

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2009-1084-AIR-E TCEQ ID: RN100238708 CASE NO.: 37943
RESPONDENT NAME: INEOS USA LLC

| | | |
|--|---|--|
| ORDER TYPE: | | |
| <input type="checkbox"/> 1660 AGREED ORDER | <input checked="" type="checkbox"/> FINDINGS AGREED ORDER | <input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING |
| <input type="checkbox"/> FINDINGS DEFAULT ORDER | <input type="checkbox"/> SHUTDOWN ORDER | <input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER |
| <input type="checkbox"/> AMENDED ORDER | <input type="checkbox"/> EMERGENCY ORDER | |
| CASE TYPE: | | |
| <input checked="" type="checkbox"/> AIR | <input type="checkbox"/> MULTI-MEDIA (check all that apply) | <input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE |
| <input type="checkbox"/> PUBLIC WATER SUPPLY | <input type="checkbox"/> PETROLEUM STORAGE TANKS | <input type="checkbox"/> OCCUPATIONAL CERTIFICATION |
| <input type="checkbox"/> WATER QUALITY | <input type="checkbox"/> SEWAGE SLUDGE | <input type="checkbox"/> UNDERGROUND INJECTION CONTROL |
| <input type="checkbox"/> MUNICIPAL SOLID WASTE | <input type="checkbox"/> RADIOACTIVE WASTE | <input type="checkbox"/> DRY CLEANER REGISTRATION |
| <p>SITE WHERE VIOLATION(S) OCCURRED: Chocolate Bayou Plant, Farm-to-Market Road 2004, two miles south of the intersection of Farm-to-Market Road 2917 and Farm-to-Market Road 2004, Alvin, Brazoria County</p> <p>TYPE OF OPERATION: Petrochemical plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are three additional pending enforcement actions regarding this facility location, Docket Nos. 2007-1279-AIR-E, 2008-1816-AIR-E, and 2090-1737-AIR-E.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on February 1, 2010. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Mr. Phillip Hampsten, SEP Coordinator, Enforcement Division, MC 219, (512) 239-6732 TCEQ Enforcement Coordinator: Mr. Kirk Schoppe, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-0489; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387 Respondent: Mr. Dan Lutz, Environmental Engineer, INEOS USA LLC, P.O. Box 1488, Alvin, Texas 77512 Mr. John Harvey III, Site Director, INEOS USA LLC, P.O. Box 1488, Alvin, Texas 77512 Respondent's Attorney: Not represented by counsel on this enforcement matter</p> | | |

VIOLATION SUMMARY CHART:

| VIOLATION INFORMATION | PENALTY CONSIDERATIONS | CORRECTIVE ACTIONS TAKEN/REQUIRED |
|---|---|--|
| <p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: February 4 and 10, June 10, and July 15, 2009</p> <p>Date of NOV/NOE Relating to this Case: June 30, 2009, July 27, 2009, August 14, 2009, and August 20, 2009 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failure to prevent unauthorized emissions. Specifically, the Respondent released 7,267 pounds ("lbs") of ethylene emissions, 144 lbs of 1,3-butadiene emissions, 347 lbs of propylene emissions, 1,722 lbs of nitrogen oxides ("NOx") emissions, 8,772 lbs of carbon monoxide ("CO") emissions, and 186 lbs of other volatile organic compounds ("VOCs") emissions from the Olefins No. 1 Flare into the atmosphere during the five hour and forty-one minute event (Incident No. 122974). The event occurred due to a loss of steam that led to the tripping of the C-201 cracked gas compressor and subsequent flaring. Since the emissions event could have been avoided by better maintenance and/or operational practices, it does not meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1].</p> <p>2) Failure to prevent unauthorized emissions. Specifically, the Respondent released 25,878 lbs of ethylene emissions, 35 lbs of 1,3-butadiene emissions, 262 lbs of propylene emissions, 4,745 lbs of NOx emissions, 24,167 lbs of CO emissions, and 26 lbs of other VOCs emissions from the Olefins No. 1 Unit into the atmosphere during the twenty-three hour and thirty-three minute event (Incident No.</p> | <p>Total Assessed: \$40,000</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$20,000</p> <p>Total Paid to General Revenue: \$20,000</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p> <p>Findings Orders Justification: This case involves emissions which were deemed excessive.</p> | <p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. By November 30, 2008, Incident No. 117037 was reviewed with Operations technicians to stress that during an oscillation, the valve position should be reset to where it was operating during steady-state conditions prior to the problem;</p> <p>b. By December 31, 2008, regarding Incident No. 117037, temperature control tuning was adjusted so that the controller expects a slower temperature response for a given controller output change;</p> <p>c. By January 14, 2009, regarding Incident No. 117037, the tuning on the minimum flow of the compressor upstream of R-202 was adjusted to take into account the process response time between the measurement of the flow and the valve that controls flow;</p> <p>d. By February 3, 2009, regarding Incident No. 116493, DR-202 controls were modified to ensure that if the reactor is bypassed, due to high temperature, nitrogen will immediately enter the vessel to cool the reactor, regardless of the mode of the controller at the time of the trip, minimizing the amount of time before DR-202 can safely be returned to service;</p> <p>e. By February 9, 2009, regarding Incident No. 116493, the drain line on the liquid knockout drum for the DC-201 compressor suction was unplugged, which allows for the liquids to be drained from the drum more quickly and ensures that the compressor does not shutdown;</p> <p>f. By June 9, 2009, regarding Incident No. 123862, established Standard Operating Procedures covering the shutdown of boilers at No. 1 Olefins. Specifically, the procedure will ensure that the VOC-containing boiler fuel gas is blocked in during shutdown, preventing recurrence of VOC emissions;</p> <p>g. By June 29, 2009, regarding Incident No. 122974, 12 to 18 inches of capacity in the main storm ditches were re-established by</p> |

