

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**

**DOCKET NO.:** 2007-1866-AIR-E    **TCEQ ID:** RN100633650    **CASE NO.:** 34978

**RESPONDENT NAME:** Lyondell Chemical Company

<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> Lyondell Chemical Channelview, 2502 Sheldon Road, Channelview, 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 one pending enforcement action regarding this facility location, Docket No. 2007-1546-AIR-E.</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 April 28, 2008. 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. Miriam Hall, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-1044; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171  <b>Respondent:</b> Mr. Don Holloway, Environmental Superintendent, Lyondell Chemical Company, 2502 Sheldon Road, Channelview, Texas 77530  Mr. David R. Seitz, Plant Manager, Lyondell Chemical Company, 2502 Sheldon Road, Channelview, Texas 77530  <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> September 21 and 26, 2007</p> <p><b>Date of NOV/NOE Relating to this Case:</b> October 8 and 15, 2007 (NOE)</p> <p><b>Background Facts:</b> These were routine record reviews.</p> <p><b>AIR</b></p> <p>1) Failed to install a gasket that met the correct pipe specifications on the outlet piping of Dehydration Furnace F-6104 in the Methyl-Tert-Butyl Ether ("MTBE") Unit, resulting in a leak and the unauthorized release of 1,004.80 pounds ("lbs") of isobutylene and 291.70 lbs of tert butanol on June 16, 2007. Since these emissions could have been foreseen and avoided by good operating practices, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met [30 TEX. ADMIN. CODE § 116.115(c), Permit No. 19155, Special Condition ("SC") No. 11, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2) Failed to prevent the unauthorized release of 51 lbs of benzene on July 3, 2007 at the Propylene Oxide/Styrene Monomer II Unit. Specifically, the Respondent failed to use piping that was compatible with the process liquids in the Tower T-96870 reflux line, resulting in stress corrosion cracking of the pipe and a leak. Since these emissions could have been foreseen and avoided by good design and operating practices, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met [30 TEX. ADMIN. CODE § 116.115(c), Permit No. 19613, SC No. 1, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$10,200</p> <p><b>Total Deferred:</b> \$2,040  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$4,080</p> <p><b>Total Paid to General Revenue:</b> \$4,080</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>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. On June 16, 2007, replaced the gasket on the F-6104 outlet manifold;</p> <p>b. Between August 3 and 13, 2007, inspected all the gaskets within the MTBE Unit furnace area and replaced gaskets where required; and</p> <p>c. By October 4, 2007, replaced the Tower T-96870 reflux line with carbon steel, which is less susceptible to stress corrosion cracking than stainless steel, and increased the inspection frequency of the line.</p> <p><b>Ordering Provisions:</b></p> <p>The Order will require the Respondent to implement and complete a Supplemental Project (SEP). (See SEP Attachment A)</p>

Attachment A  
Docket Number: 2007-1866-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

**Respondent:** Lyondell Chemical Company  
**Payable Penalty Amount:** Eight Thousand One Hundred Sixty Dollars (\$8,160)  
**SEP Amount:** Four Thousand Eighty Dollars (\$4,080)  
**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:

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 November 6, 2007

<b>DATES</b>	<b>Assigned</b>	15-Oct-2007	<b>Screening</b>	15-Nov-2007	<b>EPA Due</b>	4-Jul-2008
	<b>PCW</b>	17-Jan-2008				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Lyondell Chemical Company
<b>Reg. Ent. Ref. No.</b>	RN100633650
<b>Facility/Site Region</b>	12-Houston
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	34978	<b>No. of Violations</b>	2
<b>Docket No.</b>	2007-1866-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Enf. Coordinator</b>	Miriam Hall
<b>Multi-Media</b>		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$</b>	<b>Limit Minimum</b>	\$0	<b>Maximum</b>
			\$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** **Subtotals 2, 3, & 7**

