

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 3
DOCKET NO.: 2007-0370-AIR-E TCEQ ID: RN100238708 CASE NO.: 32887
RESPONDENT NAME: INEOS USA LLC

ORDER TYPE:		
<input type="checkbox"/> 1660 AGREED ORDER	<input checked="" type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Chocolate Bayou Plant, approximately two miles south of Farm-to-Market Road ("FM") 2917 on FM 2004, near Alvin, Brazoria County</p> <p>TYPE OF OPERATION: Petrochemical manufacturing</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are two additional pending enforcement actions regarding this facility location, Docket Nos. 2007-1100-AIR-E and 2007-1279-AIR-E.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on November 26, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768 TCEQ Enforcement Coordinator: Mr. Bryan Elliott, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-6162; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Michael McCabe, Environmental Engineer, INEOS USA LLC, P.O. Box 1488, Alvin, Texas 77512 Mr. John Harvey III, Site Manager, INEOS USA LLC, P.O. Box 1488, Alvin, Texas 77512 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: November 14 and 17, 2005, March 9 and 31, 2006, August 1, 2006, and April 4, 2006</p> <p>Date of NOV/NOE Relating to this Case: February 9, 22, and 26, 2007, March 13 and 23, 2007 and April 3 and 11, 2007 (NOEs)</p> <p>Background Facts: This was a routine investigation. Seven violations were documented.</p> <p>AIR</p> <p>1) Failed to comply with permitted emissions limits. Specifically, an excessive emissions event occurred from August 18 to August 20, 2005 at the No. 1 Olefins Flare [30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failed to comply with permitted emissions limits. Specifically, an emissions event occurred from August 31 to September 1, 2005 at the No. 1 Olefins Flare [30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>3) Failed to comply with permitted emissions limits. Specifically, an emissions event occurred on June 16, 2006 at the No. 1 Olefins Flare [30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$217,000</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$108,500</p> <p>Total Paid to General Revenue: \$108,500</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p> <p>Findings Orders Justification: Unauthorized emissions which are excessive emissions events.</p>	<p>Corrective Actions Taken:</p> <p>1) The Executive Director recognizes that INEOS has implemented the following corrective measures at the Plant:</p> <p>a. By August 8, 2007, installed a program of QA/QC checks on wiring connections for future construction and turnaround work; and re-programmed the emergency cooling trip to automatically open the nitrogen control valve even if the valve's current position is being controlled manually to minimize the duration of future incidents involving the acetylene reactor, in order to address the June 16, 2006 emissions event;</p> <p>b. By August 8, 2007, removed unnecessary alarms from the control computer to improve operator response to upsets; and revised operating procedures for furnace startup to require a slower transition in the source of steam to the furnace to control temperature excursions during furnace startups, in order to address the August 31 to September 1, 2005 emissions event;</p> <p>c. By August 8, 2007, submitted Corrective Action Plans ("CAPs") in conjunction with the August 18 to 20, 2005, January 15 to 16, 2006, and July 18 to 20, 2005, excessive emissions events and implemented the approved action items; and</p> <p>d. On November 9, 2005, amended Flexible Permit No. 95/PSD-TX-854 to include planned Startup, Shutdown, and Maintenance activities, in order to address the April 23 through May 26, 2005 excessive emissions event.</p> <p>Ordering Provisions:</p> <p>2) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)</p> <p>3) The Order will also require the Respondent to:</p>

<p>4) Failed to comply with permitted emissions limits. Specifically, an excessive emissions event occurred from April 23 to May 26, 2005 at the No. 1 Olefins Flare [30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>5) Failed to comply with permitted emissions limits. Specifically, an excessive emissions event occurred from January 15 to 16, 2006 at the No. 1 Olefins Flare [30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>6) Failed to comply with permitted emissions limits. Specifically, an excessive emissions event occurred from July 18 to 20, 2005 at the No. 1 and No. 2 Olefins Flares [30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>7) Failed to comply with permitted emissions limits. Specifically, an excessive emissions event occurred from February 24 to 26, 2006 at the No. 2 Olefins Unit [30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>		<p>a. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the CAP submitted in connection with the February 24 to 26, 2006 excessive emissions event within 15 days after the date of such requests, or by any other deadline specified in writing;</p> <p>b. Upon Commission approval, implement the CAP in accordance with the approved schedule; and</p> <p>c. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions Nos. 3.a., and 3.b., and include detailed supporting documentation including photographs, receipts, and/or other records.</p>
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Additional ID No(s): BL0002S

Attachment A
Docket Number: 2007-0370-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: INEOS USA LLC

Payable Penalty Amount: Two Hundred Seventeen Thousand Dollars (\$217,000)

SEP Amount: One Hundred Eight Thousand Five Hundred Dollars (\$108,500)

Type of SEP: Pre-approved

Third-Party Recipient: Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program

Location of SEP: Brazoria County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Brazoria County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision December 8, 2006

TCEQ

DATES	Assigned	26-Feb-2007	Screening	8-Mar-2007	EPA Due	6-Nov-2007
	PCW	8-Mar-2007				

RESPONDENT/FACILITY INFORMATION	
Respondent	INEOS USA LLC
Reg. Ent. Ref. No.	RN100238708
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION				
Enf./Case ID No.	32887	No. of Violations	7	
Docket No.	2007-0370-AIR-E	Order Type	Findings	
Media Program(s)	Air Quality	Enf. Coordinator	Bryan Elliott	
Multi-Media		EC's Team	EnforcementTeam 5	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History Enhancement Subtotals 2, 3, & 7

Notes: The penalty was enhanced due to four previous 1660-style orders, eleven NOV's for similar violations, and four NOV's for dissimilar violations. The penalty was reduced due to seven NOAs and one DOV.

