Stationary Compression Ignition Internal Combustion Engines

21. Section 111 of the Act authorizes EPA to develop technology-based standards that apply to specific categories of stationary sources. These standards are referred to as the NSPS, which are promulgated under 40 C.F.R. Part 60. The Act provides that after the effective date of any emission limit or other standard promulgated pursuant to Section 111, it shall be unlawful for any owner or operator of a new source to operate that source in violation of the emission limit or standard. *See* 42 U.S.C. §§ 7411(e); 7411(h)(5). A “new source” is one that is constructed or modified after the regulations are issued. *See id.* § 7411(a)(2).

22. Pursuant to Section 111 of the Act, 42 U.S.C. § 7411, EPA promulgated the "Standards of Performance for Stationary Compression Ignition Internal Combustion Engines," which are codified at 40 C.F.R. Part 60, Subpart IIII, §§ 60.4200 *et seq*. ("NSPS Subpart IIII"). *See* 71 Fed. Reg. 39,172 (July 11, 2006) (as amended).

23. 40 C.F.R. § 60.4200 provides that the provisions of NSPS Subpart IIII are applicable to manufacturers, owners, and operators of stationary compression ignition (CI) internal combustion engines (ICE) and other persons as specified in 40 C.F.R. § 60.4200(a)(1) through (4). For the purposes of NSPS Subpart IIII, the date that construction commences is the date the engine is ordered by the owner or operator. 40 C.F.R. § 60.4200(a) provides that NSPS Subpart IIII applies to, *inter alia*, owners and operators of stationary CI ICE that commence construction after July 11, 2005, where the stationary CI ICE are manufactured after April 1, 2006, and are not fire pump engines.

24. 40 C.F.R. § 60.4219 defines "Stationary internal combustion engine" as any internal combustion engine, except combustion turbines, that converts heat energy into mechanical work and is not mobile. Stationary ICE differ from mobile ICE in that a stationary internal combustion engine is not a nonroad engine as defined at 40 C.F.R. § 1068.30 (excluding paragraph (2)(ii) of that definition), and is not used to propel a motor vehicle, aircraft, or a vehicle used solely for competition. Stationary ICE include reciprocating ICE, rotary ICE, and other ICE, except combustion turbines. *Id*.

25. 40 C.F.R. § 60.4204(b) states that "Owners and operators of 2007 model year and later non-emergency stationary CI ICE with a displacement of less than 30 liters per cylinder must comply with the emission standards for new CI engines in § 60.4201 for their 2007 model year and later stationary CI ICE, as applicable."

26. 40 C.F.R. § 60.4201(a) provides that "Stationary CI internal combustion engine manufacturers must certify their 2007 model year and later non-emergency stationary CI ICE with a maximum engine power less than or equal to 2,237 kilowatt (KW) (3,000 horsepower (HP)) and a displacement of less than 10 liters per cylinder to the certification emission standards for new nonroad CI engines in 40 C.F.R. [§§] 1039.101, 1039.102, 1039.104, 1039.105, 1039.107, and 1039.115 and 40 C.F.R. part 1039, appendix I, as applicable, for all pollutants, for the same model year and maximum engine power."

27. 40 C.F.R. § 60.4211(c) provides that "If you are an owner or operator of a 2007 model year and later stationary CI internal combustion engine and must comply with the emission standards specified in § 60.4204(b) or § 60.4205(b), . . . you must comply by purchasing an engine certified to the emission standards in § 60.4204(b), or § 60.4205(b) or (c), as applicable, for the same model year and maximum . . . engine power. The engine must be installed and configured according to the manufacturer's emission-related specifications, except as permitted in paragraph (g) of this section."

28. 40 C.F.R. § 1039.101 ("What exhaust emission standards must my engines meet after the 2014 model year?") provides that "[t]he exhaust emission standards of this section apply after the 2014 model year. Certain standards in this section also apply for model year 2014 and earlier."

29. Table 7 ("Interim Tier 4 Exhaust Emission Standards (g/kW-hr): kW >560") of 40 C.F.R. § 1039.102 ("What exhaust emission standards and phase-in allowances apply for my engines in model year 2014 and earlier?") provides that Interim Tier 4 emission standards for PM, NOx, NMHC, and CO are applicable for model year 2011-2014 engines in either the 560-900 kW category, or the over 900 kW category.

30. Table 2 of 40 C.F.R. Part 1039, Appendix I ("Summary of Previous Emission Standards") provides that Tier 2 emission standards for over 560 kW engines apply starting in 2006 (NOx + NMHC, CO, and PM).

Title V Permit Requirements

31. Section 502(a) of the Act, 42 U.S.C. § 7661a(a) provides, among other things, that after the effective date of any permit program approved or promulgated under Title V of the Act, it shall be unlawful for any person to violate any requirement of a permit issued under Title V of the Act or to operate a Title V affected source, except in compliance with a permit issued by a permitting authority under Title V of the Act.

