

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

Page 1 of 4

DOCKET NO.: 2006-1599-AIR-E **TCEQ ID:** RN100238682 **CASE NOS.:** 31130 and 24286
RESPONDENT NAME: SOLUTIA INC.

| | | |
|---|---|--|
| ORDER TYPE: | | |
| <input checked="" type="checkbox"/> 1660 AGREED ORDER | <input 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: Farm-to-Market Road 2917, approximately 11 miles southeast of Alvin and approximately 8 miles south of the intersection of Texas Highway 35 and FM 2917, Brazoria County</p> <p>TYPE OF OPERATION: organic chemical production plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</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 August 13, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney: Ms. Kathleen C. Decker, Litigation Division, MC 175, (512) 239-6500 Ms. Jennifer Cook, Litigation Division, MC 175, (512) 239-1873 SEP Coordinator: Ms. Sharon Blue, Litigation Division, MC 175, (512) 239-2223 TCEQ Enforcement Coordinator: Ms. Rebecca Johnson, Air Enforcement Section, MC R-12, (713) 422-8931 TCEQ Regional Contact: Ms. Linda Vasse, Houston Regional Office, MC R-12, (713) 767-3637 Respondent: Mr. Paul Cartledge, Plant Manager, Solutia Inc. 350 N. St. Paul, Dallas, Texas 75201; Mr. John Slaughter, Solutia Inc., The Empire State Building, 350 Fifth Avenue, Suite 2212, New York, New York 10118-2299 Respondent's Attorney: Mr. Eric Groten, Vinson & Elkins, L.L.P. 2801 Via Fortuna, Suite 100, Austin, Texas 78746.</p> | | |

VIOLATION SUMMARY CHART:

| VIOLATION INFORMATION | PENALTY CONSIDERATIONS | CORRECTIVE ACTIONS TAKEN/REQUIRED |
|--|--|---|
| <p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date of Complaints Relating to this Case: None.</p> <p>Dates of Investigation Relating to this Case: July 13, 2004, March 28, 2005, April 18, 2005, April 20, 2005, and June 30, 2006</p> <p>Date of NOE Relating to this Case: August 23, 2006</p> <p>Background Facts: An EDPRP was filed on December 6, 2006. A signed Agreed Order was received on May 29, 2007.</p> <p>On December 17, 2003 the Respondent filed a voluntary petition for relief pursuant to Chapter 11 of the United State Bankruptcy Code. TCEQ's normal custom and practice would be to have the Respondent seek permission from the Bankruptcy Court to enter into this Agreed Order, but the Respondent has affirmatively represented that the approval is not necessary and it is authorized as a debtor in possession to enter into this agreement without court approval. The order was tendered to the Attorney General's bankruptcy division which approved the language to this effect contained in the order.</p> <p>The Respondent in this case does not owe any other penalties according to the Administrative Penalty Database Report.</p> <p>AIR:</p> <p>1. Failed to prevent an unauthorized emissions during a January 11, 2004 emissions event. Specifically, during the January 11, 2004 emissions event 1,344 pounds ("lbs.") of propane, 215 lbs. of propylene, 217 lbs. of acetonitrile, 24.4 lbs. of hydrogen cyanide, and 4,484 lbs. of carbon monoxide were emitted from emission point numbers 30D2 and 31D2 over a period of 36 minutes, as documented during an investigation conducted from July 13, 2004 through July 16, 2004. Since the emissions event was avoidable, the Respondent failed to meet the demonstration criteria for an affirmative defense</p> | <p>Total Assessed: \$45,597</p> <p>Total Deferred: \$0</p> <p>SEP Conditional Offset: \$22,798</p> <p>Total Paid to General Revenue: \$22,799</p> <p>The Respondent has paid \$22,799 of the administrative penalty. The remaining balance of \$22,798 shall be conditionally offset by the Respondents completion of a Supplemental Environmental Project (SEP), as defined in Attachment "A" of the Order.</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> | <p>Corrective Action(s) Taken:</p> <p>The Executive Director recognizes that the Respondent:</p> <ol style="list-style-type: none"> 1. In response to the November 1 and 2, 2004 emission events, the Respondent conducted employee training on December 22, 2004 to ensure that emission events were properly reported. 2. On April 3, 2006, the Respondent completed implementation of measures designed to ensure timely reporting of emissions events in response to the November 12, 2005 emission event. Guidelines concerning spill/release reporting for emissions events were again communicated to Plant personnel through training. 3. On March 22, 2007, the Respondent implemented maintenance procedure MWP 121.0 for flanged joint assembly in an effort to prevent the recurrence of emissions events due to the same cause as the January 11, 2004 emissions event. 4. The Respondent implemented measures designed to prevent the recurrence of an emission event due to the same cause as the November 15, 2004 event. Specifically, the procedure was modified on January 16, 2006, to raise the seal pot pressure in order to operate the propylene pump at the design pressure and prevent leakage and personnel working with the propylene equipment were retrained on this procedure. <p>Ordering Provision(s):</p> <p>The Respondent shall implement and complete a Supplemental Environmental Project in accordance with TEX. WATER CODE § 7.067 as defined in Attachment "A" of the Order.</p> |

under 30 TEX. ADMIN. CODE § 101.22 [30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 18251, Special Condition No. 4; and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to prevent an unauthorized emission during an emission event that started on November 2, 2004. Specifically, during the November 2, 2004 event, 235 lbs. of unauthorized propylene were emitted from emission point number 30Z8 over a period of 17 hours and 33 minutes, as documented during an investigation conducted from April 20, 2005 through April 22, 2005. Since the emission event was not properly reported, the Respondent failed to meet demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 18251, Special Condition No. 4; and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to report an emission event within 24 hours after its discovery. Specifically, the emission event that was discovered on November 2, 2004 was not reported until December 22, 2004 as documented during an investigation conducted from April 20, 2005 through April 22, 2005 [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to prevent unauthorized emissions during an emission event that started on November 15, 2004. Specifically, during the November 15, 2004 event, 1440 lbs. of propylene were emitted from emission point number 30C2 over a period of 142 hours, as documented during an investigation conducted from March 28, 2005 through March 31, 2005. Since the emission event was avoidable, the Respondent failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 18251, Special Condition No. 4; and TEX. HEALTH & SAFETY CODE § 382.085(b)].

5. Failed to prevent unauthorized emissions during an emission event that started on November 1, 2004. Specifically, during the November 1, 2004 event, 414 lbs. of propylene were emitted from emission point number 31Z6 over a period of 26 hours and 42 minutes, as documented during an investigation conducted from April 18, 2005 through April 20, 2005. Since the emission event was not properly reported, the Respondent failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 18251, Special Condition No. 4; and TEX. HEALTH & SAFETY CODE § 382.085(b)].

6. Failed to report an emission event within 24 hours after its discovery. Specifically, the emission event that was discovered on November 1, 2004 was not reported until December 22, 2004, as documented during an investigation conducted from April 18, 2005 through April 20, 2005 [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

7. Failed to prevent unauthorized emissions. Specifically, during an emission event that occurred on November 12, 2005 in the AN3 Unit 421.90 pounds ("lbs") of acetronitrile, 8,842.40 lbs. of carbon monoxide, 39.70 lbs. of hydrogen cyanide, 2,655.40 lbs. of propane and 428.90 lbs. of propylene were released over a period of one hour and twenty-five minutes, as documented during an investigation conducted on June 30, 2006. Since the emission event was not reported within 24 hours of discovery, the Respondent failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 18251, Special Condition No. 4; and TEX. HEALTH & SAFETY CODE § 382.085(b)].

8. Failed to make initial notification within 24 hours of discovery of an emission event that started on November 12, 2005, as documented during an investigation conducted on June 30, 2006. Specifically, the emission event occurred on November 12, 2005, and it was not reported until November 15, 2005 [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Attachment A
Docket Number: 2006-1599-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Solutia Inc.

Penalty Amount: Forty-Five Thousand Five Hundred Ninety-Seven Dollars (\$45,597)

SEP Amount: Twenty-Two Thousand Seven Hundred Ninety-Eight Dollars (\$22,798)

Type of SEP: Pre-approved

Third-Party Recipient: Houston-Galveston Area Emission Reduction Credit Organization (AERCO)

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 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

Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the **Houston-Galveston Area Emission Reduction Credit Organization (AERCO)** Clean Cities/Clean Vehicles Program will perform a SEP in Brazoria County pursuant to the agreement between AERCO and the TCEQ. 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 funds will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. SEP funds will be used for the costs of replacing older diesel buses with alternative fueled or clean fuel diesel buses. The older "high emission" buses will be permanently retired and sold only for scrap. AERCO will send a verification form to TCEQ 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 emissions control technologies that are developed and approved by EPA or the California Air Resources Board.

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 retiring high-emission buses from service, purchasing newer, clean fuel technology buses, and replacing newer buses with fuel treatment technology that reduces particulate emissions and hydrocarbons.

C. Minimum Expenditure

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, Respondent must contribute the SEP Amount to the Third-Party Recipient. 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, TX 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, 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. Respondent shall mail a copy of the check and transmittal letter to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If 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.

In the event of incomplete performance, the check for any amount due shall include the notation "SEP Refund" and the docket number of the case, be made out to "Texas Commission on Environmental Quality", and be mailed to:

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

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 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

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 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 10, 2004

| | | | | | | | | |
|--------------|----------|-------------|-----------|-------------|--------------|-------------|---------|-------------|
| DATES | Assigned | 13-Dec-2004 | Screening | 28-Jan-2005 | Priority Due | 11-Feb-2005 | EPA Due | 05-Feb-2006 |
| | PCW | 04-Jun-2007 | | | | | | |

| | |
|--|---|
| RESPONDENT/FACILITY INFORMATION | |
| Respondent | Solutia, Inc. |
| Reg. Ent. Ref. No. | RN100238682 |
| Additional ID No(s). | Air Account No. BL0038U |
| Facility/Site Region | 12-Houston <input type="checkbox"/> Major/Minor Source <input type="checkbox"/> Major Source <input type="checkbox"/> |

| | | | |
|-------------------------|--------------------------------------|-------------------|--|
| CASE INFORMATION | | | |
| Enf./Case ID No. | 24286 | No. of Violations | 6 |
| Docket No. | 2006-1599-AIR-E | Order Type | 1660 without deferral <input type="checkbox"/> |
| Case Priority | 2 (SNC/HPV) <input type="checkbox"/> | Enf. Coordinator | Rebecca Johnson |
| Media Program(s) | Air Quality <input type="checkbox"/> | EC's Team | Enforcement Team 1 <input type="checkbox"/> |
| Multi-Media | | | |
| 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 103% Enhancement Subtotals 2, 3, & 7

Notes:

Culpability 0% Enhancement Subtotal 4

Notes:

Good Faith Effort to Comply 0% Reduction Subtotal 5

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

Notes:

Economic Benefit 0% Enhancement* Subtotal 6

| | | |
|----------------------------|--------------------------------------|-----------------------------------|
| Total EB Amounts | <input type="text" value="\$307"/> | *Capped at the Total EB \$ Amount |
| Approx. Cost of Compliance | <input type="text" value="\$2,200"/> | |

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:

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:

PAYABLE PENALTY

PCW # 1

| | | |
|---|--|---|
| Screening Date 28-Jan-2005 | Docket No. 2006-1599-AIR-E | PCW |
| Respondent Solutia, Inc. | | <i>Policy Revision 2 (September 2002)</i> |
| Case ID No. 24286 | | <i>PCW Revision December 10, 2004</i> |
| Reg. Ent. Reference No. RN100238682 | | |
| Additional ID No(s). Air Account No. BL0038U | | |
| Media [Statute] Air Quality | | |
| Enf. Coordinator Rebecca Johnson | | |
| Site Address | Farm-to-Market Road 2917, approximately 11 miles southeast of Alvin, Brazoria County | |