Culpability Enhancement Subtotal 4

Notes: Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Reduction Subtotal 5

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="checkbox"/>	(mark with x)

Notes: The Respondent does not meet the good faith criteria.

0% Enhancement* Subtotal 6
*Capped at the Total EB \$ Amount
Total EB Amounts
Approx. Cost of Compliance

SUM OF SUBTOTALS 1-7 Final Subtotal

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes: Received upward adjustment due to significant amount of contaminants released into the atmosphere.

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty

DEFERRAL Reduction Adjustment

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: No deferral is recommended for Findings Orders.

PAYABLE PENALTY

Screening Date 8-Mar-2007

Docket No. 2007-0370-AIR-E

PCW

Respondent INEOS USA LLC

Policy Revision 2 (September 2002)

Case ID No. 32887

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100238708

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	11	55%
	Other written NOVs	4	8%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	4	80%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	7	-7%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	1	-2%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 134%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The penalty was enhanced due to four previous 1660-style orders, eleven NOVs for similar violations, and four NOVs for dissimilar violations. The penalty was reduced due to seven NOAs and one DOV.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 134%

Screening Date 8-Mar-2007

Docket No. 2007-0370-AIR-E

PCW

Respondent INEOS USA LLC

Policy Revision 2 (September 2002)

Case ID No. 32887

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100238708

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with permitted emissions limits, as documented during an investigation conducted on November 14, 2005. Specifically, an excessive emissions event occurred from August 18 to August 20, 2005 at the No. 1 Olefins Flare (Emission Point No. DM-1101) that lasted for 28 hours and 30 minutes, resulting in the release of 26,757 pounds ("lbs") of volatile organic compounds ("VOCs") including 25,972 lbs of highly reactive volatile organic compounds ("HRVOCs"), 22,327 lbs of carbon monoxide ("CO"), and 2,972 lbs of nitrogen oxides ("NOx"). Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), Percent (100%). Includes 'OR' label.

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, Percent (0%).

Matrix Notes Human health or the environment was exposed to significant amounts of pollutants which did exceed levels protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 2 Number of violation days 2

Table for frequency: daily (x), monthly, quarterly, semiannual, annual, single event.

Violation Base Penalty \$20,000

Two daily events are recommended based on the two violation days.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$986

Violation Final Penalty Total \$117,000

This violation Final Assessed Penalty (adjusted for limits) \$20,000

Economic Benefit Worksheet

Respondent INEOS USA LLC
Case ID No. 32887
Reg. Ent. Reference No. RN100238708
Media Air Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	No commas or \$						

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$10,000	18-Aug-2005	8-Aug-2007	2.0	\$986	n/a	\$986

Notes for DELAYED costs

Estimated cost for additional oversight and management practices designed to ensure proper maintenance practices are followed. Date Required is the date of the emission event and Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$986

Screening Date 8-Mar-2007

Docket No. 2007-0370-AIR-E

PCW

Respondent INEOS USA LLC

Policy Revision 2 (September 2002)

Case ID No. 32887

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100238708

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with permitted emissions limits, as documented during an investigation conducted on November 17, 2005. Specifically, an emissions event occurred from August 31 to September 1, 2005 at the No. 1 Olefins Flare (Emission Point No. DM-1101) that lasted for 8 hours, resulting in the release of 8,244 lbs of VOCs, including 8,198 lbs of HRVOCs, 7,310 lbs of CO, and 973 lbs of NOx. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment was exposed to significant amounts of pollutants which did exceed levels protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	x
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$58,500

This violation Final Assessed Penalty (adjusted for limits) \$10,000

Economic Benefit Worksheet

Respondent INEOS USA LLC
Case ID No. 32887
Reg. Ent. Reference No. RN100238708
Media Air Quality
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Economic benefit is included in violation No. 1.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time/avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$0	TOTAL	\$0
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Screening Date 8-Mar-2007

Docket No. 2007-0370-AIR-E

PCW

Respondent INEOS USA LLC

Policy Revision 2 (September 2002)

Case ID No. 32887

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100238708

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with permitted emissions limits, as documented during an investigation conducted on August 1, 2006. Specifically, an emissions event occurred on June 16, 2006 at the No. 1 Olefins Flare (Emission Point No. DM-1101) that lasted for 10 hours and 12 minutes, resulting in the release of 10,982 lbs of VOCs, including 9,822 lbs of HRVOCs, 12,495 lbs of CO, and 2,452 lbs of NOx. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment was exposed to significant amounts of pollutants which did exceed levels protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1 1 Number of violation days

mark only one with an x	daily	x
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$58,500

This violation Final Assessed Penalty (adjusted for limits) \$10,000

Economic Benefit Worksheet

Respondent INEOS USA LLC
Case ID No. 32887
Reg. Ent. Reference No. RN100238708
Media Air Quality
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Economic benefit is included in violation No. 1.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$0