32. Pursuant to Section 502(b) of the Act, 42 U.S.C. § 7661a(b), EPA promulgated 40 C.F.R. Part 70, State Operating Permit Program regulations, and 40 C.F.R. Part 71, Federal Operating Permit Program regulations.

33. Section 502(d) of the Act, 42 U.S.C. § 7661a(d) requires each state to develop and submit to the EPA, a permit program meeting the requirements of Title V of the Act.

34. Pursuant to Section 502(e) of the Act, 42 U.S.C. § 7661a(e), EPA retains its authority to enforce Title V permits issued by a state.

35. Section 503(b)(2) of the Act, 42 U.S.C. § 7661b(b)(2), provides that the regulations promulgated pursuant to Section 502(b) of the Act shall require that the permittee periodically (but no less frequently than annually) certify that the facility is in compliance with any applicable requirements of the Title V permit.

36. Section 504(a) of the Act, 42 U.S.C. § 7661c(a), directs that each Title V operating permit include enforceable emission limitations and standards, a schedule of compliance, a requirement that the permittee submit to the permitting authority, no less often

than every 6 months, the results of any required monitoring, and any such conditions as are necessary to assure compliance with applicable requirements of the CAA, including the requirements of the applicable state implementation plan.

37. Pursuant to Section 502(d)(1) of the Act, 42 U.S.C. § 7661a(d), the U.S. Virgin Islands developed and submitted a Title V operating permit program to EPA (U.S. Virgin Islands operating permit program), to meet the requirements of Title V of the Act, and 40 C.F.R. Part 70, promulgated pursuant to Section 502(b) of the Act. The Virgin Islands' Part 70 permitting regulation is contained in Subchapter 204 and Subchapter 206 of the Virgin Islands Rules and Regulations, Title 12, Chapter 9.

38. EPA granted final interim approval of the U.S. Virgin Islands operating permit program with an effective date of August 30, 1996. 61 Fed. Reg. 39882 (July 31, 1996).

39. EPA granted full approval of the U.S. Virgin Islands operating permit program, with an effective date of January 16, 2001. 65 Fed. Reg. 78102 (December 14, 2000).

D. FINDINGS OF FACT

40. The following findings of fact are based in part on an investigation conducted by EPA, Region 2 pursuant to Section 114 of the Act, 42 U.S.C. § 7414 ("EPA Investigation"). The EPA Investigation included, among other actions: (a) an onsite inspection of the Facility; (b) an information request made by EPA to Respondent about the Facility and its operations; (c) a review of Respondent's records and information as provided to EPA subsequent to the information request; and (d) conversations, emails and other correspondence with Ritz-Carlton about the materials it provided.

41. Respondent Ritz-Carlton is a corporation doing business in the U.S. Virgin Islands. Respondent is operator of the Facility.

42. On June 13, 2023, EPA inspectors conducted an on-site inspection of the Facility ("June 2023 Inspection").

43. Following the June 2023 Inspection, EPA sought to obtain additional information related to the Facility's past and ongoing compliance with the CAA.

44. On January 11, 2024, EPA sent an information request letter to Respondent pursuant to Section 114 of the Act seeking, among other items, information related to Respondent's compliance with its Title V permit as well as specific information pertaining to the Facility's generators, boilers, and dryers ("January 2024 IRL").

45. Respondent provided its response to EPA's January 2024 IRL on March 12, 2024 ("March 2024 IRL Response").

46. The March 2024 IRL Response provides that the Facility currently operates under Title V Permit #STT-TV-006-12, issued by U.S. Virgin Islands' Department of Planning and Natural Resources (DPNR or VIDPNR) on July 2, 2012 ("Facility Title V Permit").

47. Respondent, most recently, submitted a Title V renewal application on June 14, 2024. To EPA's knowledge, this application remains pending before DPNR.

48. Based on information provided by Respondent, among the Facility's emission units owned or operated by Respondent, are the following units for which violations are being alleged:

a) 1825 kW Caterpillar generator set, generator model SR4B GD, serial #G5H00794, engine model 3516 C, model year 2009 (Generator Unit #1);
b) 1825 kW Caterpillar generator set, serial #G5H00978, engine model 3516 C, model year 2012 (Generator Unit #3);
c) Fulton boiler, Boiler #NB 162, model #VMP100 (Boiler Unit #2);

d) Cissell, Model #H0175G, Serial #2612020346, 450,000 Btu/hr (Dryer Unit #1);

e) Cissel, Model #H0175G, Serial #2612020344, 450,000 Btu/hr (Dryer Unit #2);

f) Challenger, Model # CPG2.07.038C, Serial #CPG2-1X1L-5602118; 2,200,000 Btu/hr (Dryer Unit #3); and

g) Challenger, Model #CPG2.07.017A, Serial #CPG2-1X1L-00703; 2,200,000 Btu/hr (Dryer Unit #4).

49. The EPA investigation revealed numerous violations of the monitoring, recordkeeping and reporting requirements for emission units in the Facility's Title V permit, starting as far back as 2015. EPA discusses below only the evidence showing those violations that have occurred since 2021.