**Notes**

**Culpability** **Subtotal 4**

**Notes**

**Good Faith Effort to Comply** **Subtotal 5**

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

**Notes**

**Subtotal 6**  **Subtotal 6**

Total EB Amounts  **0% Enhancement\***

Approx. Cost of Compliance  \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL** **Adjustment**

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

**Notes**

**PAYABLE PENALTY**

**Screening Date** 15-Nov-2007

**Docket No.** 2007-1866-AIR-E

**PCW**

**Respondent** Lyondell Chemical Company

Policy Revision 2 (September 2002)

**Case ID No.** 34978

PCW Revision November 6, 2007

**Reg. Ent. Reference No.** RN100633650

**Media [Statute]** Air

**Enf. Coordinator** Miriam Hall

**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> )	15	75%
	Other written NOVs	18	36%
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 ( <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 submitted</i> )	2	-2%
	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%

Please Enter Yes or No

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)** 129%

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

No

**Adjustment Percentage (Subtotal 3)** 0%

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

Average Performer

**Adjustment Percentage (Subtotal 7)** 0%

>> **Compliance History Summary**

**Compliance History Notes**

The penalty was enhanced for 15 same or similar NOVs, 18 unrelated NOVs, and one 1660 order. The penalty was reduced for two notices of audit.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 129%

<b>Screening Date</b> 15-Nov-2007	<b>Docket No.</b> 2007-1866-AIR-E	<b>PCW</b>		
<b>Respondent</b> Lyondell Chemical Company	<small>Policy Revision 2 (September 2002)</small>			
<b>Case ID No.</b> 34978	<small>PCW Revision November 6, 2007</small>			
<b>Reg. Ent. Reference No.</b> RN100633650				
<b>Media [Statute]</b> Air				
<b>Enf. Coordinator</b> Miriam Hall				
<b>Violation Number</b> <input type="text" value="1"/>				
<b>Rule Cite(s)</b>	30 Tex. Admin. Code § 116.115(c), Permit No. 19155, Special Condition ("SC") No. 11, and Tex. Health & Safety Code § 382.085(b)			
<b>Violation Description</b>	Failed to install a gasket that met the correct pipe specifications on the outlet piping of Dehydration Furnace F-6104 in the Methyl-Tert-Butyl Ether ("MTBE") Unit, resulting in a leak and the unauthorized release of 1,004.80 pounds ("lbs") of isobutylene and 291.70 lbs of tert butanol on June 16, 2007. Since these emissions could have been foreseen and avoided by good operating practices, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.			
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>		
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>				
OR	<b>Harm</b>			
	<b>Release</b>	Major	Moderate	Minor
	Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>
		<b>Percent</b>	<input type="text" value="25%"/>	
<b>&gt;&gt; Programmatic Matrix</b>				
	Falsification	Major	Moderate	Minor
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
		<b>Percent</b>	<input type="text" value="0%"/>	
<b>Matrix Notes</b>	Human health or the environment has been exposed to insignificant emissions which do not exceed levels that are protective of human health or environmental receptors as a result of this violation.			
		<b>Adjustment</b>	<input type="text" value="\$7,500"/>	
		<input type="text" value="\$2,500"/>		
<b>Violation Events</b>				
	<b>Number of Violation Events</b>	<input type="text" value="1"/>	<input type="text" value="1"/>	<b>Number of violation days</b>
<small>mark only one with an x</small>	daily	<input type="text"/>		
	monthly	<input type="text"/>		
	quarterly	<input checked="" type="checkbox"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	<input type="text"/>		
		<b>Violation Base Penalty</b>	<input type="text" value="\$2,500"/>	
One quarterly event is recommended for the unauthorized release which occurred on June 16, 2007.				
<b>Economic Benefit (EB) for this violation</b>			<b>Statutory Limit Test</b>	
	<b>Estimated EB Amount</b>	<input type="text" value="\$16"/>	<b>Violation Final Penalty Total</b>	<input type="text" value="\$5,100"/>
			<b>This violation Final Assessed Penalty (adjusted for limits)</b>	<input type="text" value="\$5,100"/>