TOTAL \$0

Screening Date 8-Mar-2007

Docket No. 2007-0370-AIR-E

PCW

Respondent INEOS USA LLC

Policy Revision 2 (September 2002)

Case ID No. 32887

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100238708

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with permitted emissions limits, as documented during an investigation conducted on March 9, 2006. Specifically, an excessive emissions event occurred from April 23 to May 26, 2005 at the No. 1 Olefins Flare (Emission Point No. DM-1101) that lasted for 792 hours, resulting in the release of 93,684 lbs of VOCs, including 88,328 lbs of HRVOCs, 112,232 lbs of CO, and 15,131 lbs of NOx. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes Human health or the environment was exposed to significant amounts of pollutants which did exceed levels protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 2

33 Number of violation days

mark only one with an x	daily	
	monthly	x
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$20,000

Two monthly events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,370

Violation Final Penalty Total \$117,000

This violation Final Assessed Penalty (adjusted for limits) \$117,000

Economic Benefit Worksheet

Respondent INEOS USA LLC
Case ID No. 32887
Reg. Ent. Reference No. RN100238708
Media Air Quality
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal	\$50,000	23-Apr-2005	9-Nov-2005	0.5	\$1,370	n/a	\$1,370
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs for proper disposal of off-spec ethylene. Date required is the earliest violation date and Final date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$50,000	TOTAL	\$1,370
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Screening Date 8-Mar-2007

Docket No. 2007-0370-AIR-E

PCW

Respondent INEOS USA LLC

Policy Revision 2 (September 2002)

Case ID No. 32887

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100238708

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with permitted emissions limits, as documented during an investigation conducted on March 31, 2006. Specifically, an excessive emissions event occurred from January 15 to 16, 2006 at the No. 1 Olefins Flare (Emission Point No. DM-1101) that lasted for 22 hours, resulting in the release of 24,214 lbs of HRVOCs, 23,675 lbs of CO, and 4,646 lbs of NOx. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment was exposed to significant amounts of pollutants which did exceed levels protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	x
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,952

Violation Final Penalty Total \$58,500

This violation Final Assessed Penalty (adjusted for limits) \$10,000

Economic Benefit Worksheet

Respondent INEOS USA LLC
Case ID No. 32887
Reg. Ent. Reference No. RN100238708
Media Air Quality
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal	\$25,000	15-Jan-2006	8-Aug-2007	1.6	\$1,952	n/a	\$1,952
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs for proper disposal of off-spec ethylene. Date required is the earliest violation date and Final date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$25,000
TOTAL \$1,952

Screening Date 8-Mar-2007

Docket No. 2007-0370-AIR-E

PCW

Respondent INEOS USA LLC

Policy Revision 2 (September 2002)

Case ID No. 32887

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100238708

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with permitted emissions limits, as documented during an investigation conducted on March 31, 2006. Specifically, an excessive emissions event occurred from July 18 to 20, 2005 at the No. 1 and No. 2 Olefins Flares (Emission Point Nos. DM-1101 and DM-3101) that lasted for 54 hours, resulting in the release of 57,170 lbs of VOCs, including 55,090 lbs of HRVOCs, 44,837 lbs of CO, and 5,999 lbs of NOx. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

		Harm				
		Major	Moderate	Minor		
OR	Release Actual	X			Percent	100%
	Potential					

>> Programmatic Matrix

		Major	Moderate	Minor		
	Falsification				Percent	0%

Matrix Notes

Human health or the environment was exposed to significant amounts of pollutants which did exceed levels protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 3 Number of violation days 3

mark only one with an x	daily	X
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$30,000

Three daily events are recommended based on the number of violation days.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2,572

Violation Final Penalty Total \$175,500

This violation Final Assessed Penalty (adjusted for limits) \$30,000

Economic Benefit Worksheet

Respondent INEOS USA LLC
Case ID No. 32887
Reg. Ent. Reference No. RN100238708
Media Air Quality
Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal	\$25,000	18-Jul-2005	8-Aug-2007	2.1	\$2,572	n/a	\$2,572
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs for proper disposal of off-spec ethylene. Date required is the earliest violation date and Final date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$25,000	TOTAL	\$2,572
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Screening Date 8-Mar-2007

Docket No. 2007-0370-AIR-E

PCW

Respondent INEOS USA LLC

Policy Revision 2 (September 2002)

Case ID No. 32887

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100238708

Media [Statute] Air Quality

Enf. Coordinator Bryan Elliott

Violation Number 7

Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with permitted emissions limits, as documented during an investigation conducted on April 4, 2006. Specifically, an excessive emissions event occurred from February 24 to 26, 2006 at the No. 2 Olefins Unit in piping on the overhead of tower T-402 that lasted for 39 hours, resulting in the release of 13,993 lbs of HRVOCs. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment was exposed to significant amounts of pollutants which did exceed levels protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

2

2

Number of violation days

mark only one with an x

daily	x
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$20,000

Two daily events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$415

Violation Final Penalty Total \$117,000

This violation Final Assessed Penalty (adjusted for limits) \$20,000

Economic Benefit Worksheet

Respondent INEOS USA LLC
Case ID No. 32887
Reg. Ent. Reference No. RN100238708
Media Air Quality
Violation No. 7

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$5,000	24-Feb-2006	23-Oct-2007	1.7	\$415	n/a	\$415

