

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**

**DOCKET NO.:** 2007-0815-AIR-E **TCEQ ID:** RN102926920 **CASE NO.:** 33547

**RESPONDENT NAME:** Equistar Chemicals, LP

<b>ORDER TYPE:</b>		
<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	
<b>CASE TYPE:</b>		
<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><b>SITE WHERE VIOLATION(S) OCCURRED:</b> Equistar Chemicals Bayport Complex, 5761 Underwood Road, Pasadena, Harris County</p> <p><b>TYPE OF OPERATION:</b> Petrochemical plant</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on October 29, 2007. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768  <b>TCEQ Enforcement Coordinator:</b> Ms. Cheryl Thompson, Enforcement Division, Enforcement Team 3, MC R-04, (817) 588-5886; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171  <b>Respondent:</b> CT Corporation System, Registered Agent, Equistar Chemicals, LP, 1021 Main Street Suite 1150, Houston, Texas 77002  Mr. Joseph F. Marschhauser, Plant Manager, Equistar Chemicals, LP, 5761 Underwood Road, Pasadena, Texas 77507  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> March 28, May 7, and May 18, 2007</p> <p><b>Date of NOV/NOE Relating to this Case:</b> May 3, July 13, and July 16, 2007 (NOEs)</p> <p><b>Background Facts:</b> These were routine record reviews. Two violations were documented.</p> <p><b>AIR</b></p> <p>1) Failure prevent the release of unauthorized air contaminants into the atmosphere [30 TEX. ADMIN. CODE §§ 115.722(c)(1) and 116.115(c), Air New Source Review ("NSR") Permit No. 6257E, Special Conditions No. 1, and TEXAS HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2) Failed to operate the flare with the flame present at all times. Specifically, the flame was absent from the Ethylene and Oxygen ("EO") Waste Gas Flare on May 1, 2007, for a period of 25 minutes [30 TEX ADMIN. CODE §§ 101.20(1), 101.221(a), 115.722(d) and 116.115(c), 40 CODE OF FEDERAL REGULATIONS § 60.18(c)(2), and NSR Permit No. 6257E, Special Conditions No. 7B].</p>	<p><b>Total Assessed:</b> \$32,725</p> <p><b>Total Deferred:</b> \$6,545  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$13,090</p> <p><b>Total Paid to General Revenue:</b> \$13,090</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Ordering Provisions:</b></p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)</p> <p>2) The Order will also require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Develop and implement maintenance procedures designed to prevent the recurrence of an emissions event due to the same root causes as those associated with the March 4, 2007, April 19, 2007, and May 1, 2007 events; and</p> <p>ii. Begin implementing maintenance procedures/practices to ensure that the EO Waste Gas Flare maintain a flame present at all times except during maintenance shutdown activities.</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a.</p>

Additional ID No(s): NSR Permit No. 6257E

**Attachment A**  
**Docket Number: 2007-0815-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** Equistar Chemicals, LP

**Payable Penalty Amount:** Twenty-Six Thousand One Hundred Eighty Dollars (\$26,180)

**SEP Amount:** Thirteen Thousand Ninety Dollars (\$13,090)

**Type of SEP:** Pre-approved

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

**Location of SEP:** Harris County

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

**1. Project Description**

A. Project

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

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



B. Environmental Benefit

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

C. Minimum Expenditure

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

**2. Performance Schedule**

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

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

**3. Records and Reporting**

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

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

**4. Failure to Fully Perform**

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

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



Equistar Chemicals, LP  
Agreed Order – Attachment A

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

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

**5. Publicity**

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

**6. Clean Texas Program**

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

**7. Other SEPs by TCEQ or Other Agencies**

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





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision April 26, 2007

<b>DATES</b>	Assigned	7-May-2007	Screening	15-May-2007	EPA Due	
	PCW	31-Jul-2007				

<b>RESPONDENT/FACILITY INFORMATION</b>			
Respondent	Equistar Chemicals, LP		
Reg. Ent. Ref. No.	RN102926920		
Facility/Site Region	12-Houston	Major/Minor Source	Major

<b>CASE INFORMATION</b>				
Enf./Case ID No.	33547	No. of Violations	2	
Docket No.	2007-0815-AIR-E	Order Type	1660	
Media Program(s)	Air	Enf. Coordinator	Cheryl Thompson	
Multi-Media		EC's Team	Enforcement Team 3	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** Subtotal 1 \$17,500

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

**Compliance History** 87% Enhancement Subtotals 2, 3, & 7 \$15,225

Notes: The Respondent was issued five NOVs for the same or similar violations, six NOVs for non-similar violations (2 which were self-reported), one Agreed Order and one Court Order.

