Message

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Sent: 3/31/2025 3:41:43 PM
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Subject: Presidential Exemption: HON: FPC LA and FPC TX
Attachments: CAA 112i4 HON Request March 2025_FPC.docx

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Please see the attached letter regarding the subject.

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Formosa Plastics

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Submitted Electronically to [HYPERLINK "mailto:airaction@epa.gov" \o "mailto:airaction@epa.gov"]

March 31, 2025

U.S. Environmental Protection Agency
1200 Pennsylvania Ave. NW
Washington, DC 20460

RE: Presidential Exemption: New Source Performance Standards for the Synthetic Organic Chemical Manufacturing Industry and National Emission Standards for Hazardous Air Pollutants (NESHAP) for the Synthetic Organic Chemical Manufacturing Industry (SOCMI) and Group I & II Polymers and Resins Industry: Formosa Plastics Corporation, Louisiana and Formosa Plastics Corporation, Texas.

To Whom It May Concern,

Formosa Plastics Corporation, U.S.A. requests an exemption from the compliance obligations of the New Source Performance Standards for the Synthetic Organic Chemical Manufacturing Industry and National Emission Standards for Hazardous Air Pollutants (NESHAP) for the Synthetic Organic Chemical Manufacturing Industry (SOCMI) and Group I & II Polymers and Resins Industry (collectively referred to as the HON Rule).[1] For the reasons highlighted in this letter, we believe it is necessary and appropriate for the President to grant a exemption under Clean Air Act (CAA) Section 112(i)(4) for sources regulated by the final rule either on an individual basis or collectively. If done collectively, we request that EPA include our regulated facilities under that collective action.

We urge the Administration to swiftly consider and issue such an action based on an understanding that both: 1) "availability" for the purposes of this section refers not only to the existence of technology capable of achieving compliance with the rule, but encompasses practical challenges with the timeframes necessary to plan, procure, and install required technologies and such activity cannot occur within the current compliance timeframe; and 2) national security encompasses not only military defense applications and infrastructure, but also economic security, a perspective that has been acknowledged by the President in Executive Orders and key security agencies like the Department of Defense. Indeed, as the White House has stated regarding domestic priorities, "economic security is national security."[2] As additional support on this point, we reference the separate joint coalition submission sent to EPA from associations the American Chemistry Council (ACC) and the

[1] National Emissions Standards for Hazardous Air Pollutants (NESHAP), Powering the Great American Comeback https://www.epa.gov/system/files/documents/2025-03/neshap_powering-the-great-american-comeback_fact-sheet_2.pdf 89 Fed. Reg. 42932 (May 16, 2024).

[2] https://www.whitehouse.gov/presidential-actions/2025/02/america-first-investment-policy/.

American Fuel & Petrochemicals Manufacturers (AFPM) detailing the critical nature of ethylene oxide as a building block to several supply chains throughout domestic manufacturing, and the potential risks to our nation's national security interests if continued production is jeopardized.

In addition, we reference the Vinyl Institute's comments and petition for reconsideration on the HON including EPA's calculation of HON's Dioxin/Furan (D/F) emission limit, fenceline monitoring action levels, and pressure vessel requirements.

We believe that the Administration has already been provided with sufficient information (including prior comments and the underlying petitions for reconsideration on the HON rule) to support an exemption covering all regulated facilities or on a facility-specific basis. This letter provides additional detail and support on the time-critical nature of the request for relief and to address EPA's request for information. We submit both in support of a category-wide grant, as well as to provide company-specific information if the President pursues a facility-specific exemption action.

The following are our primary concerns with the HON rule, noting that other concerns have been raised within comments and petitions for reconsideration. As such, due to the complexities and challenges that the rule currently presents, we request that the President grant a 2-year compliance date exemption for related emission limits and standards, performance testing, monitoring, recordkeeping and reporting requirements.

Emissions standards or limitations of primary concern subject to the request:

1. HON's Ethylene Oxide (EtO) Emission Limits and Standards, as detailed within 40 CFR §63.100(k)(11) for sources constructed before April 25, 2023;
2. HON's Fenceline Monitoring (FLM) Provisions as per 40 CFR §63.184;
3. HON's Dioxin/Furan (D/F) Emission Limit as per 40 CFR §63.113(a)(5);
4. HON's Pressure Vessel Control Technology Provisions as per 40 CFR §63.119(a)(7); and,
5. NSPS Subparts NNNa, RRRa and HON's Pressure Relief Device (PRD) discharge to atmosphere prohibition as per 40 CFR §60.662a(b), §60.702a(b) and §63.165(e)(3)(v)(D).

Facilities affected:
Formosa Plastics Corporation, Louisiana in Baton Rouge, Louisiana (FPC LA)
Formosa Plastics Corporation, Texas in Point Comfort, Texas (FPC TX)

HON Affected sources: FPC TX and FPC LA each have a vinyl chloride unit. FPC TX also has an ethylene dichloride unit, two ethylene glycol units, and a gasoline hydrotreater unit, along with inland and marine HON storage tank operations.