## Economic Benefit Worksheet

**Respondent** Lyondell Chemical Company  
**Case ID No.** 34978  
**Reg. Ent. Reference No.** RN100633650  
**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
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)	\$2,000	16-Jun-2007	13-Aug-2007	0.2	\$16	n/a	\$16

**Notes for DELAYED costs**

The estimated cost of inspecting and/or replacing all the gaskets within the MTBE furnace area from the date of the violation to completion 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**

<b>Approx. Cost of Compliance</b>	\$2,000	<b>TOTAL</b>	\$16
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**Screening Date** 15-Nov-2007

**Docket No.** 2007-1866-AIR-E

**PCW**

**Respondent** Lyondell Chemical Company

*Policy Revision 2 (September 2002)*

**Case ID No.** 34978

*PCW Revision November 6, 2007*

**Reg. Ent. Reference No.** RN100633650

**Media [Statute]** Air

**Enf. Coordinator** Miriam Hall

**Violation Number**

**Rule Cite(s)** 30 Tex. Admin. Code § 116.115(c), Permit No. 19613, SC No. 1, and Tex. Health & Safety Code § 382.085(b)

**Violation Description**

Failed to prevent the unauthorized release of 51 lbs of benzene on July 3, 2007 at the Propylene Oxide/Styrene Monomer II Unit. Specifically, the Respondent failed to use piping that was compatible with the process liquids in the Tower T-96870 reflux line, resulting in stress corrosion cracking of the pipe and a leak. Since these emissions could have been foreseen and avoided by good design and operating practices, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.

**Base Penalty**

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

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="25%"/>
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" value="0%"/>

**Matrix Notes**

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

**Adjustment**

**Violation Events**

Number of Violation Events  Number of violation days

<i>mark only one with an x</i>	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input checked="" type="checkbox"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>

**Violation Base Penalty**

One quarterly event is recommended for the unauthorized release which occurred on July 3, 2007.

**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** Lyondell Chemical Company  
**Case ID No.** 34978  
**Reg. Ent. Reference No.** RN100833650  
**Media** Air  
**Violation No.** 2

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

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

**Delayed Costs**

Equipment			0.0	\$0	\$0	\$0	
Buildings			0.0	\$0	\$0	\$0	
Other (as needed)			0.0	\$0	\$0	\$0	
Engineering/construction			0.0	\$0	\$0	\$0	
Land			0.0	\$0	n/a	\$0	
Record Keeping System			0.0	\$0	n/a	\$0	
Training/Sampling			0.0	\$0	n/a	\$0	
Remediation/Disposal			0.0	\$0	n/a	\$0	
Permit Costs			0.0	\$0	n/a	\$0	
Other (as needed)	\$2,000	3-Jul-2007	4-Oct-2007	0.3	\$25	n/a	\$25

Notes for DELAYED costs

The estimated cost of replacing the piping and taking other corrective measures from the date of the violation to date of compliance.