Semi-Annual Monitoring Reports:

50. Part 5.1.3 of the Facility's Title V Permit (General Recordkeeping and Reporting Requirements) requires Respondent to "submit reports of any required monitoring every six (6) months, i.e., not later than January 31 and July 31 of each calendar year or more frequently if required by the underlying applicable requirement or by this permit. Reports must be certified by a responsible official at the facility consistent with VI-APCR&R 12-09-206-64."

51. EPA's January 2024 IRL asked Respondent to provide "copies of all semi-annual reports covering all emissions units submitted to VIDPNR for the time period of Jan[uary] 1, 2015 through [the date of the January 2024 IRL]." Respondent's March 2024 IRL Response did not include a number of the necessary reports; some of the reports not submitted included both of those required for each of the calendar years 2021 and 2022. Based on additional communications from Respondent's counsel in June 2025, the reports required for the 2023 calendar year were submitted late.

Annual Emissions Statements

52. Part 2.2.8.1.II (Recordkeeping for Generator Unit #1 emissions) and Part 2.2.10.1.II. (Recordkeeping for Boiler Unit #2 emissions) of the Facility Title V Permit each provide that "[t]he Permittee shall maintain records of the total yearly emissions of pollutants in tons/year (TPY) for at least five (5) years."

53. Part 2.2.8.1.III (Reporting for Generator Unit #1 emissions) and Part 2.2.10.III (Reporting for Boiler Unit #2 emissions) of the Facility Title V Permit each provide that "[t]he permittee shall submit a report with the tonnage of each pollutant emitted per year after receipt of the invoice letter from DPNR."

54. EPA's January 2024 IRL asked Respondent to provide "copies of all annual emission reports for each generator" and "copies of all annual emission reports for each boiler" from 2015 to the date of the January 2024 IRL. Respondent's March 2024 IRL Response failed to include a number of required annual emission statements providing the relevant tons per year of emissions. The emissions statement for calendar year 2021 was one of the reports that was missing. For some calendar years, including but not limited to 2022, Respondent submitted annual emission statements; however, the relevant emissions data in the annual emissions statement was duplicative of the data included in prior years submittals, in this case the submittal for the year 2018, indicating inaccuracy in said data.

Annual Compliance Certifications

55. Part 7.8.3 of the Facility Title V Permit (Submissions) provides that "[a]ny application form, report or compliance certification submitted pursuant to this Permit shall contain a certification by a responsible official of its truth, accuracy and completeness. This

certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate and complete."

56. Part 7.14.1 of the Facility Title V Permit (Compliance Certification) states that Respondent "shall provide annually, one month after the anniversary of the Permit, written certification to the Department and to the EPA of compliance with the conditions of the Permit."

57. Part 7.14.1 of the Facility Title V Permit specifically states as follows:

> "The Permittee shall provide annually, one-month after the anniversary of the Permit, written certification to the Department and to the EPA of compliance with the conditions of the Permit. The certification shall include, but not be limited to the following elements: . . . a. A statement of the methods used for determining compliance including a description of monitoring, recordkeeping and reporting requirements and test methods. b. A schedule requiring the submission of compliance certificates on an annual basis during the Permit term or more frequently if specified by the underlying applicable requirements, or the Commissioner or his designated representative. c. A statement indicating the source's compliance status with any applicable enhanced monitoring and compliance certification requirements of the Act. d. Any additional requirement specified by the Division."

58. Since the effective date of the Facility Title V Permit is July 2, 2012, annual compliance certifications are due by August 2 (one-month after the anniversary of the Permit). EPA's January 2024 IRL asked Respondent to provide copies of all annual compliance certifications submitted to VIDPNR for the time period of January 1, 2015 through to the date of the January 2024 IRL. Respondent's March 2024 IRL Response indicated that Respondent failed to submit certifications for various years and submitted late in other years. For example, Respondent did not provide any annual compliance certification for the calendar year 2022 or indicate that one was submitted. And, Respondent's March 2024 IRL Response showed that Respondent submitted its annual compliance certifications for the 2020 and 2021 calendar years to DPNR late, on September 30, 2021 and 2022, respectively.

59. The copies of annual compliance certifications for the Facility for various years, such as for the calendar years 2020 and 2021, show evidence that content was incorrectly and inaccurately reused across the certifications (e.g., they repeated descriptions of unit statuses across multiple reports that could not recur identically from year to year).

Generator Unit #1 Fuel Use Records

60. Part 2.2.1.1.II of the Facility Title V Permit (Generator Unit #1 Fuel Usage Recordkeeping) provides that "[t]he Permittee shall record the amount of fuel consumed by [Generator] Unit #1 on hourly, daily and monthly bases. The Permittee shall retain these records for five (5) years from the recording date."

61. EPA's January 2024 IRL asked Respondent to provide copies of the daily logbooks (including fuel use information) for the time period of January 1, 2015 through to the date of the January 2024 IRL. Respondent's March 2024 IRL Response and subsequent information submitted to EPA by Respondent reveal that for the time period of at least the calendar year 2021 through March 12, 2024, Respondent failed to record the amount of fuel consumed by Generator Unit #1 on an hourly basis.