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

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply** 0% Reduction Subtotal 5 \$0

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

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

**Total EB Amounts** \$670 0% Enhancement\* Subtotal 6 \$0  
 Approx. Cost of Compliance \$3,000 \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** Final Subtotal \$32,725

**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** \$32,725

**STATUTORY LIMIT ADJUSTMENT** Final Assessed Penalty \$32,725

**DEFERRAL** 20% Reduction Adjustment -\$6,545

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

Notes: Deferral offered for expedited settlement.

**PAYABLE PENALTY** \$26,180

Screening Date 15-May-2007

Docket No. 2007-0815-AIR-E

PCW

Respondent Equistar Chemicals, LP

Policy Revision 2 (September 2002)

Case ID No. 33547

PCW Revision April 26, 2007

Reg. Ent. Reference No. RN102926920

Media [Statute] Air

Enf. Coordinator Cheryl Thompson

**Compliance History Worksheet**

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	5	25%
	Other written NOVs	6	12%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	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 (number of judgments or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	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) 87%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The Respondent was issued five NOVs for the same or similar violations, six NOVs for non-similar violations (2 which were self-reported), one Agreed Order and one Court Order.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 87%

Screening Date 15-May-2007

Docket No. 2007-0815-AIR-E

PCW

Respondent Equistar Chemicals, LP

Policy Revision 2 (September 2002)

Case ID No. 33547

PCW Revision April 26, 2007

Reg. Ent. Reference No. RN102926920

Media [Statute] Air

Enf. Coordinator Cheryl Thompson

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115( c) and 30 Tex. Admin. Code § 115.722(c)(1), Air New Source Permit No. 6257E, Special Conditions No. 1, Texas Health & Safety Code § 382.085(b)

Violation Description Failed prevent the release of unauthorized air contaminants into the atmosphere (see attached table for details).

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		x		50%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment in the Houston-Galveston-Brazoria ozone nonattainment area has been exposed to significant amounts of pollutants, including highly reactive volatile organic compounds which do not exceed levels that are protective of human health or the environment.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 3 Number of violation days 3

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

Violation Base Penalty \$15,000

Three single events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$126

Violation Final Penalty Total \$28,050

This violation Final Assessed Penalty (adjusted for limits) \$28,050

## Economic Benefit Worksheet

**Respondent** Equistar Chemicals, LP  
**Case ID No.** 33547  
**Reg. Ent. Reference No.** RN102926920  
**Media** Air  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

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

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$2,500	4-Mar-2007	5-Mar-2008	1.0	\$126	n/a	\$126

Notes for DELAYED costs

Estimated cost to implement measures designed to prevent the recurrence of an emission event caused by the pressure control valve failing to open, thus causing an over pressure of the compressor system, resulting in the release of ethylene to the atmosphere. The Date Required is the date of the first emission event and the final date is 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

\$2,500

TOTAL

\$126

Screening Date 15-May-2007

Docket No. 2007-0815-AIR-E

PCW

Respondent Equistar Chemicals, LP

Policy Revision 2 (September 2002)

Case ID No. 33547

PCW Revision April 26, 2007

Reg. Ent. Reference No. RN102926920

Media [Statute] Air

Enf. Coordinator Cheryl Thompson

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1), 101.221(a), 30 Tex. Admin. Code § 115.722(d) and 30 Tex. Admin. Code § 116.115(c) and 40 CFR § 60.18(c)(2), Air New Source Permit No. 6257E, Special Conditions No. 7B

Violation Description Failed to operate the flare with the flame present at all times. Specifically, the flame was absent for the Ethylene and Oxygen Waste Gas Flare on May 1, 2007.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Failure to operate the flare with flame present at all times resulted in the release of insignificant amounts of pollutants which did not exceed levels that are protective of human health or the environment.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$544

Violation Final Penalty Total \$4,675

This violation Final Assessed Penalty (adjusted for limits) \$4,675

## Economic Benefit Worksheet

**Respondent** Equistar Chemicals, LP  
**Case ID No.** 33547  
**Reg. Ent. Reference No.** RN102926920  
**Media Air**  
**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
<b>Delayed Costs</b>							
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

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)	\$500	1-May-2007	5-Mar-2008	1.8	\$44	\$500	\$544

Notes for AVOIDED costs

Estimated cost to operate the flare with a flame present at all times. Date Required is the date the flare was without a flame, Final Date is the projected date of compliance.