| | | |
|--|--|---|
| <p>117037). The event occurred when a sudden temperature increase in the second catalyst bed of R-202 acetylene reactor occurred. Since the emissions event was excessive and could have been avoided by better maintenance and/or operational practices, it does not meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1].</p> <p>3) Failure to prevent unauthorized emissions. Specifically, the Respondent released 552 lbs of 1,3-butadiene emissions and 427 lbs of other VOCs emissions from the Olefins No. 1 Unit DB901A Boiler into the atmosphere during the four hour and eight minute event (Incident No. 123862). The event occurred when the block valve to the boiler fuel gas line was not closed properly. Since the emissions event was avoidable due to poor operating practices, it does not meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a), TEX. HEALTH & SAFETY CODE §:382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1].</p> <p>4) Failure to prevent unauthorized emissions. Specifically, the Respondent released 18,075 lbs of ethylene emissions, 82 lbs of 1,3-butadiene emissions, 1,407 lbs of propylene emissions, 4,058 lbs of NOx emissions, 20,671 lbs of CO emissions, and 848 lbs of other VOCs emissions from the Olefins No. 1 Unit into the atmosphere during the fifteen hour event (Incident No. 116493). The event occurred when the level of D-201 suction drum was not controlled and led to the shutdown of C-201 compressor. Since the emissions event could have been avoided by better maintenance and/or operational practices, it does not meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1].</p> | | <p>clearing vegetation and sediment. This will help maintain steam pressure in the steam piping that runs through those ditches by ensuring that the piping will not be submerged during heavy rains; and</p> <p>h. By June 29, 2009, regarding Incident No. 122974, a new Emergency Standard Operating Procedure was put in place to effectively and consistently manage steam production and usage in the event of steam system flooding.</p> <p>Ordering Provisions:</p> <p>The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A.)</p> |
|--|--|---|

Additional ID No(s): BL0002S

Attachment A
Docket Number: 2009-1084-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

| | |
|--------------------------------|--|
| Respondent: | INEOS USA LLC |
| Payable Penalty Amount: | Forty Thousand Dollars (\$40,000) |
| SEP Amount: | Twenty Thousand Dollars (\$20,000) |
| Type of SEP: | Pre-approved |
| Third-Party Recipient: | Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D")- Clean School Buses |
| Location of SEP: | Texas Air Quality Control Region 216 – Houston-Galveston |

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 shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fuelled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. The funds will be disbursed on a needs-rated basis, using non-attainment area status, condition of buses, and economic status of the recipient as possible rating factors if competition for the funds exists. To maximize funds, retrofitting will take priority over replacement of buses. Older buses deemed not suitable for retrofitting will be permanently retired and sold only for scrap.