**Avoided Costs**

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance **\$2,000**

**TOTAL** **\$25**

# Compliance History

Customer/Respondent/Owner-Operator:	CN600344402	Lyondell Chemical Company	Classification: AVERAGE	Rating: 2.00
Regulated Entity:	RN100633650	LYONDELL CHEMICAL CHANNELVIEW	Classification: AVERAGE	Site Rating: 1.03
ID Number(s):	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID		TXD083472266
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)		30676
	UNDERGROUND INJECTION CONTROL	PERMIT		WDW162
	UNDERGROUND INJECTION CONTROL	PERMIT		WDW037
	UNDERGROUND INJECTION CONTROL	PERMIT		WDW148
	AIR NEW SOURCE PERMITS	PERMIT		72168
	AIR NEW SOURCE PERMITS	PERMIT		52056
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER		HG1575W
	AIR NEW SOURCE PERMITS	PERMIT		48597
	AIR NEW SOURCE PERMITS	PERMIT		42082
	AIR NEW SOURCE PERMITS	PERMIT		40092
	AIR NEW SOURCE PERMITS	PERMIT		40094
	AIR NEW SOURCE PERMITS	PERMIT		40093
	AIR NEW SOURCE PERMITS	PERMIT		38432
	AIR NEW SOURCE PERMITS	PERMIT		37654
	AIR NEW SOURCE PERMITS	PERMIT		36353
	AIR NEW SOURCE PERMITS	PERMIT		35477
	AIR NEW SOURCE PERMITS	PERMIT		34833
	AIR NEW SOURCE PERMITS	PERMIT		32435
	AIR NEW SOURCE PERMITS	PERMIT		20416
	AIR NEW SOURCE PERMITS	PERMIT		19613
	AIR NEW SOURCE PERMITS	PERMIT		19155
	AIR NEW SOURCE PERMITS	PERMIT		18103
	AIR NEW SOURCE PERMITS	PERMIT		4121
	AIR NEW SOURCE PERMITS	PERMIT		3346
	AIR NEW SOURCE PERMITS	PERMIT		3286C
	AIR NEW SOURCE PERMITS	PERMIT		3286B
	AIR NEW SOURCE PERMITS	PERMIT		3286A
	AIR NEW SOURCE PERMITS	PERMIT		2993
	AIR NEW SOURCE PERMITS	REGISTRATION		76300
	AIR NEW SOURCE PERMITS	REGISTRATION		76126
	AIR NEW SOURCE PERMITS	REGISTRATION		75719
	AIR NEW SOURCE PERMITS	REGISTRATION		70737
	AIR NEW SOURCE PERMITS	REGISTRATION		72243
	AIR NEW SOURCE PERMITS	REGISTRATION		73851
	AIR NEW SOURCE PERMITS	REGISTRATION		74852
	AIR NEW SOURCE PERMITS	REGISTRATION		77293
	AIR NEW SOURCE PERMITS	REGISTRATION		77723
	AIR NEW SOURCE PERMITS	REGISTRATION		77929
	AIR NEW SOURCE PERMITS	REGISTRATION		78760
	AIR NEW SOURCE PERMITS	REGISTRATION		78756
	AIR NEW SOURCE PERMITS	AFS NUM		4820100417
	AIR NEW SOURCE PERMITS	REGISTRATION		79199
	AIR NEW SOURCE PERMITS	REGISTRATION		79706
	AIR NEW SOURCE PERMITS	REGISTRATION		79727
	AIR NEW SOURCE PERMITS	REGISTRATION		79543
	AIR NEW SOURCE PERMITS	REGISTRATION		79945
	AIR NEW SOURCE PERMITS	REGISTRATION		79375
	AIR NEW SOURCE PERMITS	REGISTRATION		79542
	AIR NEW SOURCE PERMITS	REGISTRATION		80386
	AIR NEW SOURCE PERMITS	REGISTRATION		80344
	AIR NEW SOURCE PERMITS	REGISTRATION		80610
	AIR NEW SOURCE PERMITS	REGISTRATION		80995
	AIR NEW SOURCE PERMITS	REGISTRATION		81217
	AIR NEW SOURCE PERMITS	REGISTRATION		81465
	AIR NEW SOURCE PERMITS	REGISTRATION		35412
	AIR NEW SOURCE PERMITS	REGISTRATION		81958
	AIR NEW SOURCE PERMITS	REGISTRATION		81902
	AIR NEW SOURCE PERMITS	REGISTRATION		82122
	WASTEWATER	PERMIT		WQ0002927000
	WASTEWATER	EPA ID		TPDES0069493

WASTEWATER	PERMIT	TX0069493
AIR OPERATING PERMITS	ACCOUNT NUMBER	HG1575W
AIR OPERATING PERMITS	PERMIT	1387
IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30676
INDUSTRIAL AND HAZARDOUS WASTE COMPLIANCE PLANS	PERMIT	50288
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50288
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50288

Location: 2502 SHELDON RD, CHANNELVIEW, TX, 77530 Rating Date: 9/1/2007 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: November 14, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 14, 2002 to November 14, 2007

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

Name: Miriam Hall Phone: (512) 239-1044

### 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: 08/28/2006 ADMINORDER 2006-0236-AIR-E (1660)  
 Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: 3346, SC #1 PA  
 Description: Failed to prevent unauthorized emissions.  
 Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: 2993, SC #1 PA  
 Description: Failed to prevent unauthorized emissions.