Approx. Cost of Compliance \$500

TOTAL \$544

Equistar Chemicals, LP  
Docket No. 2007-0815-AIR-E  
Table for Violation No. 1  
**EMISSIONS PARAMETERS**

<b>HRVOC/VOC</b>	<b>Date Exceedance Occurred</b>	<b>Amount Emitted (lbs)</b>	<b>Duration (hours:min)</b>
Ethylene*	March 4, 2007	1,357	0:10
	April 19, 2007	9,851.98	37:58
	May 1, 2007	268.59	0:25
Ethylene Oxide	April 19, 2007	4.53	37:58
	May 1, 2007	0.23	0:25
Propane	May 1, 2007	3.59	0:25
Butane	May 1, 2007	1.54	0:25



# Compliance History

Customer/Respondent/Owner-Operator: CN600124705 Equistar Chemicals, LP Classification: AVERAGE Rating: 2.55  
 Regulated Entity: RN102926920 EQUISTAR CHEMICALS BAYPORT COMPLEX Classification: AVERAGE Site Rating: 3.52

ID Number(s):	WASTEWATER	PERMIT	WQ0003029000
	WASTEWATER	PERMIT	TPDES0103900
	WASTEWATER	PERMIT	TX0103900
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD982306144
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	38073
	AIR NEW SOURCE PERMITS	PERMIT	6257E
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG1996R
	AIR NEW SOURCE PERMITS	PERMIT	53450
	AIR NEW SOURCE PERMITS	PERMIT	6257F
	AIR NEW SOURCE PERMITS	PERMIT	24932
	AIR NEW SOURCE PERMITS	PERMIT	26681
	AIR NEW SOURCE PERMITS	PERMIT	27151
	AIR NEW SOURCE PERMITS	PERMIT	74933
	AIR NEW SOURCE PERMITS	REGISTRATION	77075
	AIR NEW SOURCE PERMITS	REGISTRATION	77418
	AIR NEW SOURCE PERMITS	REGISTRATION	77500
	AIR NEW SOURCE PERMITS	REGISTRATION	77771
	AIR NEW SOURCE PERMITS	REGISTRATION	78061
	AIR NEW SOURCE PERMITS	REGISTRATION	78854
	AIR NEW SOURCE PERMITS	AFS NUM	4820100882
	AIR NEW SOURCE PERMITS	REGISTRATION	79956
	PUBLIC WATER SYSTEM/SUPPLY WATER LICENSING	REGISTRATION	1010818
		LICENSE	1010818
	AIR OPERATING PERMITS	PERMIT	1608
	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0621B
	AIR OPERATING PERMITS	PERMIT	1373
	PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	51237
	USED OIL	REGISTRATION	C87643

Location: 5761 UNDERWOOD RD, PASADENA, TX, 77507 Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: May 23, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: May 23, 2002 to May 23, 2007

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

Name: Cheryl Thompson Phone: (817)588-5886

## 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?   | <u>N/A</u> |
| 4. If Yes, who was/were the prior owner(s)?  | <u>N/A</u> |
| 5. When did the change(s) in ownership occur?  | <u>N/A</u> |

### 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: 03/03/2005 ADMINORDER 2004-0458-AIR-E  
 Classification: Major

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

Rqmt Prov: 4157A, Special Condition No. 3 PA  
 Description: Failed to route waste gas from point sources containing volatile organic compounds (VOCs) to the flare (EPN 1-167) or obtain an exception.

Classification: Major

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

Rqmt Prov: Special Condition 6 PA

Description: Failed to operate the polyethylene production process with a required emergency particulate emission control system for containing emissions from Reactor Dump Valve B

Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354(1)(B)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to conduct yearly monitoring of 136 difficult-to-monitor (DTM) valves in the low-density polyethylene unit for year 2002

Classification: Major

Citation: 5C THC Chapter 382, SubChapter A 382.085(a)  
Description: Failed to prevent the unauthorized emissions from the polyethylene unit on February 27-28, 2003

Effective Date: 04/25/2005

COURTORDER

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
30 TAC Chapter 116, SubChapter B 116.115(c)

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

Rqmt Prov: Special Condition 1 & MACT Rate Table PERMIT

Description: Exceeded permitted values for Ethylene Oxide during an emissions event.