Notes for DELAYED costs
 Estimated cost for additional oversight and management practices designed to ensure proper maintenance practices are followed. Date Required is the date of the emission event and Final Date is the date of prospective compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$5,000	TOTAL	\$415
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TCEQ Region: REGION 12 - HOUSTON
Date Compliance History Prepared: March 07, 2007
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: March 07, 2002 to March 07, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Bryan Elliott Phone: 239-6162

Site Compliance History Components

- 1. Has the site been in existence and/or operation for the full five year compliance period? Yes
- 2. Has there been a (known) change in ownership of the site during the compliance period? Yes
- 3. If Yes, who is the current owner? INEOS USA LLC
- 4. If Yes, who was/were the prior owner(s)? BP Amoco Chemical Company
- 5. When did the change(s) in ownership occur? 04/25/2005

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
 - Effective Date: 08/28/2004 ADMINORDER 2004-0036-PST-E
Classification: Minor
Citation: 2D TWC Chapter 26, SubChapter A 26.346(a)
30 TAC Chapter 334, SubChapter A 334.8(c)(4)(A)(vii)
Description: Failure to ensure the timely renewal of a previously issued UST delivery certificate.
Classification: Minor
Citation: 2D TWC Chapter 26, SubChapter A 26.3467(a)
30 TAC Chapter 334, SubChapter A 334.8(c)(5)(A)(I)
Description: Failure to make available to a common carrier a valid and current TCEQ delivery certificate before accepting the delivery of a regulated substance into the UST system.
Effective Date: 08/30/2004 ADMINORDER 2003-1280-AIR-E
Classification: Major
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: SC 1 PERMIT
Description: Exceeded the volatile organic carbon maximum allowable emission rate for Flare DM-1101 on March 17, 2003. (Note mistake in order should be "compound" not "carbon")
 - Effective Date: 08/28/2006 ADMINORDER 2006-0242-AIR-E
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Air Permit #92/PSD-TX-854, S.C.#1 PA
Description: Failed to prevent unauthorized emissions during a April 14, 2005 emissions event.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Air Permit #95/PSD-TX-854, S.C.#1 PA
Description: Failed to prevent unauthorized emissions during a May 29, 2005 emissions event.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Air Permit #95/PSD-TX-854, S.C.#1 PA
Description: Failed to prevent unauthorized emissions during a July 5, 2005 emissions event.
 - Effective Date: 11/03/2006 ADMINORDER 2006-0469-AIR-E
Classification: Major
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: No. 95/PSD-TX-854, Special Condition #1 PERMIT
Description: Failure to prevent loss of instrument air resulting in unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: Permit No. 95/PSD-TX-854 PERMIT
Description: Failed to maintain an emission rate below the maximum allowable emission limit of zero from the No. 1 Olefins Flare on November 19, 2005 [emission point No. ("EPN") DM-1101] on November 19, 2005.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: Special Condition No. 1 PERMIT
Description: Failed to maintain an emission rate below the maximum allowable emission limit of zero from the No. 1 Olefins Flare on December 11, 2005 [EPN DM-1101] on December 11, 2005.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	03/07/2002	(135810)
2	03/14/2002	(135811)
3	03/14/2002	(135812)
4	03/18/2002	(157593)
5	03/21/2002	(135813)
6	03/29/2002	(135814)
7	04/02/2002	(135815)
8	04/17/2002	(135816)
9	04/18/2002	(157598)
10	04/29/2002	(135817)
11	04/29/2002	(135818)
12	05/09/2002	(135819)
13	05/10/2002	(135820)
14	05/10/2002	(135821)
15	05/10/2002	(135822)
16	05/14/2002	(135823)
17	05/14/2002	(135824)
18	05/16/2002	(135825)
19	05/16/2002	(135826)
20	05/16/2002	(135827)
21	05/16/2002	(135828)
22	05/16/2002	(135829)
23	05/16/2002	(135830)
24	05/17/2002	(157602)
25	05/18/2002	(135831)
26	05/18/2002	(135832)
27	05/24/2002	(1619)
28	05/28/2002	(135833)
29	05/30/2002	(135834)
30	05/30/2002	(135835)
31	06/10/2002	(135836)
32	06/12/2002	(135837)
33	06/13/2002	(2409)
34	06/13/2002	(2408)
35	06/24/2002	(157606)
36	07/24/2002	(135838)
37	07/25/2002	(157610)
38	07/25/2002	(5865)
39	07/31/2002	(3028)
40	08/06/2002	(6980)
41	08/12/2002	(6396)
42	08/16/2002	(8300)
43	08/16/2002	(7788)
44	08/16/2002	(7757)
45	08/16/2002	(6072)
46	08/23/2002	(157614)
47	08/23/2002	(4068)
48	08/26/2002	(9371)
49	08/27/2002	(9360)
50	09/19/2002	(5424)