- 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	11/25/2002	(195973)
2	12/19/2002	(18262)
3	12/19/2002	(18256)
4	12/19/2002	(18245)
5	12/19/2002	(195977)
6	12/30/2002	(11569)
7	01/02/2003	(20458)
8	01/21/2003	(195981)
9	02/20/2003	(22471)
10	02/24/2003	(195940)
11	03/24/2003	(195944)
12	04/10/2003	(29211)
13	04/16/2003	(33785)
14	04/22/2003	(195949)
15	05/05/2003	(35473)

16	05/05/2003	(35468)
17	05/23/2003	(195953)
18	06/12/2003	(9686)
19	06/24/2003	(195957)
20	07/23/2003	(311431)
21	08/25/2003	(311434)
22	08/27/2003	(152711)
23	08/28/2003	(152812)
24	08/28/2003	(152889)
25	09/23/2003	(311436)
26	10/23/2003	(311438)
27	11/24/2003	(311439)
28	12/18/2003	(257381)
29	12/29/2003	(311440)
30	01/12/2004	(251265)
31	01/21/2004	(255768)
32	01/23/2004	(260690)
33	01/23/2004	(251263)
34	01/23/2004	(311441)
35	02/13/2004	(262467)
36	02/23/2004	(311422)
37	03/18/2004	(264007)
38	03/22/2004	(311424)
39	04/16/2004	(266028)
40	04/16/2004	(266032)
41	04/23/2004	(311425)
42	04/23/2004	(311432)
43	05/10/2004	(271276)
44	05/19/2004	(270549)
45	05/19/2004	(270546)
46	05/25/2004	(311427)
47	06/18/2004	(264062)
48	06/18/2004	(264475)
49	06/22/2004	(311429)
50	06/30/2004	(262599)
51	07/02/2004	(271813)
52	07/09/2004	(258715)
53	08/24/2004	(358578)
54	08/27/2004	(287833)
55	08/29/2004	(267181)
56	08/31/2004	(276438)
57	08/31/2004	(269872)
58	09/02/2004	(260274)
59	09/13/2004	(282406)
60	09/13/2004	(282393)
61	09/23/2004	(358579)
62	09/23/2004	(358582)
63	10/25/2004	(358580)
64	11/03/2004	(338119)
65	11/08/2004	(340135)
66	11/11/2004	(291956)
67	11/12/2004	(284836)
68	11/18/2004	(358581)
69	12/16/2004	(340503)
70	12/20/2004	(339912)
71	12/21/2004	(339852)
72	12/27/2004	(276629)
73	12/27/2004	(385438)
74	01/05/2005	(284665)
75	01/10/2005	(255336)
76	01/10/2005	(284800)
77	01/12/2005	(285665)
78	02/14/2005	(291922)
79	02/23/2005	(385436)
80	03/09/2005	(372650)
81	03/09/2005	(371880)
82	03/09/2005	(371879)
83	03/09/2005	(371877)