Generator Unit #1 Fuel Oil Purchase Records

62. Part 2.2.6.1.I of the Facility Title V Permit (Generator Unit #1 No. 2 Fuel Oil Maximum Sulfur Content Monitoring) provides that "Records required by this Permit condition will serve as monitoring. If records are unavailable, then sulfur content testing shall be accomplished by the Permittee."

63. Part 2.2.6.1.II of the Facility's Title V Permit (Generator Unit #1 No. 2 Fuel Oil Maximum Sulfur Content Recordkeeping) provides that "[t]he Permittee shall maintain records of the quantity and sulfur content of fuel oil received at this facility and used by the engine

through the Supplier's Invoice or the test results obtained by the Permittee from a certified laboratory that did their fuel analysis for sulfur content."

64. EPA's January 2024 IRL asked Respondent "For each generator that is located at the Facility, provide the following information regarding liquid fuel (e.g., fuel oil) purchased from January 1, 2015 through the [date of the January 2024 IRL]: a. Copies of all receipts for liquid fuel/oil purchased during this period; b. The type of liquid fuel (e.g., Number 2 fuel oil, Number 4 fuel oil, Number 6 fuel oil, or any other type of oil) purchased during this period; c. The percent of sulfur by weight contained in each purchase of liquid fuel/oil during this period; and d. The name and address of the company that provided the liquid fuel/oil to your Facility during this period." In response to this request, Respondent's March 2024 IRL Response included only four receipts for the purchase of diesel fuel, all dated between January 16 and February 8, 2024, and only one report analyzing diesel fuel sulfur content, dated August 24, 2020.

Boiler Unit #2 Fuel Use Records

65. Part 2.2.9.1.II (Boiler Unit #2 Gas Consumption Recordkeeping) states that "[t]he Permittee shall maintain a logbook recorded on a daily basis indicating, but not limited to, the following information: a) date and number of hours of operation of the boiler (emission unit); b.) time of commencement and end of operation for the day; c.) quantity (in gallons) of fuel burned by the emission unit per hour and per day during the operation; d.) corrective action taken during any malfunction of the emission unit, the cause, date and time of occurrence, duration of the occurrence ; and e.) scheduled maintenance[.] The Permittee shall retain fuel purchase records that account for all fuel used in the boiler and all fuel purchased for us in the emission unit and the certification of the analyses of the fuel."

66. EPA's January 2024 IRL asked Respondent for "copies of all daily logbooks for the time period of January 1, 2015 through the [date of the January 2024 IRL] for each boiler" including but not limited to "the date and number of hours of operation for each boiler, time of commencement and end of operation for the day for each boiler, quantity (in gallons) of fuel burned by each boiler per hour and per day during operation, corrective action taken during any malfunction of each boiler, and the cause, date and time of occurrence of any malfunction, and duration of occurrence, and any scheduled maintenance for each boiler." Respondent's March 12, 2024 Response and subsequent information submitted by Respondent reveal that for the time period of at least the calendar year 2021 through March 12, 2024, Respondent failed to keep complete daily logbooks for Boiler Unit #2, as required by Part 2.2.9.1.II of the Facility Title V Permit; for example, Respondent failed to record the quantity of fuel burned by Boiler Unit #2 per hour of operation.

Dryers Fuel Use Records

67. Part 2.2.11.1.I (Monitoring Requirements for Dryers) states that "[t]he Permittee shall initiate operation, maintenance and fuel usage records of the dryers. These shall be recorded on a daily basis. One log shall be kept for each dryer."

68. Part 2.2.11.1.II (Recordkeeping Requirements for Dryers) states that "[t]he Permittee shall maintain a record of the quantity of the fuel used for each dryer. The quantity of fuel used shall be recorded on hourly and daily bases. This log shall be stored on site for a period of no less than five (5) years."

69. EPA's January 2024 IRL asked Respondent "for each dryer that is located at the Facility: . . . For the period of January 1, 2015 through the [date of the January 2024 IRL], provide copies of all daily logbooks for each dryer. This information includes, but is not limited

to, quantity of fuel used for each dryer on an hourly and daily basis." Respondent's March 2024 IRL Response revealed that for the time period of at least the calendar year 2021 through March 12, 2024, Respondent failed to keep complete monitoring and recordkeeping records for Dryers Units #1, 2, 3, and 4 as required by Part 2.2.11.1.I and Part 2.2.11.1.II of the Facility Title V Permit. For example, Respondent failed to record the quantity of fuel used on an hourly basis, and failed to provide complete daily records.