51	09/23/2002	(157617)
52	10/21/2002	(157620)
53	11/18/2002	(13920)
54	11/25/2002	(157624)
55	11/25/2002	(17129)
56	12/23/2002	(14911)
57	12/27/2002	(157628)
58	01/03/2003	(16037)
59	01/09/2003	(13376)
60	01/24/2003	(19428)
61	01/24/2003	(157632)
62	02/07/2003	(22862)
63	02/18/2003	(23956)
64	02/19/2003	(23138)
65	02/20/2003	(157591)
66	03/11/2003	(26612)
67	03/11/2003	(21022)
68	03/12/2003	(25569)
69	03/22/2003	(295171)
70	03/24/2003	(157594)
71	03/28/2003	(27751)
72	03/28/2003	(23681)
73	04/14/2003	(31828)
74	04/17/2003	(157599)
75	04/25/2003	(33704)
76	05/12/2003	(28018)
77	05/12/2003	(28024)
78	05/22/2003	(157603)
79	06/11/2003	(17426)
80	06/19/2003	(40960)
81	06/24/2003	(157607)
82	06/29/2003	(34948)
83	07/10/2003	(45940)
84	07/10/2003	(45285)
85	07/10/2003	(43553)
86	07/21/2003	(157611)
87	07/30/2003	(114223)
88	08/04/2003	(144302)
89	08/19/2003	(295179)
90	08/28/2003	(152166)
91	09/15/2003	(295181)
92	09/17/2003	(248915)
93	09/17/2003	(248837)
94	09/22/2003	(150004)
95	10/17/2003	(248985)
96	10/20/2003	(295183)
97	11/14/2003	(295186)
98	11/14/2003	(252631)
99	11/18/2003	(255236)
100	11/20/2003	(255571)
101	11/21/2003	(295184)
102	12/15/2003	(295185)
103	01/12/2004	(253433)
104	01/28/2004	(257699)
105	02/13/2004	(295169)
106	04/22/2004	(295172)
107	05/12/2004	(295174)
108	05/21/2004	(60492)
109	06/15/2004	(272258)
110	06/17/2004	(295176)
111	06/28/2004	(272032)
112	07/05/2004	(278334)
113	07/05/2004	(272798)
114	07/05/2004	(278078)
115	07/05/2004	(272521)
116	07/09/2004	(272455)
117	07/13/2004	(274532)
118	07/15/2004	(351989)
119	07/19/2004	(274762)
120	08/05/2004	(287465)
121	08/16/2004	(351990)
122	08/18/2004	(284687)
123	08/30/2004	(250202)
124	08/31/2004	(277083)
125	08/31/2004	(272440)
126	09/13/2004	(293314)
127	09/23/2004	(351991)
128	10/04/2004	(336250)

129	10/22/2004	(351992)
130	11/08/2004	(336528)
131	11/08/2004	(337000)
132	11/23/2004	(351993)
133	12/11/2004	(335356)
134	12/11/2004	(341906)
135	12/11/2004	(335371)
136	12/13/2004	(338522)
137	12/13/2004	(336245)
138	12/13/2004	(333505)
139	12/13/2004	(337068)
140	12/15/2004	(337091)
141	12/16/2004	(341903)
142	12/17/2004	(337094)
143	12/20/2004	(342723)
144	12/22/2004	(381804)
145	12/28/2004	(288451)
146	12/28/2004	(287065)
147	12/28/2004	(277182)
148	01/05/2005	(287246)
149	01/06/2005	(337406)
150	01/07/2005	(341099)
151	01/07/2005	(343281)
152	01/07/2005	(288575)
153	01/07/2005	(287050)
154	01/10/2005	(286887)
155	01/17/2005	(286916)
156	01/20/2005	(381805)
157	02/04/2005	(338314)
158	02/22/2005	(381802)
159	03/21/2005	(381803)
160	04/22/2005	(419633)
161	04/26/2005	(372080)
162	05/18/2005	(374942)
163	05/19/2005	(419634)
164	05/20/2005	(392949)
165	06/20/2005	(419635)
166	07/13/2005	(440766)
167	07/15/2005	(399321)
168	08/10/2005	(404141)
169	08/13/2005	(404828)
170	08/18/2005	(404361)
171	08/19/2005	(440767)
172	08/24/2005	(404609)
173	08/24/2005	(406770)
174	08/29/2005	(407005)
175	08/30/2005	(418277)
176	09/08/2005	(337658)
177	09/08/2005	(375408)
178	09/08/2005	(372077)
179	09/16/2005	(440768)
180	09/21/2005	(431548)
181	10/10/2005	(432962)
182	10/13/2005	(440769)
183	10/13/2005	(440770)
184	11/03/2005	(431679)
185	11/18/2005	(468323)
186	12/05/2005	(397651)
187	12/20/2005	(468322)
188	12/20/2005	(468324)
189	01/12/2006	(451532)
190	01/12/2006	(451560)
191	01/26/2006	(437342)
192	01/26/2006	(438227)
193	01/26/2006	(437271)
194	01/27/2006	(451469)
195	02/15/2006	(468321)
196	02/16/2006	(436530)
197	02/24/2006	(450737)
198	02/24/2006	(450766)
199	02/24/2006	(438700)
200	02/24/2006	(450771)
201	02/24/2006	(454384)
202	02/27/2006	(449481)
203	02/27/2006	(450755)
204	02/27/2006	(440360)
205	02/28/2006	(437776)
206	02/28/2006	(333721)