Acceptable retrofit technologies include particulate matter traps, diesel particulate matter filters, nitrogen oxides (NO_x) reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by the United States Environmental Protection Agency ("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 matter and hydrocarbon emissions from buses, to meet the new, more stringent emissions standards introduced by the EPA which will be phased in between 2007 and 2010.

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:

Texas Association of Resource Conservation and Development Areas, Inc.
1716 Briarcrest Drive, Suite 510
Bryan, Texas 77802-2700

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.

INEOS USA LLC
Agreed Order - Attachment A

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 October 30, 2008

| | | | | | | |
|--------------|----------|-------------|-----------|-------------|---------|--|
| DATES | Assigned | 7-Jul-2009 | Screening | 13-Jul-2009 | EPA Due | |
| | PCW | 14-Jul-2009 | | | | |

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

| | | | |
|---------------------------------|-----------------|-----------------------|--------------------|
| CASE INFORMATION | | | |
| Enf./Case ID No. | 37943 | No. of Violations | 4 |
| Docket No. | 2009-1084-AIR-E | Order Type | Findings |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Kirk Schoppe |
| | | EC's Team | Enforcement Team 4 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$10,000 |

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** \$27,500

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** \$90,200

Notes: The penalty was enhanced due to eleven NOVs for similar violations, twelve NOVs for dissimilar violations, ten 1660 style orders, and two findings orders. The penalty was reduced due to one NOA.

Culpability **Subtotal 4** \$0

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** \$6,875

Economic Benefit **Subtotal 6** \$0

Total EB Amounts \$168
 Approx. Cost of Compliance \$20,000
 0.0% Enhancement
 Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** \$110,825

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount \$110,825

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** \$40,000

DEFERRAL **Adjustment** \$0

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

Notes:

No deferral is recommended for Findings Orders.

PAYABLE PENALTY **\$40,000**

Screening Date 13-Jul-2009

Docket No. 2009-1084-AIR-E

PGW

Respondent INEOS USA LLC

Policy Revision 2 (September 2002)

Case ID No. 37943

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100238708

Media [Statute] Air

Enf. Coordinator Kirk Schoppe

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

| Component | Number of... | Enter Number Here | Adjust. |
|-------------------------------|--|-------------------|---------|
| NOVs | Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria) | 11 | 55% |
| | Other written NOVs | 12 | 24% |
| Orders | Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria) | 10 | 200% |
| | 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 | 2 | 50% |
| 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 judgements or consent decrees meeting criteria) | 0 | 0% |
| | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | 0 | 0% |
| Convictions | Any criminal convictions of this state or the federal government (number of counts) | 0 | 0% |
| Emissions | Chronic excessive emissions events (number of events) | 0 | 0% |
| Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted) | 1 | -1% |
| | 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% |

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) 328%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The penalty was enhanced due to eleven NOVs for similar violations, twelve NOVs for dissimilar violations, ten 1660 style orders, and two findings orders. The penalty was reduced due to one NOA.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 328%