Compliance History Worksheet

>> **Compliance History Site Enhancement (Subtotal 2)**

| Component | Number of... | <i>Enter Number Here</i> | Adjust. |
|-------------------------------|--|--------------------------|----------------|
| NOVs | Written NOVs with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>) | 8 | 40% |
| | Other written NOVs | 24 | 48% |
| Orders | Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>) | 1 | 20% |
| | 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 (<i>number of judgements or consent decrees meeting criteria</i>) | 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 (<i>number of counts</i>) | 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 (<i>number of audits for which notices were</i> | 3 | -3% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>) | 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) 103%

>> **Repeat Violator (Subtotal 3)**

Adjustment Percentage (Subtotal 3) 0%

>> **Compliance History Person Classification (Subtotal 7)**

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes

Penalty enhancement due to eight NOV's for same or similar violations, 11 NOV's for unrelated violations, 13 self-reported effluent discharge violations, and one agreed order containing a denial of liability. Penalty reduction due to three Notices of Audits submitted and one Disclosure of Violations submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 103%

Screening Date 28-Jan-2005 **Docket No.** 2006-1599-AIR-E **PCW**

Respondent Solutia, Inc. *Policy Revision 2 (September 2002)*

Case ID No. 24286 *PCW Revision December 10, 2004*

Reg. Ent. Reference No. RN100238682

Additional ID No(s). Air Account No. BL0038U

Media [Statute] Air Quality

Enf. Coordinator Rebecca Johnson

Violation Number

Primary Rule Cite(s) Air Permit No. 18251, Special Condition No. 4 and 30 Tex. Admin. Code § 116.115(c)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description
 Failure to prevent unauthorized emissions during a January 11, 2004 emissions event. Specifically, during the January 11, 2004 emissions event 1,334 lbs of propane, 215 lbs of propylene, 217 lbs of acetonitrile, 24.4 lbs of hydrogen cyanide, and 4,484 lbs of carbon monoxide were emitted from emission point numbers 30D2 and 31D2 over a period of 36 minutes. Since the emissions event was avoidable, Solutia, Inc. failed to meet the demonstration criteria for an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty

>> **Environmental, Property and Human Health Matrix**

| | | Harm | | | |
|---------|-----------|----------------------|----------------------|----------------------|--|
| Release | | Major | Moderate | Minor | |
| OR | Actual | <input type="text"/> | X | <input type="text"/> | Percent <input type="text" value="50%"/> |
| | Potential | <input type="text"/> | <input type="text"/> | <input type="text"/> | |

>> **Programmatic Matrix**

| | Falsification | Major | Moderate | Minor | Percent |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Matrix Notes

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

| | | |
|--------------------------------|--------------|----------------------|
| mark only one use a small x | daily | <input type="text"/> |
| | monthly | <input type="text"/> |
| | quarterly | <input type="text"/> |
| | semiannual | <input type="text"/> |
| | annual | <input type="text"/> |
| | single event | X |

Violation Base Penalty

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Solutia, Inc.
 Case ID No. 24286
 Reg. Ent. Reference No. RN100238682
 Additional ID No(s). Air Account No. BL0038U
 Media [Statute] Air Quality
 Violation No. 1

| | |
|------------------|-----------------------|
| Percent Interest | Years of Depreciation |
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Overtime Costs | EB Amount |
|--------------------------|-----------|---------------|-------------|-----|----------------|----------------|-----------|
| Delayed Costs | | | | | | | |
| Equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | \$1,000 | 11-Jan-2004 | 22-Mar-2007 | 3.2 | \$11 | \$213 | \$224 |
| 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: Estimated cost to implement measures designed to prevent an emissions event due to the same cause as the January 11, 2004 emissions event. Date required based on the date of the emissions event. Final date based on the projected compliance date.

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Overtime Costs | EB Amount |
|--|-----------|---------------|------------|-----|----------------|----------------|-----------|
| 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

TOTAL

Screening Date 28-Jan-2005

Docket No. 2006-1599-AIR-E

PCW

Respondent Solutia, Inc.

Policy Revision 2 (September 2002)

Case ID No. 24286

PCW Revision December 10, 2004

Reg. Ent. Reference No. RN100238682

Additional ID No(s). Air Account No. BL0038U

Media [Statute] Air Quality

Enf. Coordinator Rebecca Johnson

Violation Number

Primary Rule Cite(s)

Air Permit No. 18251, Special Condition No. 4 and 30 Tex. Admin. Code § 116.115(c)

Secondary Rule Cite(s)

Tex. Health & Safety Code § 382.085(b)

Violation Description

Failure to prevent unauthorized emissions during an emissions event that started on November 2, 2004. Specifically, during the November 2, 2004 emissions event 235 lbs of unauthorized propylene emissions were emitted from emissions point number 30Z8 over a period of 17 hours and 33 minutes. Since the emissions event was not properly reported, Solutia, Inc. failed to meet the demonstration criteria for an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty

>> **Environmental, Property and Human Health Matrix**

| | | Harm | | |
|---------|-----------|----------------------|----------------------|-------------------------------------|
| Release | | Major | Moderate | Minor |
| OR | Actual | <input type="text"/> | <input type="text"/> | <input checked="" type="checkbox"/> |
| | Potential | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Percent

>> **Programmatic Matrix**

| | | Major | Moderate | Minor |
|--|---------------|----------------------|----------------------|----------------------|
| | Falsification | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Percent

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

| | | |
|--|---------------------|-------------------------------------|
| <i>mark only one use a small x</i> | <i>daily</i> | <input type="text"/> |
| | <i>monthly</i> | <input type="text"/> |
| | <i>quarterly</i> | <input type="text"/> |
| | <i>semiannual</i> | <input type="text"/> |
| | <i>annual</i> | <input type="text"/> |
| | <i>single event</i> | <input checked="" type="checkbox"/> |

Violation Base Penalty

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Solutia, Inc.
 Case ID No. 24286
 Reg. Ent. Reference No. RN100238682
 Additional ID No(s). Air Account No. BL0038U
 Media [Statute] Air Quality
 Violation No. 2

| | |
|------------------|-----------------------|
| Percent Interest | Years of Depreciation |
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Overtime Costs | EB Amount |
|--------------------------|-----------|---------------|-------------|-----|----------------|----------------|-----------|
| Delayed Costs | | | | | | | |
| Equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | \$100 | 04-Nov-2004 | 22-Dec-2004 | 0.1 | \$0 | \$1 | \$1 |
| 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: Estimated cost to implement measures designed to ensure emissions events are reported within 24 hours of discovery. Date required based on the date the emissions event was due to be reported. Final date based on the compliance date.

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Overtime Costs | EB Amount |
|--|-----------|---------------|------------|-----|----------------|----------------|-----------|
| 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 TOTAL

Screening Date 28-Jan-2005

Docket No. 2006-1599-AIR-E

PCW

Respondent Solutia, Inc.

Policy Revision 2 (September 2002)

Case ID No. 24286

PCW Revision December 10, 2004

Reg. Ent. Reference No. RN100238682

Additional ID No(s). Air Account No. BL0038U

Media [Statute] Air Quality

Enf. Coordinator Rebecca Johnson

Violation Number

Primary Rule Cite(s)

Secondary Rule Cite(s)

Violation Description

Base Penalty

>> **Environmental, Property and Human Health Matrix**

| | | Harm | | | |
|---------|-----------|----------------------|----------------------|----------------------|------------------------------|
| Release | | Major | Moderate | Minor | |
| OR | Actual | <input type="text"/> | <input type="text"/> | <input type="text"/> | Percent <input type="text"/> |
| | Potential | <input type="text"/> | <input type="text"/> | <input type="text"/> | |

>> **Programmatic Matrix**

| Falsification | Major | Moderate | Minor | Percent |
|----------------------|-------------------------------------|----------------------|----------------------|----------------------------------|
| <input type="text"/> | <input checked="" type="checkbox"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="25%"/> |

Matrix Notes

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

| | | |
|--|---------------------|-------------------------------------|
| <i>mark only one use a small x</i> | <i>daily</i> | <input type="text"/> |
| | <i>monthly</i> | <input type="text"/> |
| | <i>quarterly</i> | <input type="text"/> |
| | <i>semiannual</i> | <input type="text"/> |
| | <i>annual</i> | <input type="text"/> |
| | <i>single event</i> | <input checked="" type="checkbox"/> |

Violation Base Penalty

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Solutia, Inc.
 Case ID No. 24286
 Reg. Ent. Reference No. RN100238682
 Additional ID No(s). Air Account No. BL0038U
 Media [Statute] 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 |
|--------------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
| 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 for this violation included in Violation No. 2.

| 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

TOTAL

Screening Date 28-Jan-2005

Docket No. 2006-1599-AIR-E

PCW

Respondent Solutia, Inc.

Policy Revision 2 (September 2002)

Case ID No. 24286

PCW Revision December 10, 2004

Reg. Ent. Reference No. RN100238682

Additional ID No(s). Air Account No. BL0038U

Media [Statute] Air Quality

Enf. Coordinator Rebecca Johnson

Violation Number

Primary Rule Cite(s)

Air Permit No. 18251, Special Condiation No. 4 and 30 Tex. Admin. Code § 116.115(c)

Secondary Rule Cite(s)

Tex. Health & Safety Code § 382.085(b)

Violation Description

Failure to prevent unauthorized emissions during an emissions event that started on November 15, 2004. Specifically, during the November 15, 2004 emissions event 1,440 lbs of propylene were emitted from emissions point number 30C2 over a period of 142 hours. Since the emissions event was avoidable, Solutia, Inc. failed to meet the demonstration criteria for an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty

>> **Environmental, Property and Human Health Matrix**

| | | Harm | | |
|---------|-----------|-------|----------|-------|
| Release | | Major | Moderate | Minor |
| OR | Actual | | | X |
| | Potential | | | |

Percent

>> **Programmatic Matrix**

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

| | | |
|--|---------------------|---|
| <i>mark only one use a small x</i> | <i>daily</i> | |
| | <i>monthly</i> | |
| | <i>quarterly</i> | |
| | <i>semiannual</i> | |
| | <i>annual</i> | |
| | <i>single event</i> | X |

Violation Base Penalty

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Solutia, Inc.
Case ID No. 24286
Reg. Ent. Reference No. RN100238682
Additional ID No(s). Air Account No. BL0038U
Media [Statute] 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 |
|--------------------------|-----------|---------------|-------------|-----|----------------|---------------|-----------|
| Delayed Costs | | | | | | | |
| Equipment | | | | 0.0 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | \$1,000 | 15-Nov-2004 | 16-Jan-2006 | 1.2 | \$4 | \$78 | \$82 |
| 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: Estimated cost to implement measures designed to prevent an emissions event due to the same cause as the November 15, 2004 emissions event. Date required based on the date of the emissions event. Final date based on the projected compliance date.

| 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 \$1,000

TOTAL \$82

Screening Date 28-Jan-2005

Docket No. 2006-1599-AIR-E

PCW

Respondent Solutia, Inc.

