IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF LOUISIANA NEW ORLEANS DIVISION

UNITED STATES OF AMERICA and the LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY,

Plaintiffs,

v.

THE DOW CHEMICAL COMPANY, PERFORMANCE MATERIALS NA, INC., and the UNION CARBIDE CORPORATION

Defendants.

CIVIL ACTION NO. 2:21-cv-114

Judge Martin Feldman

Magistrate Judge Janis van Meerveld

STIPULATION AND ORDER MODIFYING THE CONSENT DECREE

WHEREAS, the United States of America (the "United States"), the Louisiana Department of Environmental Quality ("LDEQ"), The Dow Chemical Company ("TDCC"), Performance Materials NA, Inc. ("PNMA"), and the Union Carbide Corporation ("Union Carbide") are parties to a Consent Decree, entered by the Court on June 9, 2021 (hereinafter the "Consent Decree");

Whereas, as of November 1, 2021, after the filing of the Complaint in this action, TDCC effectuated a merger with PMNA, its subsidiary, pursuant to Title 8, Section 251 of the General Corporation Law of the State of Delaware. Pursuant to that merger, PMNA has merged into TDCC and the surviving entity from that merger is TDCC. Also pursuant to that merger, as the surviving entity TDCC assumed and succeeded to PMNA' s ownership and operation of the Facility and its obligations under this Consent Decree;

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WHEREAS, through this Stipulation and Order Modifying the Consent Decree ("Stipulation"), the United States and TDCC desire to make modifications to certain obligations of TDCC under the Consent Decree at the Orange Facility (as defined in the Consent Decree) located in Texas. Union Carbide does not own or operate the Orange Facility and the Orange Facility is not located in Louisiana; and neither Union Carbide nor LDEQ objects to this Stipulation;

WHEREAS, Paragraph 121 of the Consent Decree provides in pertinent part that the Consent Decree may be modified only by a subsequent written agreement signed by all the Parties and "[w]here the modification constitutes a material change to this Decree, it will be effective only upon approval by the Court;"

WHEREAS, TDCC has requested to add a third Flare Gas Recovery System ("FGRS") compressor to the two compressors required under the Consent Decree at the Orange Facility;

WHEREAS, TDCC has requested to add default molecular weights for natural gas and methane and to correct an incorrect paragraph reference in Appendix 1.2, Step 2;

NOW THEREFORE, the United States, LDEQ, TDCC, and Union Carbide have each reviewed this Stipulation and hereby agree that, upon approval of this modification by the Court, the Consent Decree shall be modified as follows:

1. The table in Paragraph 37 of the Consent Decree is revised as indicated by the deletions (strikeout) and additions (italicized) below:

Covered	Covered	FGRS	FGRS ID /	Number of FGRS	Compliance
Facility	Flares	Design	Design	Compressors/Type	Deadline for
		Capacity	Capacity		Installation
		(kscf/hour)	(kscf/hour)		and
					Commencing
					Operation

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Orange	Ethylene	120	To Be	2 compressor	12/31/2024
		180	Determined	system/TBD	
			(TBD)	3 compressor	
			GB-1801	system/liquid ring	
			(60)		
			GB-1802		
			(60)		
			GB-1803		
			(60)		

2. Paragraph 38.e.(5) is revised and restated in its entirety as follows: <u>Orange</u> <u>Ethylene FGRS</u>. The Orange Ethylene FGRS must have two Compressors Available for Operation or in operation 95% of the time and one Compressor Available for Operation or in operation at all times. The periods provided for in sub-Paragraphs 38.f and 38.g below may be included in the amount of time that the Compressors are Available for Operation when determining compliance with the requirement to have one Compressor Available for Operation or in operation "at all times."

3. The paragraphs in the Consent Decree Appendix 1.2 at Step 2, directly above and below Equation 3, are revised as indicated by deletions (strikeout) and additions (italicized) as follows:

For Vent Gas, Assist Steam, Premix Assist Air gas streams, or purge nitrogen for which the Company complies with Paragraph 20 by using a mass flow monitor to determine volumetric flow rate:

Equation 3 shall be used to determine the volumetric flow rate of Vent Gas, Assist Air, or Assist Steam by converting mass flow rate to volumetric flow at standard conditions (i.e., a temperature of 20 °C (68 °F) and a pressure of 1 atmosphere). Equation 3 uses the molecular weight of the

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gas stream as an input to the equation; therefore, if the Company elects to use a mass flow monitor to determine volumetric flow rate of Vent Gas, the Company must collect compositional analysis data for such Vent Gas in accordance with the method set forth in 21.23a. For assist steam, use a molecular weight of 18 pounds per pound-mole. For assist air, use a molecular weight of 29 pounds per pound-mole. For purge-nitrogen, use a molecular weight of 28 pounds per pound-mole. *For natural gas and methane, use the molecular weights of 16.85 and 16.04, respectively*. The converted volumetric flow rates at standard conditions from Equation 3 shall then be used to calculate the average volumetric flow rate of that gas stream for the 15-minute block period.

For gas streams for which the molecular weight of the gas is known and for which the Company complies with Paragraph 20 by using continuous pressure/temperature monitoring system(s):

Use appropriate engineering calculations to determine the average volumetric flow rate of that gas stream for the 15-minute block period. For assist steam, use a molecular weight of 18 pounds per pound-mole. For assist air, use a molecular weight of 29 pounds per pound-mole. *For nitrogen, use a molecular weight of 28 pounds per pound-mole.* For Vent gas, molecular weight must be determined by collecting compositional analysis data for such Vent Gas in accordance with the method set forth in 2123.a. *For natural gas and methane, use the molecular weights of 16.85 and 16.04, respectively.*

4. This Stipulation shall be lodged with the Court for a period of not less than 30 Days for public notice and comment in accordance with 28 C.F.R. § 50.7 and La.