Generator Unit #3

70. Based on documentation provided by the Respondent, Generator Unit # 3 is an over 900 kW model year 2012 engine with a displacement of ~4.3 liters per cylinder and is certified to the Tier 2 emission standards under 40 C.F.R. Part 1039. Generator Unit # 3 was manufactured at a time when the interim Tier 4 emission standards located in Table 7 of 40 C.F.R. § 1039.102 had come into effect. The EPA Investigation revealed that at least from January 1, 2015 through March 12, 2024, Respondent operated Generator Unit #3 as a non-emergency engine while failing to comply with the Interim Tier 4 emission standards for such an engine. Respondent operated Generator Unit #3 for non-emergency purposes far in excess of the time the regulations allow emergency engines to operate for non-emergency use, emitting in excess of the Interim Tier 4 standard.

71. On April 16, 2025, EPA issued a Finding of Violation letter to Ritz-Carlton identifying certain alleged CAA violations at the Facility.

E. CONCLUSIONS OF LAW

Based on the Findings of Fact set forth above, EPA reaches the following Conclusions of Law:

72. Respondent is a "person" as defined by Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

73. As of the date of this Consent Agreement and all relevant times, Ritz-Carlton has been and is the "operator" of the Facility within the meaning of Section 111(a)(5) of the CAA, 42 U.S.C. § 7411(a)(5).

74. The Facility is subject to the applicable requirements of the Facility Title V Permit.

75. Respondent failed to comply with the requirement in Part 5.1.3 of the Facility Title V Permit to submit semi-annual monitoring reports for the calendar years 2021 and 2022, and to timely submit the semi-annual monitoring reports for the calendar year 2023.

76. Respondent failed to comply with the requirements in Parts 2.2.8.1 and 2.2.10.1 of the Facility Title V Permit to maintain records and submit a report with that year's total yearly emissions in tons per year for Generator Unit #1 and Boiler Unit #2, respectively, for at least the calendar years 2021 and 2022.

77. Respondent failed to comply with the requirement in Part 7.14.1 of the Facility's Title V Permit to submit the annual compliance certification for calendar year 2022 and failed to timely submit the annual compliance certification for the calendar years 2020 and 2021.

78. Respondent submitted incorrect, inaccurate, and/or incomplete annual compliance certifications for the calendar years 2020 and 2021, in violation of Parts 7.8.3 and 7.14.1 of the Facility Title V Permit, as evidenced by conflicting and recurring entries over multiple years.

79. Respondent failed to maintain hourly fuel use records for Generator Unit #1 as required by Part 2.2.1.1.II of the Facility Title V Permit for the time period of at least the calendar year 2021 through March 12, 2024.

80. Respondent failed to maintain records of the quantity and sulfur content of fuel oil received at this facility and used by Generator Unit #1, as required by Part 2.2.6.1 of the Facility's Title V Permit, for the time period of at least the calendar years 2021 through 2023 either using the Supplier's Invoice or test results obtained by the Permittee from a certified laboratory that did their fuel analysis for sulfur content.

81. Respondent failed to maintain, or maintained only incomplete, hourly and/or daily operation, maintenance, and fuel usage records for Boiler Unit #2, as required by Section 2.2.9.II of the Facility Title V permit, for the time period of at least the calendar year 2021 through March 12, 2024.

82. Respondent failed to monitor and record, or monitored and recorded incomplete, hourly and daily fuel usage for Dryer Units #1, 2, 3, and 4, as required in Part 2.2.11.1 of the Facility's Title V Permit, for the time period of at least the calendar year 2021 through March 12, 2024.

83. Generator Unit #3 is a stationary compression ignition internal combustion engine subject to 40 C.F.R. Part 60, Subpart IIII. Generator Unit # 3 has a displacement of less than 30 liters per cylinder and is over 900 kW.

84. From at least the calendar year 2021 through March 12, 2024 Respondent operated Generator Unit #3, a model year 2012 Tier 2 engine, for non-emergency purposes, emitting in excess of the Interim Tier 4 standard, rather than limiting Generator Unit #3 to emergency use, in violation of 40 C.F.R. §§ 60.4204(b), 60.4201(a), and 60.4211(c), and inconsistent with the applicable requirements of Table 7, Part 1039.102.

F. TERMS OF CONSENT AGREEMENT

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

a) admits that the EPA has jurisdiction over the subject matter alleged in this Consent Agreement;
b) neither admits nor denies the factual allegations and alleged violations of law stated above, including in Sections D and E of this Consent Agreement;
c) consents to the assessment of a civil penalty as stated below;
d) consents to the issuance of any specified compliance or corrective action order, as applicable;
e) consents to the conditions specified in this Consent Agreement;
f) waives any right to contest the alleged violations of law set forth in Section E of this Consent Agreement; and
g) waives its right to appeal the Final Order accompanying this Consent Agreement.

86. For purposes of this proceeding, Respondent:

a) agrees that this Consent Agreement states a claim upon which relief may be granted against Respondent;
b) acknowledges that this Consent Agreement constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
c) consents to the issuance of the attached Final Order;
d) waives any and all remedies, claims for relief, and otherwise available rights to judicial or administrative review that Respondent may have with respect to any

issue of fact or law set forth in this Final Order, including any right of judicial review under Section 307(b)(1) of the Clean Air Act, 42 U.S.C. § 7607(b)(1);

e) consents to personal jurisdiction in any action to enforce this Consent Agreement or Final Order, or both, in the United States District Court; and

f) waives any rights it may possess at law or in equity to challenge the authority of the EPA to bring a civil action in a United States District Court to compel compliance with the Consent Agreement or Final Order, or both, and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action.