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	06/24/2002	(222663)
2	06/25/2002	(212929)
3	07/23/2002	(222665)
4	07/24/2002	(212932)
5	08/23/2002	(222667)
6	08/23/2002	(361915)
7	09/20/2002	(322455)
8	09/23/2002	(212937)
9	11/05/2002	(222670)
10	11/05/2002	(212940)
11	11/20/2002	(222672)
12	11/21/2002	(212944)
13	12/16/2002	(222674)
14	12/16/2002	(212948)
15	01/21/2003	(212952)
16	01/22/2003	(222676)
17	02/21/2003	(212916)
18	02/21/2003	(222653)
19	03/17/2003	(361906)
20	03/17/2003	(222656)
21	03/31/2003	(23528)
22	04/21/2003	(212923)
23	04/21/2003	(222659)
24	05/02/2003	(9931)
25	05/09/2003	(31338)
26	05/20/2003	(322450)
27	06/12/2003	(322451)
28	07/01/2003	(31841)
29	07/24/2003	(322453)

30	08/14/2003	(9930)
31	09/02/2003	(322454)
32	09/22/2003	(322456)
33	10/14/2003	(322457)
34	11/19/2003	(322458)
35	11/30/2003	(249910)
36	11/30/2003	(249778)
37	12/08/2003	(322459)
38	01/21/2004	(322460)
39	02/17/2004	(322448)
40	03/10/2004	(322449)
41	03/22/2004	(266001)
42	04/20/2004	(364156)
43	05/13/2004	(364157)
44	06/21/2004	(322452)
45	06/30/2004	(272091)
46	07/14/2004	(272984)
47	07/16/2004	(364158)
48	08/13/2004	(281185)
49	08/16/2004	(364159)
50	08/26/2004	(262293)
51	08/31/2004	(290879)
52	09/09/2004	(364160)
53	10/15/2004	(364161)
54	11/11/2004	(339649)
55	11/15/2004	(388602)
56	12/13/2004	(388603)
57	12/13/2004	(344039)
58	12/16/2004	(281572)
59	12/20/2004	(281177)
60	01/12/2005	(388604)
61	01/19/2005	(336524)
62	02/14/2005	(426151)
63	03/16/2005	(388601)
64	03/16/2005	(342074)
65	04/13/2005	(426152)
66	05/12/2005	(426153)
67	06/10/2005	(426154)
68	06/27/2005	(396201)
69	07/11/2005	(446546)
70	07/13/2005	(348288)
71	08/05/2005	(446547)
72	08/10/2005	(404095)
73	08/23/2005	(404905)
74	09/14/2005	(446548)
75	10/04/2005	(393410)
76	10/14/2005	(479270)
77	11/09/2005	(479271)
78	12/19/2005	(479272)
79	01/12/2006	(479273)
80	02/10/2006	(453461)
81	02/10/2006	(479267)
82	02/14/2006	(453530)
83	02/14/2006	(453460)
84	02/14/2006	(453533)
85	02/14/2006	(453393)
86	03/10/2006	(453272)
87	03/13/2006	(479269)
88	04/11/2006	(456847)
89	04/18/2006	(505070)
90	04/25/2006	(457466)
91	04/27/2006	(462400)
92	05/16/2006	(505071)
93	05/25/2006	(457709)
94	05/25/2006	(373692)
95	05/25/2006	(374834)

96 06/19/2006 (505072)  
 97 06/22/2006 (462252)  
 98 07/07/2006 (527370)  
 99 08/10/2006 (527371)  
 100 09/05/2006 (488332)  
 101 09/15/2006 (527372)  
 102 10/11/2006 (527373)  
 103 11/07/2006 (551134)  
 104 12/05/2006 (551135)  
 105 01/18/2007 (551136)  
 106 02/12/2007 (551133)  
 107 02/14/2007 (514773)  
 108 04/05/2007 (536838)  
 109 05/03/2007 (554897)