84	03/22/2005	(385437)
85	03/31/2005	(267631)
86	04/05/2005	(375834)
87	04/08/2005	(346498)
88	04/25/2005	(423472)
89	04/25/2005	(377584)
90	04/25/2005	(377588)
91	05/02/2005	(374510)
92	05/03/2005	(375619)
93	05/18/2005	(376737)
94	05/24/2005	(423473)
95	05/24/2005	(379353)
96	05/24/2005	(380532)
97	05/24/2005	(379356)
98	05/24/2005	(376735)
99	05/25/2005	(379095)
100	06/02/2005	(393710)
101	06/02/2005	(393720)
102	06/14/2005	(350385)
103	06/14/2005	(350303)
104	06/21/2005	(423474)
105	06/21/2005	(423475)
106	07/25/2005	(444278)
107	08/03/2005	(350551)
108	08/10/2005	(401944)
109	08/10/2005	(401952)
110	08/13/2005	(380529)
111	08/23/2005	(444279)
112	08/29/2005	(418370)
113	09/23/2005	(444280)
114	09/23/2005	(444281)
115	10/24/2005	(474769)
116	10/25/2005	(380533)
117	11/22/2005	(474770)
118	11/30/2005	(433627)
119	12/21/2005	(474771)
120	12/28/2005	(497001)
121	02/15/2006	(380530)
122	02/24/2006	(474767)
123	03/06/2006	(452865)
124	03/21/2006	(453942)
125	03/23/2006	(474768)
126	03/24/2006	(453791)
127	03/31/2006	(457307)
128	03/31/2006	(455536)
129	04/20/2006	(462439)
130	04/20/2006	(462445)
131	04/21/2006	(456404)
132	04/24/2006	(502479)
133	05/01/2006	(463965)
134	05/21/2006	(465560)
135	05/21/2006	(465556)
136	05/22/2006	(465810)
137	05/23/2006	(502480)
138	05/26/2006	(467570)
139	05/26/2006	(467504)
140	05/26/2006	(467510)
141	05/26/2006	(467527)
142	05/26/2006	(467540)
143	05/26/2006	(467550)
144	06/21/2006	(502481)
145	07/06/2006	(455578)
146	07/25/2006	(524806)
147	07/28/2006	(481675)
148	08/08/2006	(462744)
149	08/15/2006	(488073)
150	08/15/2006	(486078)
151	08/21/2006	(524807)

152 08/23/2006 (485002)  
 153 08/23/2006 (485009)  
 154 08/29/2006 (497537)  
 155 08/29/2006 (497530)  
 156 09/25/2006 (549715)  
 157 10/13/2006 (515848)  
 158 10/24/2006 (549716)  
 159 11/13/2006 (518381)  
 160 11/14/2006 (518836)  
 161 11/27/2006 (549717)  
 162 11/29/2006 (345458)  
 163 12/19/2006 (549718)  
 164 01/18/2007 (549719)  
 165 01/19/2007 (553727)  
 166 01/29/2007 (533297)  
 167 02/22/2007 (583821)  
 168 02/26/2007 (533308)  
 169 02/27/2007 (534697)  
 170 03/22/2007 (583822)  
 171 04/05/2007 (593298)  
 172 04/09/2007 (554505)  
 173 04/23/2007 (583823)  
 174 04/25/2007 (555802)  
 175 04/25/2007 (555806)  
 176 04/25/2007 (555359)  
 177 04/25/2007 (555365)  
 178 05/09/2007 (541602)  
 179 05/22/2007 (583824)  
 180 05/23/2007 (556219)  
 181 06/25/2007 (583825)  
 182 06/26/2007 (554500)  
 183 07/06/2007 (542673)  
 184 07/23/2007 (583826)  
 185 07/24/2007 (564711)  
 186 07/24/2007 (564712)  
 187 08/07/2007 (567748)  
 188 08/22/2007 (604058)  
 189 08/31/2007 (574405)  
 190 09/06/2007 (565822)  
 191 09/24/2007 (604059)  
 192 10/08/2007 (594110)  
 193 10/10/2007 (566371)  
 194 10/10/2007 (565505)  
 195 10/15/2007 (595712)  
 196 10/19/2007 (572262)  
 197 10/19/2007 (572117)  
 198 11/06/2007 (598858)

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

Date: 11/30/2002 (195977)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter  
 Date 06/24/2003 (11569)  
 Self Report? NO Classification: Moderate  
 Citation: 5C THC Chapter 382, SubChapter A 382.085(a)  
 Description: Failure to prevent the release of air pollutants into the air.  
 Date: 06/30/2003 (311431)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter  
 Date 08/31/2003 (311436)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter

Date 01/21/2004 (255768)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 Rqmt Prov: PERMIT TCEQ AIR PERMIT #19613, SC #1  
 Description: Lyondell failed to control benzene emissions during process operations in the POSM I unit.