207 02/28/2006 (435662)
 208 02/28/2006 (450758)
 209 03/17/2006 (498116)
 210 03/20/2006 (454984)
 211 03/20/2006 (438702)
 212 03/20/2006 (454973)
 213 04/19/2006 (449649)
 214 04/21/2006 (498117)
 215 04/24/2006 (460197)
 216 04/24/2006 (460166)
 217 04/24/2006 (459777)
 218 04/28/2006 (453217)
 219 05/04/2006 (462911)
 220 05/09/2006 (453215)
 221 05/10/2006 (451219)
 222 05/15/2006 (454640)
 223 05/16/2006 (498118)
 224 05/17/2006 (462063)
 225 05/19/2006 (453213)
 226 06/19/2006 (498119)
 227 06/30/2006 (482249)
 228 07/06/2006 (485562)
 229 07/07/2006 (483977)
 230 07/07/2006 (484327)
 231 07/07/2006 (483768)
 232 07/17/2006 (498120)
 233 07/21/2006 (484894)
 234 07/21/2006 (485159)
 235 07/27/2006 (465816)
 236 08/09/2006 (375409)
 237 08/16/2006 (520130)
 238 09/01/2006 (489158)
 239 09/01/2006 (488482)
 240 09/01/2006 (488416)
 241 09/01/2006 (488185)
 242 09/01/2006 (488461)
 243 09/01/2006 (488316)
 244 09/01/2006 (488258)
 245 09/01/2006 (497259)
 246 09/01/2006 (488259)
 247 10/10/2006 (514525)
 248 10/10/2006 (511470)
 249 10/12/2006 (520131)
 250 10/17/2006 (515418)
 251 11/27/2006 (455008)
 252 12/06/2006 (518260)
 253 12/19/2006 (532142)
 254 01/16/2007 (534803)
 255 02/22/2007 (437530)
 256 02/23/2007 (437902)
 257 02/26/2007 (489773)
 258 02/26/2007 (541487)
 259 02/28/2007 (541747)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date 05/09/2002 (135819)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 Description: VIOL OF TNRCC FLEX 30 resulting in upset emissions.
 Date 08/23/2002 (4068)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 Description: Violation of 30 Tex. Admin. Code 116.115(c), category B13 which resulted in unauthorized emissions.
 Date 09/23/2002 (5424)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 TEXAS HEALTH AND SAFETY CODE 382.085
 Description: Violation of Tex. Admin. Code 116.115(c) which requires the holders of the permit to comply with all conditions of the permit resulting in unauthorized emissions.
 Date 10/31/2002 (157624)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]
 Description: Failure to meet the limit for one or more permit parameter
 Date 03/31/2003 (23681)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter F 101.222(c)(1)

30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 Description: The maintenance event and resulting unauthorized emissions were the result of human error during previous periodic maintenance. The ME emissions could have been prevented by proper planning.
 Date 08/12/2003 (114223)
 Self Report? NO Classification: Moderate
 Citation: 5C THC Chapter 382, SubChapter A 382.085(a)
 Description: Avoidable emissions event
 Date 09/22/2003 (150004)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter F 101.222(b)(3)
 Description: Failed to maintain flame at all times on flare GM-1401 which resulted in the venting of unburned propylene directly into the atmosphere.
 Date 08/30/2004 (250202)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 Rqmt Prov: PA 35735
 Description: Failure to comply with Special Condition No. 11A of TCEQ Permit No. 35735 which resulted in unauthorized emissions.
 Date 12/28/2004 (288451)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(a)
 Rqmt Prov: PA 5419, SC 1
 Description: Failure to meet demonstration criteria which resulted in unauthorized emissions.
 Date 01/05/2005 (287246)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PA 95, Special Condition No. 1
 Description: Exceeded permit limit during an avoidable emissions event.
 Date 06/13/2005 (418277)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Rqmt Prov: PERMIT Other Requirements, No. 3
 Description: Failure to comply with chlorine residual limits for the discharge from the domestic sewage facility.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 319, SubChapter A 319.11(b)
 Description: Failure to analyze chlorine residual samples within hold time.
 Date 07/15/2005 (399321)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 115, SubChapter D 115.352(4)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
 Rqmt Prov: PA 19868 SC No. 7E
 Description: Failure to plug the open-ended lines.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)
 Rqmt Prov: PA 35735 SC No. 3
 Description: Failure to maintain net heating value of flare header to a minimum value of 300 Btu/Scf.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 117, SubChapter B 117.206(i)
 Description: Failure to comply with 30 TAC 117.206(i) by operating the emergency generator between the hours of 6:00 AM and Noon.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.136(b)
 Description: Failure to include PP-1 powder baghouse and vent CM-1307 in the title V permit within 60 days upon discovery.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 115, SubChapter H 115.782(c)(2)(A)
 Description: Failure to conduct extraordinary attempts to repair leaking valves within seven days.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)
 Rqmt Prov: PA 5419 SC No. 3
 Description: Failure to avoid visible emissions from flare for more than five minutes in any two hour period.
 Date 08/31/2005 (440768)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]
 Description: Failure to meet the limit for one or more permit parameter
 Date 12/05/2005 (397651)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 115, SubChapter H 115.783(5)
30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
Rqmt Prov: PERMIT Permit # 95 Special Condition 28E
Description: Failure to seal three open ended lines.
Date 04/28/2006 (453217)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT Permit No. 19868, Special Condition 1
Description: Failure to keep the emissions within the Maximum Allowable Emissions Rate Table limits specified in TCEQ Air Permit No. 19868 for the Flare.