Policy Revision 2 (September 2002)

Case ID No. 24286

PCW Revision December 10, 2004

Reg. Ent. Reference No. RN100238682

Additional ID No(s). Air Account No. BL0038U

Media [Statute] Air Quality

Enf. Coordinator Rebecca Johnson

Violation Number

Primary Rule Cite(s)

Air Permit No. 18251, Special Condition No. 4 and 30 Tex. Admin. Code § 116.115(c)

Secondary Rule Cite(s)

Tex. Health and Safety Code § 382.085(b)

Violation Description

Failure to prevent unauthorized emissions during an emissions event that started on November 1, 2004. Specifically, during the November 1, 2004 emissions event 414 lbs of unauthorized propylene emissions were emitted from emission point number 31Z6 over a period of 26 hours and 42 minutes. Since the emissions event was not properly reported, Solutia, Inc. failed to meet the demonstration criteria for an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty

>> **Environmental, Property and Human Health Matrix**

| | | Harm | | |
|---------|-----------|-------|----------|-------|
| Release | | Major | Moderate | Minor |
| OR | Actual | | | X |
| | Potential | | | |

Percent

>> **Programmatic Matrix**

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

| | | |
|--|--------------|---|
| <i>mark only one use a small x</i> | daily | |
| | monthly | |
| | quarterly | |
| | semiannual | |
| | annual | |
| | single event | X |

Violation Base Penalty

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Solutia, Inc.
Case ID No. 24286
Reg. Ent. Reference No. RN100238682
Additional ID No(s). Air Account No. BL0038U
Media [Statute] 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) | \$100 | 02-Nov-2004 | 22-Dec-2004 | 0.1 | \$0 | \$1 | \$1 |
| 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: Estimated cost to implement measures designed to ensure emissions events are reported within 24 hours of discovery. Date required based on the date the emissions event was due to be reported. Final date based on the compliance date.

| 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 **\$100** **TOTAL \$1**

Screening Date 28-Jan-2005

Docket No. 2006-1599-AIR-E

PCW

Respondent Solutia, Inc.

Policy Revision 2 (September 2002)

Case ID No. 24286

PCW Revision December 10, 2004

Reg. Ent. Reference No. RN100238682

Additional ID No(s). Air Account No. BL0038U

Media [Statute] Air Quality

Enf. Coordinator Rebecca Johnson

Violation Number

Primary Rule Cite(s)

Secondary Rule Cite(s)

Violation Description

Base Penalty

>> **Environmental, Property and Human Health Matrix**

| Release | Harm | | | Percent |
|-----------|----------------------|----------------------|----------------------|----------------------|
| | Major | Moderate | Minor | |
| Actual | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Potential | <input type="text"/> | <input type="text"/> | <input type="text"/> | |

>> **Programmatic Matrix**

| Falsification | Major | Moderate | Minor | Percent |
|----------------------|-------------------------------------|--------------------------|--------------------------|----------------------------------|
| <input type="text"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text" value="25%"/> |

Matrix Notes

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

| | | |
|--|---------------------|-------------------------------------|
| <i>mark only one use a small x</i> | <i>daily</i> | <input type="text"/> |
| | <i>monthly</i> | <input type="text"/> |
| | <i>quarterly</i> | <input type="text"/> |
| | <i>semiannual</i> | <input type="text"/> |
| | <i>annual</i> | <input type="text"/> |
| | <i>single event</i> | <input checked="" type="checkbox"/> |

Violation Base Penalty

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Solutia, Inc.
 Case ID No. 24286
 Reg. Ent. Reference No. RN100238682
 Additional ID No(s). Air Account No. BL0038U
 Media [Statute] 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 |
|--------------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
| 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 for this violation is included in Violation No. 5.

| Item | ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs) | Yrs | Interest Saved | Onetime Costs | EB Amount |
|-------------------------------|--|-----|----------------|---------------|-----------|
| 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

TOTAL

Compliance History

| | | | | |
|-------------------------------------|---|----------------------------------|-------------------------|-------------------|
| Customer/Respondent/Owner-Operator: | CN600132856 | Solutia, Inc. | Classification: AVERAGE | Rating: 2.42 |
| Regulated Entity: | RN100238682 | CHOCOLATE BAYOU PLANT | Classification: AVERAGE | Site Rating: 1.85 |
| ID Number(s): | AIR OPERATING PERMITS | ACCOUNT NUMBER | | BL0038U |
| | AIR OPERATING PERMITS | PERMIT | | 1258 |
| | AIR OPERATING PERMITS | PERMIT | | 2317 |
| | AIR OPERATING PERMITS | PERMIT | | 2318 |
| | AIR OPERATING PERMITS | PERMIT | | 2319 |
| | AIR OPERATING PERMITS | PERMIT | | 2320 |
| | AIR OPERATING PERMITS | PERMIT | | 2321 |
| | AIR OPERATING PERMITS | PERMIT | | 2322 |
| | AIR OPERATING PERMITS | PERMIT | | 2323 |
| | AIR OPERATING PERMITS | PERMIT | | 2324 |
| | AIR OPERATING PERMITS | PERMIT | | 2325 |
| | PUBLIC WATER SYSTEM/SUPPLY | REGISTRATION | | 0200049 |
| | WASTEWATER | PERMIT | | WQ0000001000 |
| | WASTEWATER | PERMIT | | TPDES0003875 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 2271 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 3046 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 5065 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 5084 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 5336 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 6534 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 8372 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 14488 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 18130 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 18251 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 28738 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 28694 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 32151 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 34029 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 38336 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 38998 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 39171 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 39643 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 48895 |
| | AIR NEW SOURCE PERMITS | ACCOUNT NUMBER | | BL0038U |
| | AIR NEW SOURCE PERMITS | AFS NUM | | 0009 |
| | AIR NEW SOURCE PERMITS | EPA ID | | PSDTP910 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 18251 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 75639 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 76211 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 71063 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 71232 |
| | AIR NEW SOURCE PERMITS | EPA ID | | PSDTX307A |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 72545 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 72689 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 73096 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 73707 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 73857 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 74040 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 74788 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 75318 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 77064 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 77079 |
| | RADIOACTIVE WASTE | LICENSE | | RW0219 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | | WDW013 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | | WDW224 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | | WDW318 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | | WDW326 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | | WDW359 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | | WDW002 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | | WDW001 |
| | INDUSTRIAL AND HAZARDOUS WASTE GENERATION | SOLID WASTE REGISTRATION # (SWR) | | 30138 |
| | INDUSTRIAL AND HAZARDOUS WASTE GENERATION | EPA ID | | TXD001700806 |
| | INDUSTRIAL AND HAZARDOUS WASTE | PERMIT | | 50189 |

CA #1

| | | |
|-------------------------------------|----------------------------|--------------|
| PROCESSING | EPA ID | TXD001700806 |
| INDUSTRIAL AND HAZARDOUS WASTE | | |
| PROCESSING | | |
| STORMWATER | PERMIT | TXR050891 |
| WATER LICENSING | LICENSE | 0200049 |
| IHW CORRECTIVE ACTION | SOLID WASTE REGISTRATION # | 30138 |
| | (SWR) | |
| INDUSTRIAL AND HAZARDOUS WASTE | PERMIT | 50189 |
| COMPLIANCE PLANS | | |
| INDUSTRIAL AND HAZARDOUS WASTE POST | PERMIT | 50189 |
| CLOSURE | | |
| INDUSTRIAL AND HAZARDOUS WASTE | PERMIT | 50189 |
| STORAGE | | |
| INDUSTRIAL AND HAZARDOUS WASTE | PERMIT | 50189 |
| DISPOSAL | | |
| INDUSTRIAL AND HAZARDOUS WASTE | PERMIT | 50189 |
| DISPOSAL | | |

Location: APPROX 11 MI SE FROM THE CITY OF ALVIN ON FM 2917 Rating Date: 9/1/2004 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: February 14, 2005

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: February 14, 2000 to February 14, 2005

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Rebecca Johnson Phone: (713) 422-8931

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? | No |
| 3. If Yes, who is the current owner? | N/A |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

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: 10/10/2003

ADMINORDER 2002-0174-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120
30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT F 63.104(c)(1)(ii)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 2 PERMIT

Description: Failure to have a monitoring plan that indicates the monitoring parameter levels that constitute a leak from the heat exchangers into the water of cooling towers E379CT3, E379CT4, and 70382EG.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120
30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Part 63, Subpart G 63.120(b)(9)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 2 PERMIT

Description: Failure to notify the TCEQ in writing 30 days in advance of seal gap measurements taken in affiliation with the 1999, 2000, and 2001 annual external floating roof tank inspection of tanks 332T1-1 and 332T1-2.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120
30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Part 63, Subpart G 63.133(d)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 2 PERMIT

Description: Failure to adequately conduct the 2001 seal gap measurements and generate raw data and calculations relating to external floating roof tank 332T1-1.

Classification: Moderate

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC5C PERMIT

Description: Failure to conduct stack testing of incinerator 55H2 within 60 days of start-up of the facilities.

Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.120
40 CFR Part 63, Subpart G 63.152(c)(2)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit a complete periodic report. Specifically, the periodic report submitted on April 25, 2000 for the October 1999 to March 2000 reporting period did not reference or include data pertaining to incinerator EPN 55H2.

Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.120
40 CFR Part 63, Subpart G 63.118(f)(3)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit complete periodic reports.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120
30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.152(b)(1)

40 CFR Part 63, Subpart G 63.120(d)(2)(i)

40 CFR Part 63, Subpart G 63.122(b)

Rqmt Prov: SC2 PERMIT

Description: Failure to have an adequate monitoring plan for absorbers 320S322-1 and 320S322-2, that ensures the absorbers are being properly operated and maintained.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(C)[G]
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Not specified PERMIT

Description: Failure to comply with the Maximum Allowable Emission Rates Table (MAERT) contained in TCEQ Air Permit No. 38336 for waste heat boiler EPN 70Z401 by emitting VOCs at 9.52 pounds per hour (lbs./hr) when the permitted limit is 8.89 lbs./hr.

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.)

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| 1 | 08/21/2001 | (157056) |
| 2 | 02/26/2003 | (26108) |
| 3 | 03/12/2003 | (27234) |
| 4 | 08/21/2000 | (157055) |
| 5 | 02/26/2003 | (25864) |
| 6 | 07/22/2003 | (157054) |
| 7 | 07/18/2002 | (157053) |
| 8 | 07/17/2001 | (157052) |
| 9 | 07/13/2000 | (157051) |
| 10 | 06/20/2003 | (157050) |
| 11 | 08/25/2003 | (150697) |

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| 12 | 12/16/2004 | (336194) |
| 13 | 12/20/2004 | (338296) |
| 14 | 12/30/2004 | (343622) |
| 15 | 06/24/2002 | (157049) |
| 16 | 01/12/2004 | (258960) |
| 17 | 12/18/2003 | (257385) |
| 18 | 02/26/2003 | (26050) |
| 19 | 02/27/2004 | (262913) |
| 20 | 06/20/2001 | (157048) |
| 21 | 12/10/2004 | (263071) |
| 22 | 06/14/2000 | (157047) |
| 23 | 10/08/2002 | (13170) |
| 24 | 05/20/2003 | (37989) |
| 25 | 05/21/2003 | (157046) |
| 26 | 02/26/2003 | (25856) |
| 27 | 03/03/2000 | (112647) |
| 28 | 03/03/2000 | (112646) |
| 29 | 11/25/2003 | (255837) |
| 30 | 05/22/2002 | (157045) |
| 31 | 03/03/2000 | (112645) |
| 32 | 02/27/2004 | (262943) |
| 33 | 02/27/2004 | (263910) |
| 34 | 03/03/2000 | (112644) |
| 35 | 12/02/2003 | (255621) |
| 36 | 03/04/2003 | (23648) |
| 37 | 05/16/2001 | (157044) |
| 38 | 09/01/2004 | (271988) |
| 39 | 04/12/2004 | (253529) |
| 40 | 06/20/2002 | (2667) |
| 41 | 06/12/2002 | (1455) |
| 42 | 02/27/2004 | (262933) |
| 43 | 05/22/2000 | (157043) |
| 44 | 11/16/2004 | (334879) |
| 45 | 04/21/2003 | (157042) |
| 46 | 02/27/2003 | (24374) |
| 47 | 02/23/2004 | (294912) |
| 48 | 04/22/2002 | (157041) |
| 49 | 04/23/2001 | (157040) |
| 50 | 12/10/2004 | (260541) |
| 51 | 08/01/2002 | (2568) |
| 52 | 03/22/2004 | (294915) |
| 53 | 08/21/2003 | (151361) |
| 54 | 11/12/2003 | (253266) |
| 55 | 04/20/2000 | (157039) |
| 56 | 04/20/2004 | (294916) |
| 57 | 03/17/2000 | (157038) |
| 58 | 12/03/2002 | (9849) |
| 59 | 11/03/2004 | (333514) |
| 60 | 10/29/2003 | (253450) |
| 61 | 03/21/2003 | (157037) |
| 62 | 05/25/2004 | (294918) |
| 63 | 12/30/2004 | (345394) |
| 64 | 03/18/2002 | (157036) |