Date: 02/29/2004 (311424)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter

Date 04/30/2004 (311427)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter

Date: 06/18/2004 (264062)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(g)  
 Description: Lyondell failed to submit the Final Report via STEERS.

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 TCEQ Air Permit #19613 SC #1  
 Description: Lyondell failed to prevent an emissions event that could have been foreseen and avoided, and could have been avoided by good design, operation, and maintenance procedures.

Date: 06/18/2004 (264475)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Air Permit #4121, GC #8  
 Description: Exceeded permit limits during an avoidable emissions event.

Date: 07/09/2004 (258715)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Air Permit #R4121, GC #8  
 Description: Exceeded VOC permit limit during an avoidable emissions event.

Date: 08/29/2004 (267181)  
 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 Permit No. 2993, SC 1  
 Description: Exceeded permit limits during an avoidable emissions event.

Date: 08/31/2004 (287833)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
 30 TAC Chapter 115, SubChapter D 115.352(4)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)  
 Rqmt Prov: PA Permit #3346, Special Condition 10E  
 Description: Lyondell Chemical Company, (LCC) failed to cap or plug valves/lines # 1001 and #123 in the Ethylbenzene II, (EB II) Unit.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(2)  
 Description: Two leaking lines next to valves #543, and #1157 with cap/plug, and with VOC emissions above 500 ppm

Date: 11/30/2004 (385438)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter

Date: 12/27/2004 (276629)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Air Permit No. 19613, SC #1

Description: Exceeded VOC permit limit during an avoidable emissions event.  
 Date: 01/05/2005 (284665)  
 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 TCEQ Air Permit #2993, SC #1  
 Description: Exceeded permit limits during an avoidable emissions event.  
 Date: 01/10/2005 (255336)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Permit No. 4121, SC #1  
 Description: Exceeded permit limits during an avoidable emissions event.  
 Date: 01/12/2005 (285665)  
 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 19613, SC No. 1  
 Description: Exceeded permit limits during an avoidable emissions event.  
 Date: 01/31/2005 (385436)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter  
 Date: 03/09/2005 (371877)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 335, SubChapter F 335.152(a)(7)  
 40 CFR Chapter 264, SubChapter I, PT 264, SubPT I 264.174  
 Description: Failed to complete inspection logs to document observations noted during weekly inspections of containers  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 335, SubChapter E 335.112(a)(3)  
 4C THC Chapter 265, SubChapter A 265.052  
 Description: Failed to update the emergency coordinator information of the facility's Contingency Plan  
 Date: 03/09/2005 (371880)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 335, SubChapter H 335.221(a)(14)  
 40 CFR Chapter 266, SubChapter I, PT 266, SubPT H 266.103(i)(3)  
 Description: Failed to conduct AWFCO system tests  
 Date: 09/30/2005 (474769)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter  
 Date: 11/30/2005 (474771)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter  
 Date: 12/28/2005 (497001)  
 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: 12/31/2005 (444281)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter  
 Date: 03/23/2006 (453791)  
 Self Report? NO Classification: Major  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 Description: Failure to maintain compliance with permit limits for total suspended solids (TSS) and pH at outfall 001. TSS violations were reported for January 2005, September 2005, November 2005 and December 2005. In addition, a pH violation was reported in October 2005.  
 Date: 03/31/2006 (502479)  
 Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter  
 Date: 10/31/2006 (549717)  
 Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)  
 Description: Failure to meet the limit for one or more permit parameter  
 Date: 11/14/2006 (518836)  
 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 3346, SC No. 1  
 Description: Exceeded permit limits during an avoidable emissions event.  
 Date: 01/19/2007 (553727)  
 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  
 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: 01/29/2007 (533297)  
 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 20416, SC No. 1  
 Description: Exceeded permit limits during an avoidable emissions event.  
 Date: 02/23/2007 (533308)  
 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 19155, SC No. 11  
 Description: Exceeded permit limits during an avoidable emissions event.  
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)  
 Description: Failure to submit Initial Notification within 24 hours of discovery.  
 Date: 02/27/2007 (534697)  
 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 2993, SC No. 1  
 Description: Exceeded permit limits during an avoidable emissions event.  
 Date: 04/05/2007 (593298)  
 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