F. Environmental audits.

Notice of Intent Date: 07/15/2002 (32992)
Disclosure Date: 1/24/2003 12:00:00 AM

Viol. Classification: Moderate

Citation: 30 TAC Chapter 331, SubChapter A

Description: Failure to submit an inventory of wells authorized by rule.

Notice of Intent Date: 11/06/2002 (29712)
No DOV Associated

Notice of Intent Date: 11/06/2002 (33106)
No DOV Associated

Notice of Intent Date: 02/12/2004 (263978)
No DOV Associated

Notice of Intent Date: 02/12/2004 (263986)
No DOV Associated

Notice of Intent Date: 02/19/2004 (265125)
No DOV Associated

Notice of Intent Date: 09/08/2005 (435727)
No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
INEOS USA LLC
RN100238708**

§ **BEFORE THE**
§
§ **TEXAS COMMISSION ON**
§
§ **ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-0370-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding INEOS USA LLC ("INEOS") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and INEOS presented this agreement to the Commission.

INEOS understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, INEOS agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon INEOS.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. INEOS owns and operates a petrochemical manufacturing plant located approximately two miles south of Farm-to-Market Road ("FM") 2917 on FM 2004 near Alvin in Brazoria County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During an investigation on November 14, 2005, TCEQ staff documented that INEOS failed to comply with permitted emissions limits. Specifically, an excessive emissions event occurred from August 18 to August 20, 2005 at the No. 1 Olefins Flare (Emission Point No. DM-1101) that lasted for 28 hours and 30 minutes, resulting in the release of 26,757 pounds ("lbs") of volatile organic compounds ("VOCs") including 25,972 lbs of highly reactive volatile organic compounds ("HRVOCs"), 22,327 lbs of carbon monoxide ("CO"), and 2,972 lbs of nitrogen oxides ("NOx"). The authorized emissions limit for emission events under a flexible permit is zero lbs per hour. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 TEX. ADMIN. CODE § 101.222.
4. During an investigation on November 17, 2005, TCEQ staff documented that INEOS failed to comply with permitted emissions limits. Specifically, an emissions event occurred from August 31 to September 1, 2005 at the No. 1 Olefins Flare (Emission Point No. DM-1101) that lasted for 8 hours, resulting in the release of 8,244 lbs of VOCs, including 8,198 lbs of HRVOCs, 7,310 lbs of CO, and 973 lbs of NOx. The authorized emissions limit for emission events under a flexible permit is zero lbs per hour. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 TEX. ADMIN. CODE § 101.222.
5. During an investigation on August 1, 2006, TCEQ staff documented that INEOS failed to comply with permitted emissions limits. Specifically, an emissions event occurred on June 16, 2006 at the No. 1 Olefins Flare (Emission Point No. DM-1101) that lasted for 10 hours and 12 minutes, resulting in the release of 10,982 lbs of VOCs, including 9,822 lbs of HRVOCs, 12,495 lbs of CO, and 2,452 lbs of NOx. The authorized emissions limit for emission events under a flexible permit is zero lbs per hour. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 TEX. ADMIN. CODE § 101.222.
6. During an investigation on March 9, 2006, TCEQ staff documented that INEOS failed to comply with permitted emissions limits. Specifically, an excessive emissions event occurred from April 23 to May 26, 2005 at the No. 1 Olefins Flare (Emission Point No. DM-1101) that lasted for 792 hours, resulting in the release of 93,684 lbs of VOCs, including 88,328 lbs of HRVOCs, 112,232 lbs of CO, and 15,131 lbs of NOx. The authorized emissions limit for emission events under a flexible permit is zero lbs per hour. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 TEX. ADMIN. CODE § 101.222.
7. During an investigation on March 31, 2006, TCEQ staff documented that INEOS failed to comply with permitted emissions limits. Specifically, an excessive emissions event occurred from January 15 to 16, 2006 at the No. 1 Olefins Flare (Emission Point No. DM-1101) that lasted for 22 hours, resulting in the release of 24,214 lbs of HRVOCs, 23,675 lbs of CO, and 4,646 lbs of NOx. The authorized emissions limit for emission events under a flexible permit is zero lbs per

hour. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 TEX. ADMIN. CODE § 101.222.