| | | | | | | | | | | | | | | | |
|--|---|-------|--------------------------|--------|--------------------------|---------|-------------------------------------|-----------|--------------------------|------------|--------------------------|--------|--------------------------|--------------|--------------------------|
| Screening Date 13-Jul-2009 | Docket No. 2009-1084-AIR-E | | | | | | | | | | | | | | |
| Respondent INEOS USA LLC | PCW Policy Revision 2 (September 2002) PCW Revision October 30, 2008 | | | | | | | | | | | | | | |
| Case ID No. 37943 | | | | | | | | | | | | | | | |
| Reg. Ent. Reference No. RN100238708 | | | | | | | | | | | | | | | |
| Media [Statute] Air | | | | | | | | | | | | | | | |
| Enf. Coordinator Kirk Schoppe | | | | | | | | | | | | | | | |
| Violation Number 1 | | | | | | | | | | | | | | | |
| Rule Cite(s) | 30 Tex. Admin. Code §§ 101.20(3) and 116.715(a), Tex. Health & Safety Code § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1 | | | | | | | | | | | | | | |
| Violation Description | Failed to prevent unauthorized emissions during an event that occurred on April 18, 2009, as documented during an investigation conducted on June 10, 2009. Specifically, the Respondent released 7,267 pounds ("lbs") of ethylene emissions, 144 lbs of 1,3-butadiene emissions, 347 lbs of propylene emissions, 1,722 lbs of nitrogen oxides ("NOx") emissions, 8,772 lbs of carbon monoxide ("CO") emissions, and 186 lbs of other volatile organic compounds ("VOCs") emissions from the Olefins No. 1 Flare into the atmosphere during the five hour and forty-one minute event (incident No. 122974). The event occurred due to a loss of steam that led to the tripping of the C-201 cracked gas compressor and subsequent flaring. Since the emissions event could have been avoided by better maintenance and/or operational practices, it does not meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222. | | | | | | | | | | | | | | |
| Base Penalty | \$10,000 | | | | | | | | | | | | | | |
| >> Environmental, Property and Human Health Matrix | | | | | | | | | | | | | | | |
| OR | Harm | | | | | | | | | | | | | | |
| | Release Major Moderate Minor | | | | | | | | | | | | | | |
| | Actual <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> | | | | | | | | | | | | | | |
| Potential <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | Percent <input type="text" value="50%"/> | | | | | | | | | | | | | | |
| >> Programmatic Matrix | | | | | | | | | | | | | | | |
| Falsification | Major Moderate Minor | | | | | | | | | | | | | | |
| <input type="checkbox"/> | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | | | | | | | | | | | | | | |
| Matrix Notes | Percent <input type="text" value="0%"/> | | | | | | | | | | | | | | |
| The emissions event resulted in the release of a significant amount of pollutants which did not exceed levels protective of human health and/or the environment. | | | | | | | | | | | | | | | |
| Adjustment | \$5,000 | | | | | | | | | | | | | | |
| \$5,000 | | | | | | | | | | | | | | | |
| Violation Events | | | | | | | | | | | | | | | |
| Number of Violation Events | <input type="text" value="1"/> <input type="text" value="1"/> Number of violation days | | | | | | | | | | | | | | |
| <i>mark only one with an x</i> | <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td>daily</td><td><input type="checkbox"/></td></tr> <tr><td>weekly</td><td><input type="checkbox"/></td></tr> <tr><td>monthly</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>quarterly</td><td><input type="checkbox"/></td></tr> <tr><td>semiannual</td><td><input type="checkbox"/></td></tr> <tr><td>annual</td><td><input type="checkbox"/></td></tr> <tr><td>single event</td><td><input type="checkbox"/></td></tr> </table> | daily | <input type="checkbox"/> | weekly | <input type="checkbox"/> | monthly | <input checked="" type="checkbox"/> | quarterly | <input type="checkbox"/> | semiannual | <input type="checkbox"/> | annual | <input type="checkbox"/> | single event | <input type="checkbox"/> |
| daily | <input type="checkbox"/> | | | | | | | | | | | | | | |
| weekly | <input type="checkbox"/> | | | | | | | | | | | | | | |
| monthly | <input checked="" type="checkbox"/> | | | | | | | | | | | | | | |
| quarterly | <input type="checkbox"/> | | | | | | | | | | | | | | |
| semiannual | <input type="checkbox"/> | | | | | | | | | | | | | | |
| annual | <input type="checkbox"/> | | | | | | | | | | | | | | |
| single event | <input type="checkbox"/> | | | | | | | | | | | | | | |
| Violation Base Penalty | \$5,000 | | | | | | | | | | | | | | |
| One monthly event is recommended, based on the April 18, 2009 emissions event. | | | | | | | | | | | | | | | |
| Good Faith Efforts to Comply | | | | | | | | | | | | | | | |
| 25.0% Reduction | \$1,250 | | | | | | | | | | | | | | |
| Extraordinary | Before NOV NOV to EDRP/Settlement Offer | | | | | | | | | | | | | | |
| Ordinary | <input checked="" type="checkbox"/> <input type="checkbox"/> | | | | | | | | | | | | | | |
| N/A | <input type="checkbox"/> (mark with x) | | | | | | | | | | | | | | |
| Notes | The Respondent returned to compliance on June 29, 2009 and the NOE is dated June 30, 2009. | | | | | | | | | | | | | | |
| Violation Subtotal | \$3,750 | | | | | | | | | | | | | | |
| Economic Benefit (EB) for this violation | | | | | | | | | | | | | | | |
| Estimated EB Amount | <input type="text" value="\$49"/> Violation Final Penalty Total <input type="text" value="\$20,150"/> | | | | | | | | | | | | | | |
| This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$10,000"/> | | | | | | | | | | | | | | | |