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| 65 | 06/21/2004 | (294920) |
| 66 | 03/30/2004 | (332762) |
| 67 | 11/19/2002 | (13812) |
| 68 | 03/15/2001 | (157035) |
| 69 | 01/03/2005 | (343620) |
| 70 | 11/12/2003 | (252275) |
| 71 | 07/23/2004 | (351912) |
| 72 | 02/21/2003 | (157034) |
| 73 | 08/31/2004 | (271365) |
| 74 | 08/25/2003 | (294923) |
| 75 | 02/22/2002 | (157033) |
| 76 | 01/16/2004 | (255951) |
| 77 | 02/15/2001 | (157032) |
| 78 | 09/11/2003 | (248057) |
| 79 | 12/11/2002 | (15178) |
| 80 | 09/23/2003 | (294925) |
| 81 | 02/22/2000 | (157031) |
| 82 | 08/19/2004 | (351913) |
| 83 | 05/21/2002 | (1411) |
| 84 | 02/27/2004 | (262947) |
| 85 | 11/16/2004 | (340676) |
| 86 | 10/21/2003 | (294927) |
| 87 | 09/23/2004 | (334052) |
| 88 | 11/21/2003 | (294928) |
| 89 | 11/05/2004 | (338995) |
| 90 | 10/13/2004 | (337045) |
| 91 | 09/20/2004 | (351914) |
| 92 | 01/31/2003 | (22887) |
| 93 | 08/23/2002 | (1525) |
| 94 | 08/14/2003 | (148336) |
| 95 | 09/11/2003 | (248048) |
| 96 | 12/09/2004 | (343333) |
| 97 | 12/23/2003 | (294929) |
| 98 | 11/16/2004 | (340661) |
| 99 | 02/26/2003 | (26041) |
| 100 | 02/26/2003 | (25983) |
| 101 | 01/03/2005 | (343624) |
| 102 | 02/27/2004 | (262922) |
| 103 | 01/23/2004 | (294931) |
| 104 | 11/16/2000 | (40049) |
| 105 | 10/22/2004 | (351915) |
| 106 | 07/30/2004 | (284372) |
| 107 | 08/19/2003 | (149876) |
| 108 | 12/23/2004 | (336768) |
| 109 | 08/14/2003 | (148343) |
| 110 | 03/30/2000 | (142066) |
| 111 | 03/30/2000 | (142067) |
| 112 | 12/15/2004 | (351916) |
| 113 | 03/30/2000 | (142068) |
| 114 | 05/12/2000 | (142069) |
| 115 | 05/19/2000 | (142070) |
| 116 | 12/20/2004 | (335252) |
| 117 | 09/01/2004 | (270694) |

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| 118 | 11/16/2004 | (339730) |
| 119 | 02/26/2003 | (25859) |
| 120 | 08/06/2002 | (6823) |
| 121 | 11/22/2004 | (340787) |
| 122 | 05/23/2000 | (142071) |
| 123 | 03/29/2004 | (267307) |
| 124 | 11/04/2004 | (351917) |
| 125 | 06/05/2000 | (142072) |
| 126 | 09/01/2004 | (272089) |
| 127 | 07/20/2000 | (142073) |
| 128 | 12/10/2004 | (263070) |
| 129 | 10/29/2003 | (253464) |
| 130 | 09/12/2000 | (142074) |
| 131 | 09/23/2004 | (334055) |
| 132 | 09/12/2000 | (142075) |
| 133 | 01/23/2003 | (157075) |
| 134 | 02/07/2003 | (9887) |
| 135 | 09/12/2000 | (142076) |
| 136 | 07/01/2003 | (36597) |
| 137 | 01/23/2002 | (157074) |
| 138 | 09/19/2000 | (142077) |
| 139 | 12/10/2002 | (16608) |
| 140 | 08/27/2002 | (9789) |
| 141 | 10/22/2004 | (351918) |
| 142 | 09/19/2000 | (142078) |
| 143 | 09/27/2000 | (142079) |
| 144 | 02/18/2003 | (24434) |
| 145 | 01/22/2001 | (157073) |
| 146 | 10/19/2000 | (142080) |
| 147 | 11/29/2000 | (142081) |
| 148 | 01/12/2004 | (258944) |
| 149 | 12/28/2000 | (142082) |
| 150 | 08/22/2002 | (8627) |
| 151 | 01/09/2001 | (142083) |
| 152 | 05/21/2002 | (1403) |
| 153 | 11/25/2003 | (255830) |
| 154 | 12/09/2004 | (343311) |
| 155 | 01/19/2001 | (142084) |
| 156 | 11/25/2003 | (250820) |
| 157 | 12/27/2002 | (157071) |
| 158 | 01/19/2001 | (142085) |
| 159 | 11/23/2004 | (341009) |
| 160 | 06/17/2004 | (273007) |
| 161 | 01/25/2001 | (142086) |
| 162 | 02/26/2003 | (26112) |
| 163 | 12/14/2004 | (343317) |
| 164 | 02/16/2001 | (142087) |
| 165 | 11/03/2004 | (333511) |
| 166 | 02/16/2001 | (142088) |
| 167 | 03/28/2003 | (28455) |
| 168 | 12/14/2004 | (343284) |
| 169 | 03/22/2001 | (142089) |
| 170 | 12/20/2001 | (157070) |

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| 171 | 03/29/2001 | (142090) |
| 172 | 12/11/2000 | (157069) |
| 173 | 04/04/2001 | (142091) |
| 174 | 04/16/2004 | (267638) |
| 175 | 11/17/2004 | (340850) |
| 176 | 04/23/2001 | (142092) |
| 177 | 12/18/2003 | (257514) |
| 178 | 04/24/2001 | (142093) |
| 179 | 04/30/2001 | (142094) |
| 180 | 10/01/2001 | (246510) |
| 181 | 05/07/2001 | (142095) |
| 182 | 04/13/2004 | (265167) |
| 183 | 06/05/2001 | (142096) |
| 184 | 11/22/2002 | (157067) |
| 185 | 07/25/2001 | (142097) |
| 186 | 08/22/2002 | (2308) |
| 187 | 02/26/2003 | (25851) |
| 188 | 11/07/2001 | (142098) |
| 189 | 11/26/2001 | (157066) |
| 190 | 12/28/2004 | (344974) |
| 191 | 11/16/2004 | (340570) |
| 192 | 11/07/2001 | (142099) |
| 193 | 10/13/2004 | (337038) |
| 194 | 11/29/2001 | (142100) |
| 195 | 01/14/2005 | (345345) |
| 196 | 12/04/2001 | (142101) |
| 197 | 02/26/2004 | (255896) |
| 198 | 08/21/2002 | (3430) |
| 199 | 01/04/2002 | (142102) |
| 200 | 08/19/2002 | (8402) |
| 201 | 12/05/2000 | (157065) |
| 202 | 11/05/2004 | (337520) |
| 203 | 01/16/2002 | (142103) |
| 204 | 05/01/2000 | (246509) |
| 205 | 01/18/2002 | (142104) |
| 206 | 10/27/2003 | (281097) |
| 207 | 02/26/2003 | (25988) |
| 208 | 08/27/2002 | (9763) |
| 209 | 10/21/2002 | (157063) |
| 210 | 11/25/2003 | (255834) |
| 211 | 12/13/2004 | (262649) |
| 212 | 11/01/2001 | (157062) |
| 213 | 09/23/2000 | (157061) |
| 214 | 02/23/2001 | (246508) |
| 215 | 01/22/2002 | (142105) |
| 216 | 12/20/2004 | (338265) |
| 217 | 01/29/2002 | (142106) |
| 218 | 09/20/2002 | (157060) |
| 219 | 02/12/2003 | (24271) |
| 220 | 02/14/2002 | (142107) |
| 221 | 08/13/2002 | (5940) |
| 222 | 09/04/2002 | (10679) |
| 223 | 09/21/2001 | (157059) |

224 08/15/2002 (2306)
 225 12/22/2004 (381756)
 226 08/21/2003 (151374)
 227 08/13/2002 (5915)
 228 08/03/2004 (283906)
 229 02/22/2002 (142108)
 230 11/25/2003 (255835)
 231 09/14/2000 (157058)
 232 02/26/2003 (25854)
 233 02/26/2003 (26078)
 234 09/01/2004 (289574)
 235 12/17/2004 (344033)
 236 03/04/2002 (142109)
 237 03/28/2002 (142110)
 238 08/23/2002 (157057)
 239 06/07/2002 (142111)
 240 08/05/2002 (2552)

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

Date: 06/13/2002 (142111)

Classification: Moderate

Self Report? NO
 Rqmt Prov: OP IA
 Description: EXCEEDS MAERT VALUES

Date: 07/31/2000 (157055)

Classification: Moderate

Self Report? YES
 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: 11/17/2004 (340850)

Classification: Moderate

Self Report? NO
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PERMIT IA
 Description: Failure to prevent the leaks from the valves 30HIC4-A/B and caused the release of air contaminants from the emission point which is not listed in the MAERT.

Date: 12/20/2004 (335252)

Classification: Moderate

Self Report? YES
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PA IA
 Description: Sterling Chemicals failed to prevent external corrosion on a pipeline.

Date: 11/16/2004 (339730)

Classification: Moderate

Self Report? NO
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PERMIT IA
 Description: Failure to operate the flare within MAERT limits

Date: 01/31/2003 (157034)

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: 05/31/2004 (294920)

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: 03/30/2004 (332762)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
30 TAC Chapter 305, SubChapter F 305.125(17)

Description: NON-RPT VIOS FOR MONIT PER OR PIPE

Date: 07/31/2003 (294923)

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: 12/13/2004 (262649)

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: PA IA

Description: Solutia failed to prevent moisture from entering the igniter unit on the flare.

Date: 10/31/2003 (294928)

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: 05/19/2000 (142070)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.142(1)(A)
Description: VOC-PETROLEUM REFINERY

Date: 12/31/2000 (157073)

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: 11/30/2001 (157070)

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: 10/01/2001 (246510)
Self Report? NO
Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Description: NON-RPT VIOS FOR MONIT PER OR PIPE
Date: 11/22/2004 (340787)
Self Report? NO
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)[G]
Description: Failure to submit the initial notification of the emissions event within 24 hours after the start of incident.
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 IA
Description: Failure to limit the emissions from the scrubber within the MAERT limits.
Date: 01/03/2005 (343620)
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: PA IA
Description: Solutia inadvertently sent steam through the drain line to the process sewer increasing the pressure in the process sewer tank.
Self Report? NO
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
Description: Failure to report an emissions event (Incident #45511) that occurred at the AN7 Unit in a timely manner.
Date: 11/18/2004 (341009)
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 IA
Description: Failure to prevent tripping of the boiler (30H5) and relit the burners in a timely manner and caused the release of air pollutants from the emission point that was not listed in the MAERT.
Date: 10/31/2000 (157065)
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: 05/01/2000 (246509)
Self Report? NO
Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Description: NON-RPT VIOS FOR MONIT PER OR PIPE
Self Report? NO
Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Description: NON-RPT VIOS FOR MONIT PER OR PIPE

Date: 12/03/2002 (9849)

Classification: Minor

Self Report? NO

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Description: failed to conduct audio, olfactory, and visual checks for Hydrogen Fluoride (HF) leaks within the operating area for both the shifts (day and night) on September 29, 2002 and the day shift on July 22, 2002 as required by their TCEQ Air Permit No. 6534, Special Condition (SC) 13 A.