8. During an investigation on March 31, 2006, TCEQ staff documented that INEOS failed to comply with permitted emissions limits. Specifically, an excessive emissions event occurred from July 18 to 20, 2005 at the No. 1 and No. 2 Olefins Flares (Emission Point Nos. DM-1101 and DM-3101) that lasted for 54 hours, resulting in the release of 57,170 lbs of VOCs, including 55,090 lbs of HRVOCs, 44,837 lbs of CO, and 5,999 lbs of NOx. The authorized emissions limit for emission events under a flexible permit is zero lbs per hour. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 TEX. ADMIN. CODE § 101.222.
9. During an investigation on April 4, 2006, TCEQ staff documented that INEOS failed to comply with permitted emissions limits. Specifically, an excessive emissions event occurred from February 24 to 26, 2006 at the No. 2 Olefins Unit in piping on the overhead of tower T-402 that lasted for 39 hours, resulting in the release of 13,993 lbs of HRVOCs. The authorized emissions limit for emission events under a flexible permit is zero lbs per hour. Since this emissions event could have been avoided by good operation practices, it failed to meet the demonstrations for affirmative defense as found in 30 TEX. ADMIN. CODE § 101.222.
10. INEOS received notices of the violations on February 14, 2007, February 27, 2007, March 3, 2007, March 18, 2007, March 28, 2007, April 8, 2007, and April 16, 2007.
11. The Executive Director recognizes that INEOS has implemented the following corrective measures at the Plant:
 - a. By August 8, 2007, installed a program of QA/QC checks on wiring connections for future construction and turnaround work; and re-programmed the emergency cooling trip to automatically open the nitrogen control valve even if the valve's current position is being controlled manually to minimize the duration of future incidents involving the acetylene reactor, in order to address the June 16, 2006 emissions event;
 - b. By August 8, 2007, removed unnecessary alarms from the control computer to improve operator response to upsets; and revised operating procedures for furnace startup to require a slower transition in the source of steam to the furnace to control temperature excursions during furnace startups, in order to address the August 31 to September 1, 2005 emissions event;
 - c. By August 8, 2007, submitted Corrective Action Plans ("CAPs") in conjunction with the August 18 to 20, 2005, January 15 to 16, 2006, and July 18 to 20, 2005, excessive emissions events and implemented the approved action items; and
 - d. On November 9, 2005, amended Flexible Permit No. 95/PSD-TX-854 to include planned Startup, Shutdown, and Maintenance activities, in order to address the April 23 through May 26, 2005 excessive emissions event.

II. CONCLUSIONS OF LAW

1. INEOS is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, INEOS failed to comply with permitted emissions limits, in violation of 30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b).
3. As evidenced by Findings of Fact No. 4, INEOS failed to comply with permitted emissions limits, in violation of 30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b).
4. As evidenced by Findings of Fact No. 5, INEOS failed to comply with permitted emissions limits, in violation of 30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b).
5. As evidenced by Findings of Fact No. 6, INEOS failed to comply with permitted emissions limits, in violation of 30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b).
6. As evidenced by Findings of Fact No. 7, INEOS failed to comply with permitted emissions limits, in violation of 30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b).
7. As evidenced by Findings of Fact No. 8, INEOS failed to comply with permitted emissions limits, in violation of 30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b).
8. As evidenced by Findings of Fact No. 9, INEOS failed to comply with permitted emissions limits, in violation of 30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), Flexible Permit No. 95/PSD-TX-854, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b).
9. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against INEOS for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
10. An administrative penalty in the amount of Two Hundred Seventeen Thousand Dollars (\$217,000) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. INEOS has paid the One Hundred Eight Thousand Five Hundred Dollar (\$108,500) administrative penalty. One Hundred Eight Thousand Five Hundred Dollars (\$108,500) shall be conditionally offset by INEOS's completion of a Supplemental Environmental Project.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. INEOS is assessed an administrative penalty in the amount of Two Hundred Seventeen Thousand Dollars (\$217,000) as set forth in Section II, Paragraph 10 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and INEOS's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: INEOS USA LLC, Docket No. 2007-0370-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. INEOS shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 10 above, One Hundred Eight Thousand Five Hundred Dollars (\$108,500) of the assessed administrative penalty shall be offset with the condition that INEOS implement the SEP defined in Attachment A, incorporated herein by reference. INEOS's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. INEOS shall undertake the following technical requirements:
 - a. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the CAP submitted in connection with the February 24 to 26, 2006 excessive emissions event within 15 days after the date of such requests, or by any other deadline specified in writing;
 - b. Upon Commission approval, implement the CAP in accordance with the approved schedule; and
 - c. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions Nos. 3.a., and 3.b., as described below, and include detailed supporting documentation including photographs, receipts, and/or other records. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are

significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

4. The provisions of this Agreed Order shall apply to and be binding upon INEOS. INEOS is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If INEOS fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, INEOS's failure to comply is not a violation of this Agreed Order. INEOS shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. INEOS shall notify the Executive Director within seven days after INEOS becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by INEOS shall be made in writing to the Executive Director. Extensions are not effective until INEOS receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to INEOS if the Executive Director determines that INEOS has not complied with one or more of the terms or conditions in this Agreed Order.
8. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
9. This Agreed Order, issued by the Commission, shall not be admissible against INEOS in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed

Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

10. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

INEOS USA LLC
DOCKET NO. 2007-0370-AIR-E
Page 8.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

11/16/2007

Date

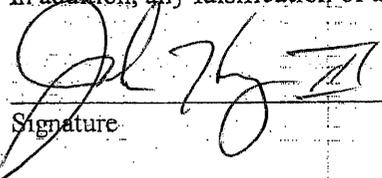
I, the undersigned, have read and understand the attached Agreed Order in the matter of INEOS USA LLC. I am authorized to agree to the attached Agreed Order on behalf of INEOS USA LLC, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, INEOS USA LLC waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

September 24, 2007

Date

John Harvey III

Name (Printed or typed)
Authorized Representative of
INEOS USA LLC

Site Manager

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2007-0370-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: INEOS USA LLC

Payable Penalty Amount: Two Hundred Seventeen Thousand Dollars (\$217,000)

SEP Amount: One Hundred Eight Thousand Five Hundred Dollars (\$108,500)

Type of SEP: Pre-approved

Third-Party Recipient: Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program

Location of SEP: Brazoria County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. **Project Description**

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Brazoria County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*.

SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