F. Environmental audits.

Notice of Intent Date: 02/03/2003 (33158)  
No DOV Associated

Notice of Intent Date: 10/02/2007 (598186)  
No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
LYONDELL CHEMICAL COMPANY  
RN100633650**

§  
§  
§  
§  
§

**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

**AGREED ORDER  
DOCKET NO. 2007-1866-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 Lyondell Chemical Company ("the Respondent") 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 the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a petrochemical plant at 2502 Sheldon Road in Channelview, 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 the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notices of the violations alleged in Section II ("Allegations") on or about October 13 and 20, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Ten Thousand Two Hundred Dollars (\$10,200) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Four Thousand Eighty Dollars (\$4,080) of the administrative penalty and Two Thousand Forty Dollars (\$2,040) is deferred contingent upon the Respondent'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 the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Four Thousand Eighty Dollars (\$4,080) shall be conditionally offset by the Respondent'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 the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
  - a. On June 16, 2007, replaced the gasket on the F-6104 outlet manifold;
  - b. Between August 3 and 13, 2007, inspected all the gaskets within the Methyl-Tert-Butyl Ether ("MTBE") Unit furnace area and replaced gaskets where required; and
  - c. By October 4, 2007, replaced the Tower T-96870 reflux line with carbon steel, which is less susceptible to stress corrosion cracking than stainless steel, and increased the inspection frequency of the line.
10. 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 the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. 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.
12. 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, the Respondent is alleged to have:

1. Failed to install a gasket that met the correct pipe specifications on the outlet piping of Dehydration Furnace F-6104 in the MTBE Unit, resulting in a leak and the unauthorized release of 1,004.80 pounds ("lbs") of isobutylene and 291.70 lbs of tert butanol on June 16, 2007, in violation of 30 TEX. ADMIN. CODE § 116.115(c), Permit No. 19155, Special Condition ("SC") No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on September 21, 2007. Since these emissions could have been foreseen and avoided



by good operating practices, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met.

2. Failed to prevent the unauthorized release of 51 lbs of benzene on July 3, 2007 at the Propylene Oxide/Styrene Monomer II Unit, in violation of 30 TEX. ADMIN. CODE § 116.115(c), Permit No. 19613, SC No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on September 26, 2007. Specifically, the Respondent failed to use piping that was compatible with the process liquids in the Tower T-96870 reflux line, resulting in stress corrosion cracking of the pipe and a leak. Since these emissions could have been foreseen and avoided by good design and operating practices, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met.

### III. DENIALS

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

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent'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: Lyondell Chemical Company, Docket No. 2007-1866-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. The Respondent 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, Four Thousand Eighty Dollars (\$4,080) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent'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 the Respondent. The Respondent 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.
4. If the Respondent 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, the Respondent's failure to comply is not a violation of this Agreed Order. The



Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. 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 the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent 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.
7. 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.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, 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

4/15/2008  
\_\_\_\_\_  
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

2/7/2008  
\_\_\_\_\_  
Date

David R Seitz  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Lyondell Chemical Company

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: 2007-1866-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

**Respondent:** Lyondell Chemical Company  
**Payable Penalty Amount:** Eight Thousand One Hundred Sixty Dollars (\$8,160)  
**SEP Amount:** Four Thousand Eighty Dollars (\$4,080)  
**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.



Lyondell Chemical Company  
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:

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.