Classification: Minor

Self Report? NO

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Description: failed to record pH values of caustic scrubber liquor effluent on 8/28/00, 9/4/00, 10/31/00, 11/11/00, 11/13/00, 11/14/00, 12/28/00, 2/20/01, 3/6/01, 4/18/01, 6/17/01, 6/18/01, 7/27/01, 7/28/01, 8/01/01, and 10/4/01 as required by their TCEQ Air Permit No. 6534, Special Condition (SC) 4.

Date: 01/07/2002 (142102)

Classification: Moderate

Self Report? NO

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)

Description: NESHAP STANDARDS

Date: 09/30/2002 (157063)

Classification: Moderate

Self Report? YES

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: 12/27/2001 (142104)

Classification: Moderate

Self Report? NO

Citation: 30 TAC Chapter 113, SubChapter C 113.120

Description: SOCMV VNTS VESSEL WW.

Classification: Moderate

Self Report? NO

Citation: 30 TAC Chapter 113, SubChapter C 113.120

Description: FAILURE TO SUBMIT RPTS

Classification: Moderate

Self Report? NO

Citation: 30 TAC Chapter 113, SubChapter C 113.120

Description: SOCMV VNTS, VESSEL WW

Classification: Moderate

Self Report? NO

Citation: 30 TAC Chapter 113, SubChapter C 113.120

Description: SOCMV-VNTS.VESSL.,WW

Date: 09/30/2001 (157062)

Classification: Moderate

Self Report? YES

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: 02/23/2001 (246508)

Classification: Moderate

Self Report? NO

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: NON-RPT VIOS FOR MONIT PER OR PIPE

Classification: Moderate

Self Report? NO

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Description: NON-RPT VIOS FOR MONIT PER OR PIPE
Date: 12/27/2002 (142104)
Self Report? NO
Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120
Description: SOCMI-VNTS. VESSL.,WW
Date: 08/31/2001 (157059)
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: 02/15/2002 (142107)
Self Report? NO
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
Rqmt Prov: OP IA
Description: PERMIT SPECIAL CONDITI
Self Report? NO
Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120
Description: SOCMI VNTS VESSL WW
Self Report? NO
Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120
Description: SOCMI-VENTS VESSL WW
Date: 07/31/2002 (157057)
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: 02/27/2002 (142108)
Self Report? NO
Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120
Description: SOCMI-VNTS,VESSL,WW
Self Report? NO
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(1)
Description: GENERAL CONDITIONS
Date: 07/31/2001 (157056)
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

F. Environmental audits.

Notice of Intent Date: 01/02/2002
No DOV Associated

Notice of Intent Date: 05/15/2002
No DOV Associated

Notice of Intent Date: 09/23/2004

Disclosure Date: 11/18/2004

Disclosure Date: 01/07/2005

Disclosure Date: 01/21/2005

Disclosure Date: 01/28/2005

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



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision April 25, 2006

| | | | | | | |
|--------------|----------|-------------|-----------|-------------|---------|--|
| DATES | Assigned | 24-Aug-2006 | Screening | 11-Sep-2006 | EPA Due | |
| | PCW | 12-Oct-2006 | | | | |

| | |
|--|--------------|
| RESPONDENT/FACILITY INFORMATION | |
| Respondent | Solutia Inc. |
| Reg. Ent. Ref. No. | RN100238682 |
| Facility/Site Region | 12-Houston |
| Major/Minor Source | Major Source |

| | | | |
|---------------------------------|-----------------|-------------------|--------------------|
| CASE INFORMATION | | | |
| Enf./Case ID No. | 31130 | No. of Violations | 2 |
| Docket No. | 2006-1599-AIR-E | Order Type | 1660 |
| Media Program(s) | Air Quality | Enf. Coordinator | Nadia Hameed |
| Multi-Media | | EC's Team | Enforcement Team 6 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$10,000 |

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** \$5,100

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 147% Enhancement **Subtotals 2, 3, & 7** \$7,497

Notes: Penalty enhancement due to thirteen same or similar NOVs, twenty-four unrelated NOVs, of which twelve were self-reported effluent discharge violations, two agreed orders with a denial of liability. Penalty reduction due to six Notices of Audit submitted.

Culpability No 0% Enhancement **Subtotal 4** \$0

Notes: The respondent does not meet culpability criteria.

Good Faith Effort to Comply 25% Reduction **Subtotal 5** -\$1,275

| | | |
|---------------|------------|-------------------------------|
| | Before NOV | NOV to EDPRP/Settlement Offer |
| Extraordinary | | |
| Ordinary | X | |
| N/A | | (mark with a small x) |

Notes: The respondent completed all corrective actions between November 21, 2005 to April 3, 2006.

Economic Benefit 0% Enhancement* **Subtotal 6** \$0

| | | |
|----------------------------|---------|-----------------------------------|
| Total EB Amounts | \$68 | *Capped at the Total EB \$ Amount |
| Approx. Cost of Compliance | \$3,500 | |

SUM OF SUBTOTALS 1-7 **Final Subtotal** \$11,322

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment** \$0

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

Notes:

Final Penalty Amount \$11,322

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** \$10,222

DEFERRAL **Adjustment** \$0

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

Notes: No deferral recommended as this is not an expedited order.

PAYABLE PENALTY \$10,222

PCW #2

Screening Date 11-Sep-2006 **Docket No.** 2006-1599-AIR-E **PCW**
Respondent Solutia Inc. *Policy Revision 2 (September 2002)*
Case ID No. 31130 *PCW Revision April 25, 2006*
Reg. Ent. Reference No. RN100238682
Media [Statute] Air Quality
Enf. Coordinator Nadia Hameed

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 <i>(number of NOVs meeting criteria)</i> | 13 | 65% |
| | Other written NOVs | 24 | 48% |
| Orders | Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i> | 2 | 40% |
| | 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 <i>(number of judgements or consent decrees meeting criteria)</i> | 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 <i>(number of counts)</i> | 0 | 0% |
| Emissions | Chronic excessive emissions events <i>(number of events)</i> | 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 <i>(number of audits for which notices were disclosed)</i> | 6 | -6% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i> | 0 | 0% |
| <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) 147%

>> 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

Penalty enhancement due to thirteen same or similar NOVs, twenty -four unrelated NOVs, of which twelve were self-reported effluent discharge violations, two agreed orders with a denial of liability. Penalty reduction due to six Notices of Audit submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 147%

| | | | | |
|--------------------------------|--|---|-----------------|------------|
| Screening Date | 11-Sep-2006 | Docket No. | 2006-1599-AIR-E | PCW |
| Respondent | Solutia Inc. | <i>Policy Revision 2 (September 2002)</i> | | |
| Case ID No. | 31130 | <i>PCW Revision April 25, 2006</i> | | |
| Reg. Ent. Reference No. | RN100238682 | | | |
| Media [Statute] | Air Quality | | | |
| Enf. Coordinator | Nadia Hameed | | | |
| Violation Number | 1 | | | |
| Primary Rule Cite(s) | Air Permit No. 18251, Special Condition No. 4 and Tex. Admin. Code § 116.115(c) | | | |
| Secondary Rule Cite(s) | Tex. Health & Safety Code § 382.085(b) | | | |
| Violation Description | Failed to prevent unauthorized emissions. Specifically, during an emissions event that occurred on November 12, 2005 in the AN3 Unit, 421.90 pounds of acetonitrile, 8,842.40 pounds of carbon monoxide, 39.70 pounds of hydrogen cyanide, 2,655.40 pounds of propane and 428.90 pounds of propylene were released over a period of one hour and twenty-five minutes. Since the emissions event was not reported within 24 hours of discovery, Solutia failed to meet the demonstration criteria for an affirmative defense under 30 Tex. Admin. Code § 101.222. | | | |
| Base Penalty | | | | \$10,000 |

>> **Environmental, Property and Human Health Matrix**

| | | | | | |
|-----------|----------------|-------|----------|-------|--------------------|
| OR | Harm | | | | |
| | Release | Major | Moderate | Minor | |
| | Actual | | X | | Percent 50% |
| Potential | | | | | |

>> **Programmatic Matrix**

| | | | | | |
|--|---------------|-------|----------|-------|----------------|
| | Falsification | Major | Moderate | Minor | Percent |
| | | | | | |

Matrix Notes: Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violations.

Adjustment -\$5,000

Base Penalty Subtotal \$5,000

Violation Events

Number of Violation Events: 1 Number of violation days: 1

| | | |
|--------------------------------|------------|--|
| mark only one use a small x | daily | |
| | monthly | |
| | quarterly | |
| | semiannual | |
| | annual | |
| single event | X | |

Violation Base Penalty \$5,000

One single event is recommended.

| | |
|---|---|
| Economic Benefit (EB) for this violation | Statutory Limit Test |
| Estimated EB Amount: \$0 | Violation Final Penalty Total: \$11,100 |
| This violation Final Assessed Penalty (adjusted for limits) \$10,000 | |

Economic Benefit Worksheet

Respondent: Solutia Inc.
Case ID No.: 31130
Reg. Ent. Reference No.: RN100238682
Media [Statute]: Air Quality
Violation No.: 1

| 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 | | | | 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 for this violation is included in Violation No. 2.

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

TOTAL

| | | | | |
|--------------------------------|--|---|-----------------|---------------------------------------|
| Screening Date | 11-Sep-2006 | Docket No. | 2006-1599-AIR-E | PCW |
| Respondent | Solutia Inc. | <i>Policy Revision 2 (September 2002)</i> | | |
| Case ID No. | 31130 | <i>PCW Revision April 25, 2006</i> | | |
| Reg. Ent. Reference No. | RN100238682 | | | |
| Media [Statute] | Air Quality | | | |
| Enf. Coordinator | Nadia Hameed | | | |
| Violation Number | <input type="text" value="2"/> | | | |
| Primary Rule Cite(s) | <input type="text" value="30 Tex. Admin. Code § 101.201(a)(1)(B)"/> | | | |
| Secondary Rule Cite(s) | <input type="text" value="Tex. Health & Safety Code § 382.085(b)"/> | | | |
| Violation Description | <input type="text" value="Failed to make initial notification within 24 hours of discovery of an emissions event that started on November 12, 2005. Specifically, the emissions event occurred on November 12, 2005, and was reported on November 15, 2005."/> | | | |
| Base Penalty | | | | <input type="text" value="\$10,000"/> |

>> **Environmental, Property and Human Health Matrix**

| | | | | | |
|----|----------------|----------------------|----------------------|------------------------------|----------------------|
| OR | Harm | | | Percent <input type="text"/> | |
| | Release | Major | Moderate | | Minor |
| | Actual | <input type="text"/> | <input type="text"/> | | <input type="text"/> |
| | Potential | <input type="text"/> | <input type="text"/> | <input type="text"/> | |

>> **Programmatic Matrix**

| | | | | | |
|---------------------|---|----------------------|----------------------|-------------------------------------|---|
| | Falsification | Major | Moderate | Minor | Percent <input type="text" value="1%"/> |
| | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input checked="" type="checkbox"/> | |
| Matrix Notes | <input type="text" value="More than 70% of the rule requirement was met."/> | | | | |

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events Number of violation days

| | | |
|--|--------------|-------------------------------------|
| <i>mark only one use a small x</i> | daily | <input type="text"/> |
| | monthly | <input type="text"/> |
| | quarterly | <input type="text"/> |
| | semiannual | <input type="text"/> |
| | annual | <input type="text"/> |
| | single event | <input checked="" type="checkbox"/> |

