

February 16, 2021

To whom it may concern

VIA EMAIL

RE: Force Majeure – POM Production (Bishop, Texas)

Dear valued customer:

Unprecedented winter weather at our Bishop, Texas, site (the “Site”) is limiting Celanese’s ability to receive critical utilities and logistics support necessary for safe and reliable production and shipment of our POM products. Please refer to the attached summary of recent regulatory and government actions in response to this situation. Due to this event that is beyond our reasonable control, Celanese will not be able to meet Customer’s demand for POM until we and our suppliers are able to safely restore services.

Effective immediately, Celanese is declaring force majeure with respect to all supply obligations for POM produced at the Site, including POM flake produced at the Site and compounded at any of our compounding sites globally. Any open orders are likely to be impacted and delayed. Celanese will notify you when the force majeure situation has ended, however, we anticipate the impact of this event will take several weeks, if not longer, to be fully resolved.

Please continue to stay in contact with your account representative for additional information. Regrettably, we recognize this situation may impact your needs and ability to serve your customers, however, our cross-functional teams will continue to do their best to safely resolve this situation. Thank you for your patience.

Sincerely,



Shelli Lee, VP Commercial



REGULATORY ALERT!

February 15, 2021

Emergency Weather Related State Updates

Governor Abbott Calls on Industrial Curtailment of Power Usage due to Severe Weather

Governor Greg Abbott is calling for all industrial electricity customers to curtail power consumption to the lowest possible level or shut down if at all possible, unless you are transporting gas or exporting power. Governor Abbott emphasizes that this is a critical situation and has indicated that he will single out companies if they continue to make products after the issuance of this order. If you are an air separator producing industrial gases vital to health and safety, you are excluded from this order.

Overnight, ERCOT lost approximately 30,000 MW of thermal generation and also lost one of the nuclear units at the South Texas Powerplant. Utilities are rotating all available distribution circuits and it is not enough. Therefore, the Governor is ordering industrial sites to take this necessary action.

Please take this seriously and make every effort to significantly curtail power consumption or safely shut down operations, if possible. As we get further information or updates, we will pass them along.

Governor Abbott suspends TCEQ Rules for Severe Winter Weather

Governor Greg Abbott has suspended the TCEQ rules necessary for regulated entities to take appropriate actions in response to the severe winter weather event. The suspension is limited to the extent the rules actually do prevent, hinder, or delay necessary action in coping with this disaster. Any suspension is limited to the duration of the disaster and is restricted to those counties set forth in the Proclamation referenced above, including any amendments. All regulated entities should take all available actions necessary to ensure compliance with environmental regulations and permit requirements to protect the health and safety of Texans and the environment. Regulated entities must prepare and maintain records related to the actions and suspended rules, as they bear the burden of demonstrating that noncompliance was necessary. The delay of report submittals should be minimized and resume as soon as feasible. It should be noted that some of these rules may have federal counterparts in statute or regulation and this suspension would not apply to such federal counterparts.

For a list of suspended rules [click here](#).

ERCOT Forced to Start Rolling Blackouts

The Electric Reliability Council of Texas (ERCOT) has begun rolling blackouts across the state. The controlled outages are necessary due to increased power demand related to the extreme weather across the state.

ERCOT has indicated that these controlled outages should be limited to approximately one-hour intervals and are necessary to safely maintain the state's power distribution system.

ERCOT urges customers to conserve electricity usage by lowering their thermostats, turning off unneeded lights and avoid using large appliances like washing machines and dryers.

Natural Gas Curtailments due to Extreme Weather Conditions

On Friday, the Texas Railroad Commission (RRC) issued an Emergency Order (EO) to adjust the curtailment priority distribution list of natural gas. Gas utilities have been forced to curtail the distribution of gas to customers over the weekend.

The RRC elevated "Deliveries of gas to electric generation facilities which serve human needs customers" to be listed as second in priority behind "deliveries of gas by natural gas utilities to residences, hospitals, schools, churches and other human needs customers, and deliveries to Local Distribution Companies which serve human needs customers." Under this listing, large industrial users of natural gas for fuel or feedstock will now fall in as fourth and fifth in order of curtailment priority.

A copy of the final order may be found here: [RRC Emergency Order](#)