Length of compliance period being requested: At least two additional years.

Justification to Support the Request:

#1: Explanation why the technology to implement the standard is not available - As outlined within ACC/AFPM's related submittal, it is our understanding that the term "available" means that the timeframes necessary to plan, procure, install and operate required technologies cannot occur withing the timeframes required by HON. Examples of FPC USA's determination that technologies are not available in order to achieve compliance by the current dates of July 15, 2026, and July 15, 2027, follow below.

EtO Technology Concern: Regarding HON's EtO emission limits and standards, FPC USA began discussions on potential sources and control technologies in May 2023 and retained a consultant in October 2023. Since that time, FPC USA's HON units have conducted studies and/or reviewed information (e.g., safety data sheets, material balances, process stoichiometry) to determine if EtO could be present in any of the sources identified within the HON rule. If, based on the current HON definitions, EtO affected sources were identified, then further investigations were initiated. The investigations include detailed reviews of material balance sheets and process chemistry, and discussions with FPC's technology providers. Then, with assistance from an outside consultant, sampling plans were developed (e.g., for process vents, leak detection and repair (LDAR) equipment, and wastewater). Once sampling plans were internally approved, then sample locations were identified in the field and, if needed, sample ports installed or modified. Additionally, FPC evaluated qualified analytical laboratories and stack testers and then awarded contracts accordingly.

Two HON units confirmed that EtO is present, while at least two other units continue to evaluate and sample potential sources. As the studies progress, the HON units have proceeded with preliminary engineering designs and evaluating emission controls or operational changes that may be needed.

Based on the current HON requirements, FPC USA believes that two new flare systems will be needed for two of its HON units. Air permit applications are being developed. However, the time to design the flare systems to meet HON's new flare requirements at 40 CFR §63.108, along with the other major steps in the process of installing a new control device system can take 36-40 months (see the summary Table below, which was provided to EPA within ACC/AFPM's July 7, 2023 HON comments, page 33). Clearly, HON's EtO compliance date of July 15, 2026 is beyond the 36-40 months needed to install and operate a new control device system. In addition to the potential flare systems, other compliance mechanisms that may be needed are under review.

Several other FPC USA HON units are continuing to study whether EtO is unintentionally produced within the unit and if so, evaluating whether any EtO emission sources require control.

As these sampling studies, consultations with FPC's technology providers, design reviews, potential control device vendor discussions, and air permitting actions continue, FPC USA is expecting, based on its experience, that supply chain disruptions, shortages of labor, parts and instrumentation equipment, along with other factors that are beyond FPC USA's control will impact the amount of time needed to install and operate compliance mechanisms to meet HON's current EtO limits and standards by July 15, 2026.

FLM Technology Concerns: FPC USA has begun preparing for this new monitoring program by reviewing and selecting experienced FLM contractors, working with qualified laboratories,

obtaining canister and passive tubes, building shelters, improving roads, and other physical improvements necessary to comply. Once the FLM systems are in place a pilot program for at least 6 months has been suggested. Additional staff will be needed to collect the samples and ensure they reach the qualified laboratory within the time limits required in EPA new HON Test Methods, namely Test Method 327. It is important to note that qualified laboratories are still working toward compliance with Test Method 327, which addresses ethylene oxide and vinyl chloride. Staff will also need to be trained to perform the associated data analysis, communicate and react to the data, and initiate and complete the required Root Cause Analysis and Corrective Actions (RCA/CA). Due to the current low FLM action level thresholds, RCA/CA associated tasks will require an automated tracking system to ensure compliance dates are met. It will be technically infeasible to implement all the necessary steps by the current July 15, 2026 compliance date.

D/F Technology Concern: Another example of unavailable technology by HON's compliance dates is compliance with HON's D/F emission limit. Based on internal studies, FPC USA is aware that HON's D/F limit is a challenge to achieve during all modes of operation (e.g., normal, startup, shutdown, and malfunction) for at least two of its HON units. FPC USA is actively reviewing potential thermal oxidizer vendors, alternative burner technologies, and operational scenarios to achieve compliance, while requesting capital expenditure funds for the acquisition of at least one thermal oxidizer. This effort will also take 36-40 months before a new control device system is operational. As with the EtO concern, FPC USA is expecting, based on its experience, that supply chain disruptions, shortages of labor, parts and instrumentation equipment, along with other factors that are beyond FPC USA's control will impact the amount of time needed to install and operate compliance mechanisms to meet the D/F limit. Hence, the technology to comply with the current D/F emission limit is not available for a full compliance demonstration by the July 2027 compliance date.