87. Civil Penalty. Respondent agrees to pay a civil penalty in the amount of $349,600 ("Assessed Penalty") within thirty (30) days after the date the Final Order ratifying this Agreement is filed with the Regional Hearing Clerk ("Effective Date").

88. Respondent shall pay the Assessed Penalty and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided on the EPA website: https://www.epa.gov/financial/makepayment. For additional instructions see: https://www.epa.gov/financial/additional-instructions-making-payments-epa.

89. When making a payment, Respondent shall:

a) Identify every payment with Respondent's name and the docket number of this Agreement, CAA-02-2026-1007.

b) Concurrently with any payment or within 24 hours of any payment, Respondent shall serve proof of such payment to the following person(s) via electronic mail to:

Karen Maples
Regional Hearing Clerk
U.S. Environmental Protection Agency – Region 2
290 Broadway, 16th floor

New York, NY 10007-1866
Maples.Karen@epa.gov

and

Robert Buettner, Chief
Air Compliance Branch
Enforcement and Compliance Assurance Division
U.S. Environmental Protection Agency – Region 2
290 Broadway – 17th Floor
New York, New York 10007
Buettner.Robert@epa.gov

and

Liliana Villatora, Chief, Air Branch
Office of Regional Counsel
U.S. Environmental Protection Agency – Region 2
290 Broadway – 16th Floor
New York, New York 10007
Villatora.Liliana@epa.gov

and

U.S. Environmental Protection Agency
Cincinnati Finance Center
Via electronic mail to:
CINWD_AcctsReceivable@epa.gov

"Proof of payment" means, as applicable, confirmation of credit card or debit card payment, or confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with the appropriate docket number and Respondent's names.

90. Interest, Charges, and Penalties on Late Payments. Pursuant to 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay the full amount of the Assessed Penalty per this Agreement, EPA is authorized to recover, in addition to the amount of the unpaid Assessed Penalty, the following amounts:

a) Interest. Interest begins to accrue from the Effective Date. If the Assessed Penalty is paid in full within thirty (30) days, interest accrued is waived. If the Assessed Penalty is not paid in full within thirty (30) days, interest will continue to accrue until any unpaid portion of the Assessed Penalty as well as any interest, penalties, and other charges are paid in full. To protect the interests of the United States the rate of interest is set at the IRS large corporate underpayment rate ("LCU"). Any lower rate would fail to provide Respondent adequate incentive for timely payment.

b) Handling Charges. Respondent will be assessed monthly a charge to cover EPA's costs of processing and handling overdue debts. If Respondent fails to pay the Assessed Penalty in accordance with the Agreement, EPA will assess a charge to cover the costs of handling any unpaid amounts for the first thirty (30) day period after the Effective Date. Additional handling charges will be assessed every thirty (30) days, or any portion thereof, until the unpaid portion of the Assessed Penalty as well as any accrued interest, penalties, and other charges are paid in full.

c) Late Payment Penalty. A late payment penalty of six percent (6%) per annum, will be assessed monthly on all debts, including any unpaid portion of the Assessed Penalty, interest, penalties, and other charges, that remain delinquent more than ninety (90) days. Any such amounts will accrue from the Effective Date.

d) Late Penalty Actions. In addition to the amounts described in the prior Paragraph, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this Agreement, EPA may take additional actions. Such actions EPA may take include, but are not limited to, the following.

i. refer the debt to a credit reporting agency or a collection agency, per 40 C.F.R. §§ 13.13 and 13.14;

ii. collect the debt by administrative offset (*i.e.*, withholding of money payable to the United States government to, or held by the United States government for, a person to satisfy the debt the person owes the United States government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, per 40 C.F.R. Part 13, Subparts C and H;

iii. suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds, per 40 C.F.R. § 13.17; and

iv. request that the Attorney General bring a civil action in the appropriate district court to enforce the Final Order and recover the full remaining balance of the EPA Penalty, in addition to interest and the amounts described above, pursuant to 42 U.S.C. § 7413(d)(5). In any such action, the validity, amount, and appropriateness of the EPA Penalty and Final Order shall not be subject to review.

91. Allocation of Payments. Pursuant to 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d), a partial payment of debt will be applied first to outstanding handling charges, second to late penalty charges, third to accrued interest, and last to the principal that is the outstanding Assessed Penalty amount.

92. Tax Treatment of Penalties. Penalties, interest, and other charges paid pursuant to this Agreement shall not be deductible for purposes of federal taxes.