Violation Base Penalty

| | |
|--|--|
| Economic Benefit (EB) for this violation | Statutory Limit Test |
| Estimated EB Amount <input type="text" value="\$68"/> | Violation Final Penalty Total <input type="text" value="\$222"/> |
| This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$222"/> | |

Economic Benefit Worksheet

Respondent: Solutia Inc.
Case ID No.: 31130
Reg. Ent. Reference No.: RN100238682
Media [Statute]: 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 |
|------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|

| 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 | \$3,500 | 12-Nov-2005 | 03-Apr-2006 | 0.4 | \$68 | n/a | \$68 |
| 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: Estimated cost to train plant personnel on reporting requirements. Required date based on the date of the emissions event. Final date based on when training was completed.

| 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 \$3,500

TOTAL \$68

CH # 2

Compliance History

| | | | | |
|-------------------------------------|-------------|-----------------------|-------------------------|-------------------|
| Customer/Respondent/Owner-Operator: | CN600132856 | Solutia Inc. | Classification: AVERAGE | Rating: 2.33 |
| Regulated Entity: | RN100238682 | CHOCOLATE BAYOU PLANT | Classification: AVERAGE | Site Rating: 1.65 |

| | | | |
|---------------|-------------------------------|----------------|--------------|
| ID Number(s): | AIR OPERATING PERMITS | ACCOUNT NUMBER | BL0038U |
| | AIR OPERATING PERMITS | PERMIT | 1258 |
| | AIR OPERATING PERMITS | PERMIT | 2317 |
| | AIR OPERATING PERMITS | PERMIT | 2318 |
| | AIR OPERATING PERMITS | PERMIT | 2319 |
| | AIR OPERATING PERMITS | PERMIT | 2320 |
| | AIR OPERATING PERMITS | PERMIT | 2321 |
| | AIR OPERATING PERMITS | PERMIT | 2322 |
| | AIR OPERATING PERMITS | PERMIT | 2323 |
| | AIR OPERATING PERMITS | PERMIT | 2324 |
| | AIR OPERATING PERMITS | PERMIT | 2325 |
| | PUBLIC WATER SYSTEM/SUPPLY | REGISTRATION | 0200049 |
| | WASTEWATER | PERMIT | WQ0000001000 |
| | WASTEWATER | PERMIT | TPDES0003875 |
| | AIR NEW SOURCE PERMITS | PERMIT | 2271 |
| | AIR NEW SOURCE PERMITS | PERMIT | 3046 |
| | AIR NEW SOURCE PERMITS | PERMIT | 5065 |
| | AIR NEW SOURCE PERMITS | PERMIT | 5084 |
| | AIR NEW SOURCE PERMITS | PERMIT | 5336 |
| | AIR NEW SOURCE PERMITS | PERMIT | 6534 |
| | AIR NEW SOURCE PERMITS | PERMIT | 8372 |
| | AIR NEW SOURCE PERMITS | PERMIT | 14488 |
| | AIR NEW SOURCE PERMITS | PERMIT | 18130 |
| | AIR NEW SOURCE PERMITS | PERMIT | 18251 |
| | AIR NEW SOURCE PERMITS | PERMIT | 28738 |
| | AIR NEW SOURCE PERMITS | PERMIT | 28694 |
| | AIR NEW SOURCE PERMITS | PERMIT | 32151 |
| | AIR NEW SOURCE PERMITS | PERMIT | 34029 |
| | AIR NEW SOURCE PERMITS | PERMIT | 38336 |
| | AIR NEW SOURCE PERMITS | PERMIT | 38998 |
| | AIR NEW SOURCE PERMITS | PERMIT | 39171 |
| | AIR NEW SOURCE PERMITS | PERMIT | 39643 |
| | AIR NEW SOURCE PERMITS | PERMIT | 48895 |
| | AIR NEW SOURCE PERMITS | ACCOUNT NUMBER | BL0038U |
| | AIR NEW SOURCE PERMITS | AFS NUM | 0009 |
| | AIR NEW SOURCE PERMITS | EPA ID | PSDTP910 |
| | AIR NEW SOURCE PERMITS | PERMIT | 18251 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 75639 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 76211 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 71063 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 71232 |
| | AIR NEW SOURCE PERMITS | EPA ID | PSDTP307A |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 72545 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 72689 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 73707 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 73857 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 74040 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 74788 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 75318 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 77064 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 77079 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 78148 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 78728 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 79253 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 79629 |
| | RADIOACTIVE WASTE | LICENSE | RW0219 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | WDW013 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | WDW224 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | WDW318 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | WDW326 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | WDW359 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | WDW002 |

| | | |
|---|----------------------------------|--------------|
| UNDERGROUND INJECTION CONTROL | PERMIT | WDW001 |
| INDUSTRIAL AND HAZARDOUS WASTE GENERATION | SOLID WASTE REGISTRATION # (SWR) | 30138 |
| INDUSTRIAL AND HAZARDOUS WASTE GENERATION | EPA ID | TXD001700806 |
| INDUSTRIAL AND HAZARDOUS WASTE PROCESSING | EPA ID | TXD001700806 |
| STORMWATER | PERMIT | TXR050891 |
| WATER LICENSING | LICENSE | 0200049 |
| IHW CORRECTIVE ACTION | SOLID WASTE REGISTRATION # (SWR) | 30138 |
| INDUSTRIAL AND HAZARDOUS WASTE COMPLIANCE PLANS | PERMIT | 50189 |
| INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE | PERMIT | 50189 |
| INDUSTRIAL AND HAZARDOUS WASTE STORAGE | PERMIT | 50189 |
| INDUSTRIAL AND HAZARDOUS WASTE STORAGE | PERMIT | 50189 |

Location: FM 2917, ALVIN, TX, 77512 Rating Date: 9/1/2005 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: September 08, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 28, 2001 to August 31, 2006

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: NHameed Phone: 713-767-3629

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? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A Effective Date: 02/20/2006 ADMINORDER 2005-0555-AIR-E
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ Air Permit #39171, SC#4 PA
Description: Equistar failed to close the automatic inlet valve to the incinerator.

Effective Date: 10/10/2003 ADMINORDER 2002-0174-AIR-E
Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120
30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT F 63.104(c)(1)(ii)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 2 PERMIT
Description: Failure to have a monitoring plan that indicates the monitoring parameter levels that constitute a leak from the heat exchangers into the water of cooling towers E379CT3, E379CT4, and 70382EG.

Classification: Moderate
Citation: 30 TAC Chapter 113, SubChapter C 113.120
30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Part 63, Subpart G 63.120(b)(9)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 2 PERMIT

Description: Failure to notify the TCEQ in writing 30 days in advance of seal gap measurements taken in affiliation with the 1999, 2000, and 2001 annual external floating roof tank inspection of tanks 332T1-1 and 332T1-2.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120

30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Part 63, Subpart G 63.133(d)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 2 PERMIT

Description: Failure to adequately conduct the 2001 seal gap measurements and generate raw data and calculations relating to external floating roof tank 332T1-1.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC5C PERMIT

Description: Failure to conduct stack testing of incinerator 55H2 within 60 days of start-up of the facilities.

Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.120

40 CFR Part 63, Subpart G 63.152(c)(2)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit a complete periodic report. Specifically, the periodic report submitted on April 25, 2000 for the October 1999 to March 2000 reporting period did not reference or include data pertaining to incinerator EPN 55H2.

Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.120

40 CFR Part 63, Subpart G 63.118(f)(3)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit complete periodic reports.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.120

30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.152(b)(1)

40 CFR Part 63, Subpart G 63.120(d)(2)(i)

40 CFR Part 63, Subpart G 63.122(b)

Rqmt Prov: SC2 PERMIT

Description: Failure to have an adequate monitoring plan for absorbers 320S322-1 and 320S322-2, that ensures the absorbers are being properly operated and maintained.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(C)[G]

30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Not specified PERMIT

Description: Failure to comply with the Maximum Allowable Emission Rates Table (MAERT) contained in TCEQ Air Permit No. 38336 for waste heat boiler EPN 70Z401 by emitting VOCs at 9.52 pounds per hour (lbs./hr) when the permitted limit is 8.89 lbs./hr.

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 02/26/2003 (26108)
N/A

2 03/12/2003 (27234)
3 02/26/2003 (25864)
4 07/22/2003 (157054)
5 07/18/2002 (157053)
6 07/20/2006 (467521)
7 06/20/2003 (157050)
8 08/25/2003 (150697)
9 12/16/2004 (336194)
10 05/12/2006 (464820)
11 03/20/2006 (498075)
12 12/20/2004 (338296)
13 12/30/2004 (343622)
14 12/20/2005 (435369)
15 06/24/2002 (157049)
16 04/24/2006 (498076)
17 01/12/2004 (258960)
18 12/18/2003 (257385)
19 02/26/2003 (26050)

20 02/27/2004 (262913)
21 05/22/2006 (498077)
22 01/09/2006 (439878)
23 06/23/2006 (498078)
24 12/10/2004 (263071)
25 07/10/2006 (464446)
26 05/18/2006 (451024)
27 01/24/2006 (440227)
28 10/08/2002 (13170)
29 05/20/2003 (37989)
30 05/21/2003 (157046)
31 02/26/2003 (25856)
32 08/30/2005 (401906)
33 05/31/2005 (379386)
34 11/25/2003 (255837)
35 05/22/2002 (157045)
36 08/25/2005 (401920)
37 02/28/2005 (347701)
38 02/27/2004 (262943)
39 04/04/2005 (349690)
40 02/27/2004 (263910)
41 04/06/2005 (376386)
42 12/02/2003 (255621)
43 03/04/2003 (23648)
44 04/08/2005 (376952)
45 09/01/2004 (271988)
46 04/12/2004 (253529)
47 05/31/2006 (466924)
48 06/20/2002 (2667)
49 06/12/2002 (1455)
50 02/27/2004 (262933)
51 05/12/2006 (464822)
52 11/16/2004 (334879)
53 07/21/2005 (398102)
54 04/21/2003 (157042)
55 08/24/2005 (377022)
56 02/27/2003 (24374)
57 06/21/2006 (467669)
58 02/23/2004 (294912)
59 05/31/2005 (374702)

60 04/22/2002 (157041)
61 02/14/2006 (453399)
62 10/21/2005 (433182)
63 12/10/2004 (260541)
64 08/01/2002 (2568)
65 04/19/2006 (451614)
66 03/22/2004 (294915)
67 08/21/2003 (151361)
68 11/12/2003 (253266)
69 04/20/2004 (294916)
70 02/21/2005 (349363)
71 02/14/2006 (453392)
72 12/03/2002 (9849)
73 02/16/2006 (405519)
74 11/03/2004 (333514)
75 10/29/2003 (253450)
76 03/21/2003 (157037)
77 05/25/2004 (294918)
78 12/30/2004 (345394)
79 06/29/2006 (482600)
80 03/18/2002 (157036)
81 06/21/2004 (294920)
82 03/30/2004 (332762)
83 11/19/2002 (13812)
84 01/03/2005 (343620)
85 11/12/2003 (252275)
86 07/23/2004 (351912)
87 02/21/2003 (157034)