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R.S. 30:2050.7. The United States reserves the right to withdraw or withhold its consent if the comments regarding the Stipulation disclose facts or considerations indicating that the Stipulation is inappropriate, improper, or inadequate. TDCC consents to entry of this Stipulation without further notice and agrees not to withdraw from or oppose entry of this Stipulation and Order Modifying the Consent Decree by the Court or to challenge any provision thereof unless the United States or LDEQ has notified TDCC in writing that it no longer supports entry of the Stipulation. Further, the parties agree and acknowledge that final approval by LDEQ and entry of this Consent Decree is subject to the requirements of La. R.S. 30:2050.7, which provides for public notice of this Stipulation in the newspapers of general circulation and the official journal of the parish in which the Hahnville and Plaquemine Facilities are located, an opportunity for public comment, consideration of any comments, and concurrence by the State of Louisiana Attorney General. Evidence of final approval of this Stipulation by LDEQ shall be LDEQ's execution of a Motion to Enter this Stipulation. LDEQ reserves the right to withdraw or withhold consent and will not join in the filing of a Motion to Enter this Stipulation if the State of Louisiana Attorney General raises objections or if comments regarding this Stipulation disclose facts or considerations which indicate that this Stipulation is inappropriate, improper or inadequate.

5. Each undersigned representative of the Applicable Defendant(s) (as defined in the Consent Decree), LDEQ, and the Acting Assistant Attorney General for the Environment and Natural Resources Division of the Department of Justice certifies that he or she is fully authorized to enter into the terms and conditions of this Stipulation and to execute and legally bind the Party he or she represents to this document.

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6. This Stipulation may be signed in counterparts, and its validity shall not be challenged on that basis.

Subject to the notice and comment provisions of 28 C.F.R. § 50.7, THE UNDERSIGNED PARTIES enter into this Stipulation Modifying the Consent Decree entered in the matter of the *United States of America, et al. v. The Dow Chemical Company, et al.* (E.D. La.).

FOR PLAINTIFF THE UNITED STATES OF AMERICA:

TODD KIM Assistant Attorney General Environment and Natural Resources Division U.S. Department of Justice

STEVEN D. SHERMER Senior Attorney District of Columbia Bar No. 486394 Trial Attorney Environmental Enforcement Section Environment and Natural Resources Division United States Department of Justice P.O. Box 7611 Washington, DC 20044-7611 (202) 514-1134 Steven.Shermer@usdoj.gov

RONALD GATHE United States Attorney Eastern District of Louisiana

Attorney-in-Charge:

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FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

Greene, Mary E Digitally signed by Greene, Mary E Date: 2023.10.10 16:56:33 -04'00'

MARY E. GREENE Director, Air Enforcement Division Office of Enforcement and Compliance Assurance United States Environmental Protection Agency Washington, D.C. 20460 Subject to the notice and comment provisions of 28 C.F.R. § 50.7, THE UNDERSIGNED PARTIES enter into this Stipulation Modifying the Consent Decree entered in the matter of the *United States of America, et al. v. The Dow Chemical Company, et al.* (E.D. La.).

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, REGION 6:

Digitally signed by CHERYL SEAGER Cheryl J. Seager Date: 2023.12.21 10:01:12 -06'00'

CHERYL SEAGER Director, Compliance and Assurance Division U.S. Environmental Protection Agency, Region 6 1201 Elm Street, Suite 500 Dallas, TX 75270-2102

FOR THE LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY:

ENA CAGE CE

Assistant Secretary Office of Environmental Compliance Louisiana Department of Environmental Quality P.O. Box 4312 Baton Rouge, Louisiana 70821-4312

OSCAR MAGEE, Trial Attorney (La. Bar # 32302) Office of the Secretary Legal Affairs Division Louisiana Dept. of Environmental Quality P.O. Box 4302 Baton Rouge, Louisiana 70821-4302 Phone: (225) 219-3985 Fax: (225) 219-4068 Subject to the notice and comment provisions of 28 C.F.R. § 50.7, THE UNDERSIGNED PARTIES enter into this Stipulation and Order Modifying the Consent Decree entered in the matter of the *United States of America, et al. v. The Dow Chemical Company, et al.* (E.D. La.).

FOR THE DEFENDANT THE DOW CHEMICAL COMPANY AS SETTLING DEFENDANT AND AS LEGAL SUCCESSOR TO PERFORMANCE MATERIALS NA, INC.:

Man

DENISE DELAVNE Vice President of Operations U.S. Gulf Coast & Site Director of Texas Operations The Dow Chemical Company 332 SH 332 E, 2B049 Lake Jackson, Texas 77566

Subject to the notice and comment provisions of 28 C.F.R. § 50.7, THE UNDERSIGNED PARTIES enter into this Stipulation and Order Modifying the Consent Decree entered in the matter of the *United States of America, et al. v. The Dow Chemical Company, et al.* (E.D. LA).

FOR THE DEFENDANT UNION CARBIDE CORPORATION:

Fernando Signora

Vice President, Ethelyne and Energy Envelope The Dow Chemical Company 1254 Enclave Parkway Houston, Texas 77077 Stipulation and Order Modifying the Consent Decree entered in the matter of the *United States of America, et al. v. The Dow Chemical Company, et al.* (E.D. LA).

SO ORDERED.

Dated and entered this _____ day of _____, 2023.

UNITED STATES DISTRICT JUDGE Eastern District of Louisiana