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

Date 03/31/2003 (212923)  
 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 04/01/2003 (23528)  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 101, SubChapter F 101.222(b)(3)  
 30 TAC Chapter 116, SubChapter B 116.115(b)(2)[G]  
 Description: Failure to control unauthorized VOC emissions during an emissions event.  
 Date 08/14/2003 (9930)  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 Rqmt Prov: PA 6257F, Special Condition No. 8  
 Description: Failure to load EEA (ethylene glycol monoethyl ether acetate); EBA (ethylene glycol monobutyl ether acetate); and DBA (diethylene glycol monobutyl ether acetate) at loading racks R-9 and T-4 only.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 Rqmt Prov: PA 6257F, Special Condition No. 9  
 Description: Failure to load HE; HM; HB; HHM; TM; MEG; DEG; TEG; HEG; MEA; DEA; and TEA at loading racks R-8 (EPN P-206) and T-5 (EPN P-207) only.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 Rqmt Prov: PA 6257E, Special Condition No. 1  
 Description: Emitted 930.9 pounds of ethylene per hour for a total of 27, 928 pounds of ethylene over a 30 hour period from June 24-25, 2003. Equistar also emitted 70 pounds of ethylene oxide over the 30 hour period which amounted to 2.3 pounds / hour.  
 Self Report? NO Classification Minor  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 Rqmt Prov: PA 6257E, Special Condition No. 9B  
 Description: Failure to maintain records of the November and December 2001 monthly monitoring results of the cooling tower (EPN UCT).  
 Self Report? NO Classification Minor  
 Citation: 30 TAC Chapter 106, SubChapter K 106.263  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 Description: Failure to maintain complete abrasive blasting & painting records to include the reason for the activity, the process and equipment involved, and the time and duration of the activity for 2002 blasting abrasive and daily paint usage forms.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 Rqmt Prov: PA 6257F, Special Condition No. 11  
 Description: Failure to load within the loading rate of 10,700 gallons per hour on 05/23/2003, 11/19/2002, and 08/08/2001.  
 Date 08/26/2004 (262293)  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(J)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ AIR PERMIT #6257E, SC#1  
 Description: Failed to submit an administratively complete initial emissions event notification.

Date 11/11/2004 (339649)  
 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 6257F, S.C. 1  
 Description: Failure to limit the emissions within the values stated in the MAERT.  
 Date 12/16/2004 (281572)  
 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 4157A  
 Description: Failure to prevent the premature failure of the reactor due to fouling.  
 Date 12/20/2004 (281177)  
 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 4157A Special Condition 1  
 Description: Failure to prevent the failure of the hydraulic oil pumps.  
 Date 04/25/2006 (457466)  
 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 No. 6257E, Special Condition 1  
 Description: Equistar Chemicals failed to prevent the malfunction of the mechanical seal of pump  
 23-6060.  
 Date 06/22/2006 (462252)  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PA #6257F, Special Condition #1  
 Description: Failure to prevent the unauthorized emission of ammonia from the pressure safety  
 relief valve to the environment.  
 Self Report? NO Classification Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)  
 Description: Failure to identify the preconstruction authorization (rule or permit #) on the final  
 record.  
 Date 12/31/2006 (551136)  
 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 03/21/2007 (536838)  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PA Permit #6257E, Special Condition 1  
 Description: Failure to prevent the unauthorized emissions of volatile organic compounds (VOC).

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A



# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
EQUISTAR CHEMICALS, LP  
RN102926920**

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

## **AGREED ORDER DOCKET NO. 2007-0815-AIR-E**

### **I. JURISDICTION AND STIPULATIONS**

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Equistar Chemicals, LP ("Equistar") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Equistar appear before the Commission and together stipulate that:

1. Equistar owns and operates a petrochemical plant at 5761 Underwood Road in Pasadena, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and Equistar agree that the Commission has jurisdiction to enter this Agreed Order, and that Equistar is subject to the Commission's jurisdiction.
4. Equistar received notice of the violations alleged in Section II ("Allegations") on or about May 8, 2007, July 18, 2007 and July 21, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Equistar of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Thirty-Two Thousand Seven Hundred Twenty-Five Dollars (\$32,725) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Equistar has paid Thirteen Thousand Ninety Dollars (\$13,090) of the administrative penalty and Six Thousand Five Hundred Forty-Five Dollars (\$6,545) is deferred



contingent upon Equistar's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Equistar fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Equistar to pay all or part of the deferred penalty. Thirteen Thousand Ninety Dollars (\$13,090) shall be conditionally offset by Equistar's completion of a Supplemental Environmental Project.