Pressure Vessel Technology Concern: The current HON rule has no provisions for leak repairs on a HON pressure vessel, nor are there any provisions if a HON pressure vessel needs to be emptied and alternative storage capacity is unavailable (40 CFR §63.119(a)(7)(ii) and (iii)). If the rule is unchanged, then affected HON units may need to take their HON pressure vessels off-line and/or additional pressure vessels may need to be constructed. Since pressure vessels contain raw materials or final products, this could mean the production of the HON SOCMI chemical would cease. Currently, it is unclear whether technology exists such that a pressure vessel, including "each point on the pressure vessel" (e.g., manways, valves, connectors, welds), can be designed to never leak.

PRD Concern: The current version of HON prohibits any PRD release of EtO directly to the atmosphere. Technology to route certain releases to control, rather than the atmosphere, is a safety concern to both personnel and equipment (i.e., reliable technology may not safely exist). In addition, NSPS NNNa and RRRa prohibit any Volatile Organic Compounds (VOC) PRD releases to atmosphere. Depending on the configuration of an existing unit, this requirement may not be feasible without rebuilding an affected source and its associated infrastructure. Considering PRD releases to atmosphere are non-routine, infrequent and episodic, installing technology that either is unproven or unavailable by the compliance dates is a concern.

Major Steps to Designing and Installing a New Thermal Oxidizer System

Note: Timeline does not include time for obtaining an approved air permit to construct and operate the system, which can take 18-24 months if there is no opposition from the Public, the State and/or EPA.

Major Steps in Process	Estimated Time to Complete
Front end engineering design to scope the project and obtain vendor bids and quotations on a thermal oxidizer and all required process safety and monitoring equipment.	12-14 months
Vendor selection for the thermal oxidizer and obtaining capital authorization funding for the project.	3 months
Vendor constructs and or prepares equipment and delivers equipment to the manufacturing location.	12 months[1]
Construction of the thermal oxidizer, installation of all required instrumentation, and installation of new piping/piping revisions to connect waste gas flows to the thermal oxidizer.	6-8 months
Development of operating procedures, commissioning the equipment, and placing the equipment into service.	3 months
Total Estimated Time for Project	36-40 months

1: Our members are experiencing vendor delivery times of 40 – 50 weeks even for simpler projects such as adding vent gas calorimeters for flare line monitoring. Thus, we are concerned that the lead/delivery time for an entire thermal oxidizer system could exceed 52 weeks, but 12 months is provided as a best estimate for this time.

#2: Explanation why an extension is in the national security interests of the United States - FPC USA's HON units produce some of the following SOCMI chemicals: ethylene dichloride (EDC), vinyl chloride (VCM), ethylene glycol (EG) and its coproducts, and benzene/toluene/xylene (BTX).

EDC and VCM are key products in the value chain to produce polyvinyl chloride (PVC) resin, which has many uses that could be impacted if FPC USA's EDC and VCM units must be taken off-line for extended periods of time to complete process changes and/or install equipment required by the rules' current compliance dates.

PVC resin is used for the plastic pipe supply chain. The shutdown of an EDC or VCM unit would impact PVC resin production, which could compromise municipal water systems, and thereby public health and welfare across the country.

Similarly, PVC resin that is used in the PVC blood bag supply chain could compromise the national emergency response and healthcare infrastructure, if PVC resin for blood bags could not be produced in the United States. Another example is the vinyl siding supply chain which contributes to national housing construction and maintenance, and thereby the broader US economy and public health and welfare.

EG is a major component in antifreeze and polyester resin and fibers. EG is used to produce polyethylene terephthalate (PET), the most common thermoplastic polymer resin of the polyester family. PET is used in fiber for clothing and containers for liquids (e.g., soda bottles). If FPC USA's

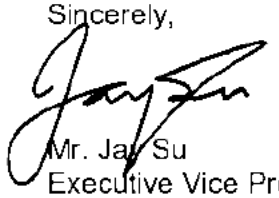
EG units are taken off-line, then containers for water bottles, pharmaceuticals, dried foods and spices, household cleaners, baby formula and more may be in short supply or unavailable in the United States. Thereby straining domestic supplies that are critical to national security when reviewing the United States' strategic position in a global economy and could also impact public health and welfare.

BTX is used to produce gasoline, solvents and a large variety of petrochemicals, all of which support domestic supplies that are used throughout businesses and households within the United States.

Based on the information above, we appreciate this opportunity to request a 2-year Presidential compliance extension and thank you for your consideration. Please note that given the challenges associated with developing a comprehensive response to EPA's request by the March 31, 2025 deadline, FPC USA has made its best effort, within the time allowed, to develop this request.

If you have any questions or need additional information, please contact Tammy Lasater Wacker at [HYPERLINK "mailto:tlasater@fpc.fpcusa.com"]

Sincerely,



Mr. Jay Su
Executive Vice President
Formosa Plastics Corporation, U.S.A.

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Cc:

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