88 04/06/2005 (376392)
89 08/31/2004 (271365)
90 08/25/2003 (294923)
91 02/22/2002 (157033)
92 06/29/2006 (482575)
93 01/16/2004 (255951)
94 09/11/2003 (248057)
95 09/01/2005 (401916)
96 12/11/2002 (15178)
97 09/23/2003 (294925)
98 08/19/2004 (351913)
99 05/21/2002 (1411)
100 10/21/2005 (433183)
101 06/29/2005 (394959)
102 02/27/2004 (262947)
103 11/16/2004 (340676)
104 10/21/2003 (294927)
105 09/23/2004 (334052)
106 11/21/2003 (294928)
107 11/05/2004 (338995)
108 10/13/2004 (337045)
109 12/20/2005 (439435)
110 09/20/2004 (351914)
111 01/31/2003 (22887)
112 08/23/2002 (1525)
113 08/14/2003 (148336)
114 09/11/2003 (248048)
115 12/09/2004 (343333)
116 12/23/2003 (294929)
117 11/16/2004 (340661)
118 02/26/2003 (26041)
119 02/26/2003 (25983)
120 01/03/2005 (343624)
121 02/27/2004 (262922)
122 01/23/2004 (294931)
123 01/24/2006 (440219)

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| 124 | 10/22/2004 | (351915) |
| 125 | 07/30/2004 | (284372) |
| 126 | 08/19/2003 | (149876) |
| 127 | 12/23/2004 | (336768) |
| 128 | 08/17/2006 | (497124) |
| 129 | 08/14/2003 | (148343) |
| 130 | 06/05/2006 | (463415) |
| 131 | 12/15/2004 | (351916) |
| 132 | 04/30/2006 | (468247) |
| 133 | 05/31/2005 | (379380) |
| 134 | 12/20/2004 | (335252) |
| 135 | 05/31/2006 | (466929) |
| 136 | 10/24/2005 | (468248) |
| 137 | 09/01/2004 | (270694) |
| 138 | 05/17/2006 | (458668) |
| 139 | 10/04/2005 | (379884) |
| 140 | 11/16/2004 | (339730) |
| 141 | 03/03/2006 | (457603) |
| 142 | 02/26/2003 | (25859) |
| 143 | 08/06/2002 | (6823) |
| 144 | 11/22/2004 | (340787) |
| 145 | 03/29/2004 | (267307) |
| 146 | 11/28/2005 | (468249) |
| 147 | 08/24/2005 | (405509) |
| 148 | 11/04/2004 | (351917) |
| 149 | 09/01/2004 | (272089) |
| 150 | 12/10/2004 | (263070) |
| 151 | 10/29/2003 | (253464) |
| 152 | 09/23/2004 | (334055) |
| 153 | 12/20/2005 | (468250) |
| 154 | 01/23/2003 | (157075) |
| 155 | 02/07/2003 | (9887) |

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|-----|------------|----------|
| 156 | 07/01/2003 | (36597) |
| 157 | 01/23/2006 | (468251) |
| 158 | 01/23/2002 | (157074) |
| 159 | 12/10/2002 | (16608) |
| 160 | 08/27/2002 | (9789) |
| 161 | 10/22/2004 | (351918) |
| 162 | 02/18/2003 | (24434) |
| 163 | 08/19/2005 | (404318) |
| 164 | 05/31/2006 | (466931) |
| 165 | 05/16/2005 | (380841) |
| 166 | 05/18/2006 | (449724) |
| 167 | 01/12/2004 | (258944) |
| 168 | 04/25/2005 | (377968) |
| 169 | 08/22/2002 | (8627) |
| 170 | 05/21/2002 | (1403) |
| 171 | 11/25/2003 | (255830) |
| 172 | 12/09/2004 | (343311) |
| 173 | 11/25/2003 | (250820) |
| 174 | 12/27/2002 | (157071) |
| 175 | 03/24/2005 | (419586) |
| 176 | 11/23/2004 | (341009) |
| 177 | 06/17/2004 | (273007) |
| 178 | 04/18/2005 | (419587) |
| 179 | 02/26/2003 | (26112) |
| 180 | 12/14/2004 | (343317) |
| 181 | 11/03/2004 | (333511) |
| 182 | 05/23/2005 | (419588) |
| 183 | 05/31/2006 | (466932) |
| 184 | 07/25/2006 | (485504) |
| 185 | 03/28/2003 | (28455) |
| 186 | 10/11/2005 | (399217) |
| 187 | 12/14/2004 | (343284) |

188 12/20/2001 (157070)
189 06/23/2005 (419589)
190 05/12/2006 (464824)
191 06/08/2005 (348652)
192 04/16/2004 (267638)
193 11/17/2004 (340850)
194 08/24/2005 (349399)
195 12/18/2003 (257514)
196 02/24/2005 (349397)
197 10/01/2001 (246510)
198 01/30/2006 (438969)
199 04/13/2004 (265167)
200 11/22/2002 (157067)
201 08/22/2002 (2308)
202 02/26/2003 (25851)
203 11/07/2001 (142098)
204 11/26/2001 (157066)
205 12/28/2004 (344974)
206 11/16/2004 (340570)
207 11/07/2001 (142099)
208 10/13/2004 (337038)
209 11/29/2001 (142100)
210 08/24/2005 (405513)
211 01/14/2005 (345345)
212 12/04/2001 (142101)
213 04/17/2006 (460779)
214 02/26/2004 (255896)
215 08/21/2002 (3430)
216 01/04/2002 (142102)
217 08/19/2002 (8402)
218 06/29/2006 (466692)
219 11/05/2004 (337520)
220 04/06/2005 (376398)
221 01/16/2002 (142103)
222 04/06/2005 (376425)
223 01/18/2002 (142104)

224 10/27/2003 (281097)
225 02/21/2006 (438633)
226 02/26/2003 (25988)
227 08/27/2002 (9763)
228 10/21/2002 (157063)
229 11/25/2003 (255834)
230 12/13/2004 (262649)
231 08/23/2006 (486778)
232 06/13/2005 (345346)
233 02/14/2005 (349294)
234 11/01/2001 (157062)
235 05/12/2006 (464828)
236 06/21/2006 (480974)
237 04/06/2005 (376432)
238 07/19/2005 (440731)
239 08/16/2005 (440732)
240 01/22/2002 (142105)
241 12/20/2004 (338265)
242 09/19/2005 (440733)
243 01/29/2002 (142106)
244 09/20/2002 (157060)
245 02/12/2003 (24271)
246 02/14/2005 (348976)
247 02/14/2002 (142107)
248 12/30/2005 (434386)
249 05/12/2006 (464827)
250 08/13/2002 (5940)
251 09/04/2002 (10679)

252 02/22/2005 (381755)
 253 09/21/2001 (157059)
 254 08/15/2002 (2306)
 255 12/22/2004 (381756)
 256 08/21/2003 (151374)
 257 08/13/2002 (5915)
 258 08/03/2004 (283906)
 259 02/22/2002 (142108)
 260 11/25/2003 (255835)
 261 02/26/2003 (25854)
 262 04/06/2005 (376403)
 263 02/26/2003 (26078)
 264 09/01/2004 (289574)
 265 12/17/2004 (344033)
 266 03/04/2002 (142109)
 267 05/16/2006 (457449)
 268 08/29/2005 (401919)
 269 03/28/2002 (142110)
 270 08/23/2002 (157057)
 271 06/07/2002 (142111)
 272 08/05/2002 (2552)
 273 04/19/2005 (376908)
 274 05/11/2005 (348724)

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

Date: 06/13/2002 (142111)
 Self Report? NO Classification: Moderate
 Rqmt Prov: OP IA
 Description: EXCEEDS MAERT VALUES
 Date: 04/04/2005 (349690)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: The regulated entity failed to prevent a shutdown of the AN2 waste heat boiler due to the malfunction of the valve positioner.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)
 Description: Solutia, Inc., - Chocolate Bayou Plant failed to identify on the emissions event
 report the permit number authorization.
 Date: 11/17/2004 (340850)
 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 IA
 Description: Failure to prevent the leaks from the valves 30HIC4-A/B and caused the release of air contaminants from the emission point which is not listed in the MAERT.
 Date: 12/20/2004 (335252)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: PA IA
 Description: Sterling Chemicals failed to prevent external corrosion on a pipeline.
 Date: 07/21/2005 (398102)
 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 IA
 Description: Solutia failed to include the facility's authorization limit and number on the final report.
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)
 Description: Solutia failed to include the facility's authorization limit and number on the final report.
 Date: 02/17/2006 (405519)
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)
 Rqmt Prov: PERMIT IA
 Description: Failure to comply with the requirements of 30 TEX. ADMIN. CODE Chapter 106.472(9).
 Date: 11/16/2004 (339730)
 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 IA
 Description: Failure to operate the flare within MAERT limits
 Date: 08/24/2005 (377022)
 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 IA
 Description: Solutia failed to properly tighten a valve.
 Date: 01/31/2003 (157034)
 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: 05/31/2004 (294920)
 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: 03/30/2004 (332762)
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 30 TAC Chapter 305, SubChapter F 305.125(17)
 Description: NON-RPT VIOS FOR MONIT PER OR PIPE
 Date: 07/31/2003 (294923)
 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: 02/16/2006 (405519)
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)
 Description: Failure to record quarterly opacity observation on Unit ID: 350H1-1
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.142(1)(E)
 Description: Solutia, Inc., failed to equip Unit IDs: P-10 and P-13, with a Close-Vent system.
 Date: 12/13/2004 (262649)
 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: PA IA
 Description: Solutia failed to prevent moisture from entering the igniter unit on the flare.
 Date: 10/31/2003 (294928)

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: 08/24/2005 (349399)

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: PA IA
Description: The regulated entity failed to prevent a leak in a propylene pump.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)
Description: failed to identify the permit number representing the propylene pump in the emissions event report.
Date: 02/14/2005 (348976)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)
5C THC Chapter 382, SubChapter A 382.085(b)
Description: Solutia failed to prevent a fire suppression discharge which resulted in a release of 145 pounds (lbs) of Halon 1301 (bromotrifluoromethane).
Date: 09/30/2005 (468248)

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: 07/25/2006 (485504)

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 IA
Description: Failure to prevent unauthorized emissions.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.221(a)
Description: Failure to maintain the AN2 Flare in good working order during facility operations.
Date: 10/31/2005 (468249)

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: 03/02/2006 (457603)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 113, SubChapter C 113.120
30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT F 63.104(c)(1)(ii)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT IA
Description: Failure to have a monitoring plan that indicates the monitoring parameter levels that constitute a leak from the heat exchangers into the water of cooling towers E379CT3, E379CT4, and 70382EG.