93. Tax Reporting Requirement. 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." 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). Failure to comply with providing 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, EPA herein requires, and 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 therein 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 Milton Wise of EPA's Cincinnati Finance Center at wise.milton@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 has applied for a TIN and that TIN has not been issued to Respondent within 30 days after the Effective Date, then Respondent, using the same email address identified in the preceding sub-paragraph, shall further:

i. notify EPA's Cincinnati Finance Center of this fact, via email, within 30 days of the Effective Date of this Order; and

ii. provide EPA's Cincinnati Finance Center with Respondent's TIN, via email, within five (5) days of Respondent's issuance and receipt of the TIN.

94. Conditions. As conditions of settlement, Respondent explicitly agrees to do the following:

a) Semi-Annual Monitoring Reports: Confirm timely submittal to DPNR of the next two semi-annual monitoring reports due to be submitted following the effective date of the CAFO. Maintain records of all such submittals. *See* Part 5.1.3 of the Facility's Title V Permit.

b) Annual Emissions Statements: For each generator and boiler at the facility, record and maintain records showing the total yearly emissions for the calendar years 2026 and 2027. Confirm the timely submittal to DPNR of the next two annual emission statements due to be submitted following the effective date of this Consent Agreement. Ensure each annual emissions statement is complete and accurate. Maintain records of submittals. *See* Parts 2.2.8.1 and 2.2.10.1 of the Facility's Title V Permit.

c) Annual Compliance Certification: Confirm timely submittal to DPNR of the next two annual compliance certifications due to be submitted following the effective date of this Consent Agreement. Ensure the submitted annual certification is complete, accurate, and certified by a responsible official to its truth, accuracy, and completeness. Maintain records of submittals. *See* Part 7.8.3 and Part 7.14.1 of the Facility Title V Permit.

d) Fuel Oil Purchase Records: Maintain accurate and complete records of the quantity and sulfur content of fuel oil received at the facility as required by the Facility's Title V permit. *See* Part 2.2.6.1 of the Facility Title V Permit.

e) Fuel Use Records: Maintain records of the following, as required by the Facility's Title V permit (*see* Part 2.2.6.1.I of the Facility Title V Permit):

   i. the amount of fuel consumed on an hourly, daily, and monthly basis by each generator at the facility;

   ii. operation, maintenance, and fuel usage (hourly and daily) records for each boiler at the facility; and

   iii. hourly and daily fuel usage records for each dryer at the facility.

f) Generator Unit # 3: Respondent will ensure that Generator Unit #3 is operated solely as an emergency engine, in compliance with the requirements for and the restrictions on operation of emergency engines specified in 40 C.F.R. Part 60, Subpart IIII.

g) All confirmation of submittals required from Respondent under subparagraphs (a)-(c) of this Paragraph 94 shall be emailed to the following EPA contacts within 10 business days following submission to DPNR: Katherine G. Marmanides (Yee), marmanides.katherine@epa.gov; Victor Tu, tu.victor@epa.gov; Sara Amri; amri.sara@epa.gov; and Sara Froikin, froikin.sara@epa.gov.

95. Respondent agrees that the time period from the Effective Date of this Agreement until all of the Conditions specified in Paragraph 94, are completed (the "Tolling Period") shall not be included in computing the running of any statute of limitations potentially applicable to any action brought by Complainant on any claims (the "Tolled Claims") set forth in Section E of this Consent Agreement. Respondent shall not assert, plead, or raise in any fashion, whether by answer, motion or otherwise, any defense of laches, estoppel, or waiver, or other similar equitable defense based on the running of any statute of limitations or the passage of time during the Tolling Period in any action brought on the Tolled Claims.

96. The provisions of this Consent Agreement shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns. From the Effective Date of this Agreement until the end of the Tolling Period, as set out in Paragraph 95, Respondent must give written notice and a copy of this Consent Agreement to any successors in interest prior to any transfer of ownership or control of any portion of or interest in the Facility. Simultaneously with such notice, Respondent shall provide written notice of such transfer, assignment, or delegation to the EPA. In the event of any such transfer, assignment, or delegation, Respondent shall not be released from the obligations or liabilities of this Consent Agreement unless the EPA has provided written approval of the release of said obligations or liabilities.

97. By signing this Consent Agreement, Respondent acknowledges that this Consent Agreement and Final Order will be available to the public and agrees that this Agreement does not contain any confidential business information or personally identifiable information.

98. By signing this Consent Agreement, the undersigned representative of Complainant and the undersigned representative of Respondent each certify that he or she is fully authorized to execute and enter into the terms and conditions of this Consent Agreement and has the legal capacity to bind the party he or she represents to this Consent Agreement.

99. By signing this Agreement, Complainant and Respondent each give their respective consent to accept digital signatures hereupon. Respondent further consents to accept electronic service of the fully executed CAFO, by electronic mail, to the following address: ahudson@gibsondunn.com. Respondent understands that this e-mail address may be made public when the CAFO and Certificate of Service are filed and uploaded to a searchable database.

100. By signing this Consent Agreement, both parties agree that each party's obligations under this Consent Agreement and attached Final Order constitute sufficient consideration for the other party's obligations.