7. 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.
8. The Executive Director of the TCEQ and Equistar have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. 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 Equistar has not complied with one or more of the terms or conditions in this Agreed Order.
10. 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.
11. 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

As owner and operator of the Plant, Equistar is alleged to have:

1. Failed prevent the release of unauthorized air contaminants into the atmosphere, in violation of 30 TEX.ADMIN.CODE §§ 115.722 (c)(1) and 116.115( c), Air New Source Review Permit No. 6257E, Special Conditions No. 1, TEXAS HEALTH & SAFETY CODE § 382.085(b), as documented during record reviews conducted on March 28, 2007, May 7, 2007 and May 18, 2007 and as shown in the table below:

### *EMISSION PARAMETER*

<b>HRVOC/VOC</b>	<b>Date Exceedance Occurred</b>	<b>Amount Emitted (lbs)</b>	<b>Duration (hours:min)</b>
Ethylene*	March 4, 2007	1,357	0:10
	April 19, 2007	9,851.98	37:58
	May 1, 2007	268.59	0:25
Ethylene Oxide	April 19, 2007	4.53	37:58
	May 1, 2007	0.23	0:25
Propane	May 1, 2007	3.59	0:25
Butane	May 1, 2007	1.54	0:25



2. Failed to operate the flare with the flame present at all times, in violation of 30 TEX ADMIN. CODE §§ 101.20(1), 101.221(a), 30 TEX. ADMIN. CODE § 115.722(d) and 30 TEX. ADMIN. CODE § 116.115(c) and 40 CODE OF FEDERAL REGULATIONS § 60.18(c)(2), Air New Source Review Permit No. 6257E, Special Conditions No. 7B. Specifically, the flame was absent from the Ethylene and Oxygen ("EO") Waste Gas Flare on May 1, 2007, for a period of 25 minutes, as documented during a record review conducted on May, 18, 2007.

### III. DENIALS

Equistar generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Equistar pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Equistar'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 requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Equistar Chemicals, LP, Docket No. 2007-0815-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. Equistar shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Thirteen Thousand Ninety Dollars (\$13,090) of the assessed administrative penalty shall be offset with the condition that Equistar implement the SEP defined in Attachment A, incorporated herein by reference. Equistar'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. It is further ordered that Equistar shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order,
    - i. Develop and implement maintenance procedures designed to prevent the recurrence of an emissions event due to the same root causes as those associated with the March 4, 2007, April 19, 2007 and May 1, 2007 events; and
    - ii. Begin implementing maintenance procedures/practices to ensure that the EO Waste Gas Flare maintain a flame present at all times except during maintenance and shutdown activities.



- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

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

4. The provisions of this Agreed Order shall apply to and be binding upon Equistar. Equistar is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If Equistar fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Equistar's failure to comply is not a violation of this Agreed Order. Equistar shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Equistar shall notify the Executive Director within seven days after Equistar becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Equistar shall be made in writing to the Executive Director. Extensions are not effective until Equistar receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against Equistar 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.

8. 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.
9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Equistar, or three days after the date on which the Commission mails notice of the Order to Equistar, 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

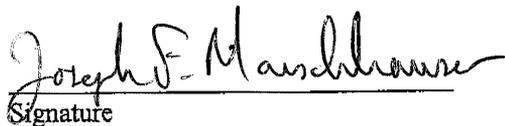
12/21/2007  
Date

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

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

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

  
Signature

8-27-2007  
Date

JOSEPH F. MARSCHHAUSER  
Name (Printed or typed)  
Authorized Representative of  
Equistar Chemicals, LP

PLANT MANAGER  
Title

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



Attachment A  
Docket Number: 2007-0815-AIR-E

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Equistar Chemicals, LP</b>
<b>Payable Penalty Amount:</b>	<b>Twenty-Six Thousand One Hundred Eighty Dollars (\$26,180)</b>
<b>SEP Amount:</b>	<b>Thirteen Thousand Ninety Dollars (\$13,090)</b>
<b>Type of SEP:</b>	<b>Pre-approved</b>
<b>Third-Party Recipient:</b>	<b>Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program</b>
<b>Location of SEP:</b>	<b>Harris County</b>

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

**1. Project Description**

A. Project

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

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



Equistar Chemicals, LP  
Agreed Order – Attachment A

B. Environmental Benefit

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

C. Minimum Expenditure

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

**2. Performance Schedule**

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

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

**3. Records and Reporting**

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

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

**4. Failure to Fully Perform**

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

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



Equistar Chemicals, LP  
Agreed Order – Attachment A

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

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

**5. Publicity**

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

**6. Clean Texas Program**

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

**7. Other SEPs by TCEQ or Other Agencies**

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