Self Report? NO Classification: Major
Citation: 2A TWC Chapter 7, SubChapter A 7.101
Rqmt Prov: ORDER IA
Description: Failure to comply with ordering provisions of the Commission Order Docket No. 2002-0174-AIR-E.
Date: 11/30/2001 (157070)

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: 10/01/2001 (246510)
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: NON-RPT VIOS FOR MONIT PER OR PIPE
 Date: 11/22/2004 (340787)
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)[G]
 Description: Failure to to submit the initial notification of the emissions event within 24 hours after the start of incident.
 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 IA
 Description: Failure to limit the emissions from the scrubber within the MAERT limits.
 Date: 12/31/2004 (351918)
 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: 01/03/2005 (343620)
 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: PA IA
 Description: Solutia inadvertently sent steam through the drain line to the process sewer increasing the pressure in the process sewer tank.
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
 Description: Failure to report an emissions event (Incident #45511) that occurred at the AN7 Unit in a timely manner.
 Date: 11/18/2004 (341009)
 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 IA
 Description: Failure to prevent tripping of the boiler (30H5) and relit the burners in a timely manner and caused the release of air pollutants from the emission point that was not listed in the MAERT.
 Date: 12/03/2002 (9849)
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 Description: failed to conduct audio, olfactory, and visual checks for Hydrogen Fluoride (HF) leaks within the operating area for both the shifts (day and night) on September 29, 2002 and the day shift on July 22, 2002 as required by their TCEQ Air Permit No. 6534, Special Condition (SC) 13 A.
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 Description: failed to record pH values of caustic scrubber liquor effluent on 8/28/00, 9/4/00, 10/31/00, 11/11/00, 11/13/00, 11/14/00, 12/28/00, 2/20/01, 3/6/01, 4/18/01, 6/17/01, 6/18/01, 7/27/01, 7/28/01, 8/01/01, and 10/4/01 as required by their TCEQ Air Permit No. 6534, Special Condition (SC) 4.
 Date: 01/07/2002 (142102)
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
 Description: NESHAP STANDARDS
 Date: 09/30/2002 (157063)

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: 12/27/2001 (142104)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 113, SubChapter C 113.120
 Description: SOCMI VNTS VESSEL WW.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 113, SubChapter C 113.120
 Description: FAILURE TO SUBMIT RPTS

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 113, SubChapter C 113.120
 Description: SOCMI VNTS, VESSEL WW

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 113, SubChapter C 113.120
 Description: SOCMI-VNTS.VESSL.,WW
 Date: 09/30/2001 (157062)

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: 12/27/2002 (142104)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 113, SubChapter C 113.120
 Description: SOCMI-VNTS. VESSL.,WW
 Date: 08/31/2001 (157059)

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: 02/15/2002 (142107)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 Rqmt Prov: OP IA
 Description: PERMIT SPECIAL CONDITI

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 113, SubChapter C 113.120
 Description: SOCMI VNTS VESSL WW

Self Report? NO Classification: Moderate
 Citation:

Description: 30 TAC Chapter 113, SubChapter C 113.120
 SOCMI-VENTS VESSL WW
 Date: 07/31/2002 (157057)

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: 02/27/2002 (142108)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 113, SubChapter C 113.120
 Description: SOCMI-VNTS,VESSL,WW

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(1)
 Description: GENERAL CONDITIONS

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| F. | Environmental audits. | |
| | Notice of Intent Date: 01/02/2002 | (32895) |
| | No DOV Associated | |
| | Notice of Intent Date: 05/15/2002 | (32970) |
| | No DOV Associated | |
| | Notice of Intent Date: 09/23/2004 | (347742) |
| | No DOV Associated | |
| | Notice of Intent Date: 01/03/2006 | (453378) |
| | No DOV Associated | |
| | Notice of Intent Date: 04/07/2006 | (462917) |
| | No DOV Associated | |
| | Notice of Intent Date: 05/25/2006 | (481532) |
| | 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
AGAINST
SOLUTIA INC.
RN100238682**

§
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§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2006-1599-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Solutia Inc. ("Solutia") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and Solutia, represented by Mr. Eric Groten of the law firm of Vinson & Elkins, LLP, appear before the Commission and together stipulate that:

1. Solutia owns and operates an organic chemical production plant located at Farm-to-Market Road 2917, approximately 11 miles southeast of Alvin and approximately 8 miles south of the intersection of Texas Highway 35 and FM 2917, in Brazoria County, Texas (the "Plant"). The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. The Commission and Solutia agree that the Commission has jurisdiction to enter this Agreed Order, and that Solutia is subject to the Commission's jurisdiction.
4. Solutia received notice of the violations alleged in Section II ("Allegations") on or about December 15, 2004, April 24, 2005, May 16, 2005, and August 28, 2006.
5. The occurrence of the violations are in dispute and the entry of this Agreed Order shall not constitute an admission by Solutia of the violations alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of forty-five thousand five hundred ninety-seven dollars (\$45,597.00) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Solutia has paid twenty-two thousand seven hundred ninety-nine dollars (\$22,799.00) of the administrative penalty. Twenty-two thousand seven hundred ninety-eight dollars (\$22,798.00) shall be conditionally offset by Solutia's completion of a Supplemental Environmental Project as defined in Attachment A and incorporated herein by reference. Solutia'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.
7. On December 17, 2003, Solutia filed a voluntary petition for relief pursuant to Chapter 11 of the United States Bankruptcy Code. The Automatic Stay imposed by the Bankruptcy Code (specifically, 11 USC § 362(a)) applies to actions or proceedings that could have been commenced prior to the filing of such petition. Solutia acknowledges that all of the violations contained herein arose after its filing of the petition. TCEQ's normal custom and practice would be to have Solutia seek permission from the Bankruptcy Court to enter into this Agreed Order, Docket No. 2006-1599-AIR-E; however, Solutia has affirmatively represented that Bankruptcy Court approval is not needed for Solutia to enter into this Agreed Order and by signature below affirmatively represents that Solutia is authorized without Bankruptcy Court approval to enter into this Agreed Order. In material reliance on that express representation that Bankruptcy Court approval is not needed, TCEQ enters into this Agreed Order.
8. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.
9. The Executive Director of the TCEQ and Solutia have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
10. The Executive Director recognizes that in response to the November 1 and 2, 2004 emission events, Solutia conducted employee training on December 22, 2004 to ensure that emission events were properly reported.
11. The Executive Director recognizes that on April 3, 2006, Solutia completed implementation of measures designed to ensure timely reporting of emissions events in response to the November 12, 2005 emission event. Guidelines concerning spill/release reporting for emissions events were again communicated to Plant personnel through training.
12. The Executive Director recognizes that on March 22, 2007, Solutia implemented maintenance procedure MWP 121.0 for flanged joint assembly in an effort to prevent the recurrence of emissions events due to the same cause as the January 11, 2004 emissions event.

13. The Executive Director recognizes that Solutia implemented measures designed to prevent the recurrence of an emission event due to the same cause as the November 15, 2004 event. Specifically, the procedure was modified on January 16, 2006 to raise the seal pot pressure in order to operate the propylene pump at the design pressure and prevent leakage and personnel working with the propylene equipment were retrained on this procedure.
14. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Solutia has not complied with one or more of the terms or conditions in this Agreed Order.
15. 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.
16. 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.

II. ALLEGATIONS

Solutia is alleged to have violated:

1. 30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 18251, Special Condition No. 4, and TEX. HEALTH & SAFETY CODE § 382.085(b), by failing to prevent an unauthorized emissions during a January 11, 2004 emissions event. Specifically, during the January 11, 2004 emissions event 1,334 pounds ("lbs.") of propane, 215 lbs. of propylene, 217 lbs. of acetonitrile, 24.4 lbs. of hydrogen cyanide, and 4,484 lbs. of carbon monoxide were emitted from emission point numbers 30D2 and 31D2 over a period of 36 minutes, as documented during an investigation conducted from July 13, 2004 through July 16, 2004. Since the emission event was avoidable, Solutia failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
2. 30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 18251, Special Condition No. 4, and TEX. HEALTH & SAFETY CODE § 382.085(b), by failing to prevent an unauthorized emission during an emission event that started on November 2, 2004. Specifically, during the November 2, 2004 event, 235 lbs. of unauthorized propylene were emitted from emission point number 30Z8 over a period of 17 hours and 33 minutes, as documented during an investigation conducted from April 20, 2005 through April 22, 2005. Since the emission event was not properly reported, Solutia failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

3. 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), by failing to report an emission event within 24 hours after its discovery. Specifically, the emission event that was discovered on November 2, 2004 was not reported until December 22, 2004 as documented during an investigation conducted from April 20, 2005 through April 22, 2005.
4. 30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 18251, Special Condition No. 4, and TEX. HEALTH & SAFETY CODE § 382.085(b), by failing to prevent unauthorized emissions during an emission event that started on November 15, 2004. Specifically, during the November 15, 2004 event, 1440 lbs. of propylene were emitted from emission point number 30C2 over a period of 142 hours, as documented during an investigation conducted from March 28, 2005 through March 31, 2005. Since the emission event was avoidable, Solutia failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
5. 30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 18251, Special Condition No. 4, and TEX. HEALTH & SAFETY CODE § 382.085(b), by failing to prevent unauthorized emissions during an emission event that started on November 1, 2004. Specifically, during the November 1, 2004 event, 414 lbs. of propylene were emitted from emission point number 31Z6 over a period of 26 hours and 42 minutes, as documented during an investigation conducted from April 18, 2005 through April 20, 2005. Since the emission event was not properly reported, Solutia failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
6. 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), by failing to report an emission event within 24 hours after its discovery. Specifically, the emission event that was discovered on November 1, 2004 was not reported until December 22, 2004 as documented during an investigation conducted from April 18, 2005 through April 20, 2005.
7. 30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 18251, Special Condition No. 4; and TEX. HEALTH & SAFETY CODE § 382.085(b), by failing to prevent unauthorized emissions. Specifically, during an emission event that occurred on November 12, 2005 in the AN3 Unit 421.90 pounds ("lbs.") of acetonitrile, 8,842.40 lbs. of carbon monoxide, 39.70 lbs. of hydrogen cyanide, 2,655.40 lbs. of propane and 428.90 lbs. of propylene were released over a period of one hour and twenty-five minutes, as documented during an investigation conducted on June 30, 2006. Since the emission event was not reported within 24 hours of discovery, Solutia failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
8. 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), by failing to make initial notification within 24 hours of discovery of an emissions event that

started on November 12, 2005, as documented during an investigation conducted on June 30, 2006. Specifically, the emission event occurred on November 12, 2005, and it was not reported until November 15, 2005.

III. DENIALS

Solutia generally denies the allegation contained in Section II ("Allegations").

IV. ORDER

1. It is, therefore, ordered by the TCEQ that Solutia is assessed an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Solutia's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from considering requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: Solutia Inc., Docket No. 2006-1599-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. Solutia shall implement and complete a Supplemental Environmental Project in accordance with TEX. WATER CODE § 7.067. Twenty-two thousand seven hundred ninety-eight dollars (\$22,798.00) of the assessed penalty shall be offset with the condition that Solutia implement the SEP defined in Attachment A. Solutia'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. The provisions of this Agreed Order shall apply to and be binding upon Solutia.
4. This Agreed Order, issued by the Commission, shall not be admissible against Solutia 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.

5. 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.

6. Under 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of the Order to Solutia, or three days after the date on which the Commission mails notice of the Order to Solutia, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director


8/9/07

Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

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

- A negative impact on Solutia's compliance history;
- Greater scrutiny of any permit applications submitted by Solutia;
- 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 Solutia;
- Automatic referral to the Attorney General's Office of any future enforcement actions against Solutia; and
- TCEQ seeking other relief as authorized by law.



Signature

5/22/07

Date

PAUL CARLIDGE

Name (Printed or typed)
Authorized representative of
Solutia Inc.

PLANT MANAGER

Title

Attachment A
Docket Number: 2006-1599-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Solutia Inc.

Penalty Amount: Forty-Five Thousand Five Hundred Ninety-Seven Dollars (\$45,597)

SEP Amount: Twenty-Two Thousand Seven Hundred Ninety-Eight Dollars (\$22,798)

Type of SEP: Pre-approved

Third-Party Recipient: Houston-Galveston Area Emission Reduction Credit Organization (AERCO)

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 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

Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the **Houston-Galveston Area Emission Reduction Credit Organization (AERCO)** Clean Cities/Clean Vehicles Program will perform a SEP in Brazoria County pursuant to the agreement between AERCO and the TCEQ. 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 funds will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. SEP funds will be used for the costs of replacing older diesel buses with alternative fueled or clean fuel diesel buses. The older "high emission" buses will be permanently retired and sold only for scrap. AERCO will send a verification form to TCEQ 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 emissions control technologies that are developed and approved by EPA or the California Air Resources Board.

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 retiring high-emission buses from service, purchasing newer, clean fuel technology buses, and replacing newer buses with fuel treatment technology that reduces particulate emissions and hydrocarbons.

C. Minimum Expenditure

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, Respondent must contribute the SEP Amount to the Third-Party Recipient. 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, TX 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, 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. Respondent shall mail a copy of the check and transmittal letter to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If 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.

In the event of incomplete performance, the check for any amount due shall include the notation "SEP Refund" and the docket number of the case, be made out to "Texas Commission on Environmental Quality", and be mailed to:

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

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 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

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.