101. By signing this Consent Agreement, Respondent certifies that the information it has supplied concerning this matter was, upon information and belief, at the time of submission true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.

102. Except as qualified by Paragraph 90, each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding, and specifically waives any right to recover such costs from the other party pursuant to the Equal Access to Justice Act, 5 U.S.C. § 504, or other applicable law.

G. EFFECT OF CONSENT AGREEMENT AND ATTACHED FINAL ORDER

103. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this Consent Agreement and Final Order resolves only Respondent's liability to the United States for federal civil penalties for the violations specifically alleged above.

104. Penalties paid pursuant to this Consent Agreement shall not be deductible for purposes of federal taxes.

105. This Consent Agreement constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof.

106. The terms, conditions, and compliance requirements of this Consent Agreement may not be modified or amended except upon the written agreement of both parties, and approval of the Regional Administrator or other delegate.

107. Any violation of this Consent Agreement and Final Order may result in EPA pursuing a civil judicial action for an injunction or civil penalties of up to $124,426 per day per violation, or both, as provided in Section 113(b)(2) of the Act, 42 U.S.C. § 7413(b)(2) (as adjusted for inflation pursuant to 40 C.F.R. § 19.4), as well as criminal sanctions, as provided in Section 113(c) of the Act, 42 U.S.C. § 7413(c). The EPA may use any information submitted under this Consent Agreement and Final Order in an administrative, civil judicial, or criminal action. Respondent reserves and may assert any available argument and defense and may use any information submitted under this Consent Agreement and Final Order, in response to any such action pursued by the EPA.

108. Nothing in this Consent Agreement shall relieve Respondent of the duty to comply with all applicable provisions of the Act and other federal, state, or local laws or statutes,

nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit. Respondent reserves and may assert any available arguments and defenses in response to any such action pursued by the EPA.

109. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment. Respondent reserves and may assert any available arguments and defenses in response to any such action pursued by the EPA.

110. The EPA reserves the right to revoke this Consent Agreement and settlement penalty if and to the extent that the EPA finds, after signing this Consent Agreement, that any information provided by the Respondent in connection with the matters described in this Consent Agreement was materially false or inaccurate at the time such information was provided to the EPA. The EPA reserves the right to assess and collect any and all civil penalties for any violation described herein. Under such circumstance, Respondent reserves the right to assert any available arguments and defenses to any such claim by the EPA. The EPA shall give the Respondent notice of its intent to revoke, which shall not be effective until received by the Respondent in writing.

H. EFFECTIVE DATE

111. Respondent and Complainant agree to issuance of the attached Final Order. Upon filing, the EPA will transmit a copy of the filed Consent Agreement to the Respondent. This Consent Agreement and attached Final Order shall become effective after execution of the Final Order by the Regional Judicial Officer, on the date of filing with the Hearing Clerk.

SIGNATURES

The foregoing Consent Agreement in the Matter of the Ritz-Carlton (Virgin Islands), Inc., CAA-02-2026-1007, is Hereby Stipulated, Agreed, and Approved for Entry.

FOR RESPONDENT:

Patrick M. Valenti Digitally signed by Patrick M. Valenti
Date: 2026.07.01 21:13:00 -04'00'

______________________________ ____________, 2026

Patrick Valenti
Vice President
Ritz-Carlton (Virgin Islands), Inc.
7750 Wisconsin Avenue
Bethesda MD 20814
United States
patrick.valenti@marriott.com

FOR COMPLAINANT:

DOUGHLAS MCKENNA Digitally signed by DOUGHLAS MCKENNA
Date: 2026.07.06 11:33:31 -04'00'

______________________________ ____________, 2026

Doughlas McKenna, Director
Enforcement and Compliance Assurance Division
U.S. Environmental Protection Agency - Region 2

In the Matter of Ritz-Carlton (Virgin Islands), Inc.
CAA-02-2026-1007

FINAL ORDER

Pursuant to 40 C.F.R. § 22.18(b) of the EPA's Consolidated Rules of Practice and Section 113(d) of the Clean Air Act, 42 U.S.C. § 7413(d), the Regional Administrator of EPA Region 2 concurs in the foregoing Consent Agreement, *In the Matter of the Ritz-Carlton (Virgin Islands), Inc.,* CAA-02-2026-1007. The attached Consent Agreement resolving this matter, entered into by the parties, is incorporated by reference into this Final Order and is hereby approved, ratified, and issued.

The Respondent is ORDERED to comply with all terms of the Consent Agreement, effective immediately.

SO ORDERED

DANA FRIEDMAN Digitally signed by DANA FRIEDMAN
Date: 2026.07.06 16:40:59 -04'00'

Regional Judicial Officer
United States Environmental Protection Agency, Region 2
290 Broadway
New York, New York 10007-1866

DATE: ______________________________

To:

Ritz-Carlton (Virgin Islands), Inc.
Attn: Patrick Valenti
7750 Wisconsin Avenue
Bethesda MD 20814
United States
patrick.valenti@marriott.com