Economic Benefit Worksheet

Respondent INEOS USA LLC
Case ID No. 37943
Reg. Ent. Reference No. RN100238708
Media Air
Violation No. 1

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

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

No commas or \$

Delayed Costs

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|--------------------------|-----------|---------------|-------------|------|----------------|---------------|-----------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$5,000 | 18-Apr-2009 | 29-Jun-2009 | 0.20 | \$49 | n/a | \$49 |

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

Avoided Costs

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

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|-------------------------------|-----------|---------------|------------|------|----------------|---------------|-----------|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

| | | | |
|-----------------------------------|---------|--------------|------|
| Approx. Cost of Compliance | \$5,000 | TOTAL | \$49 |
|-----------------------------------|---------|--------------|------|

| | | | |
|--|---|--------------------------------------|--|
| Screening Date 13-Jul-2009 | Docket No. 2009-1084-AIR-E | PCW | |
| Respondent INEOS USA LLC | Policy Revision 2 (September 2002) | | |
| Case ID No. 37943 | PCW Revision October 30, 2008 | | |
| Reg. Ent. Reference No. RN100238708 | | | |
| Media [Statute] Air | | | |
| Enf. Coordinator Kirk Schoppe | | | |
| Violation Number | 2 | | |
| Rule Cite(s) | 30 Tex. Admin. Code §§ 101.20(3) and 116.715(a), Tex. Health & Safety Code § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1 | | |
| Violation Description | Failed to prevent unauthorized emissions during an event that occurred on November 24 and 25, 2008, as documented during an investigation conducted on February 4, 2009. Specifically, the Respondent released 25,878 lbs of ethylene emissions, 35 lbs of 1,3-butadiene emissions, 262 lbs of propylene emissions, 4,745 lbs of NOx emissions, 24,167 lbs of CO emissions, and 26 lbs of other VOCs emissions from the Olefins No. 1 Unit into the atmosphere during the twenty-three hour and thirty-three minute event (Incident No. 117037). The event occurred when a sudden temperature increase in the second catalyst bed of R-202 acetylene reactor occurred. Since the emissions event was excessive and could have been avoided by better maintenance and/or operational practices, it does not meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222. | | |
| | Base Penalty | \$10,000 | |
| >> Environmental, Property and Human Health Matrix | | | |
| OR | Release | Harm | |
| | | Major Moderate Minor | |
| | Actual | x | |
| | Potential | | Percent 100% |
| >> Programmatic Matrix | | | |
| | Falsification | Major Moderate Minor | |
| | | | Percent 0% |
| Matrix Notes | The emissions event resulted in the release of a significant amount of pollutants which exceeded levels protective of human health and/or the environment. | | |
| | Adjustment | \$0 | |
| | | | \$10,000 |
| Violation Events | | | |
| | Number of Violation Events | 1 | Number of violation days |
| | | 1 | |
| mark only one with an x | daily | x | |
| | weekly | | |
| | monthly | | |
| | quarterly | | |
| | semiannual | | |
| | annual | | |
| | single event | | |
| | | | Violation Base Penalty \$10,000 |
| | One daily event is recommended, based on the November 24 - 25, 2008 emissions event. | | |
| Good Faith Efforts to Comply | | 25.0% Reduction | \$2,500 |
| | Before NOV | NOV to EDPRP/Settlement Offer | |
| Extraordinary | | | |
| Ordinary | x | | |
| N/A | | (mark with x) | |
| Notes | The Respondent returned to compliance on January 14, 2009 and the NOE is dated July 27, 2009. | | |
| | | Violation Subtotal | \$7,500 |
| Economic Benefit (EB) for this violation | | Statutory Limit Test | |
| Estimated EB Amount | \$35 | Violation Final Penalty Total | \$40,300 |
| This violation Final Assessed Penalty (adjusted for limits) | | | \$10,000 |

Economic Benefit Worksheet

Respondent INEOS USA LLC
Case ID No. 37943
Reg. Ent. Reference No. RN100238708
Media Air
Violation No. 2

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

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

Delayed Costs

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|--------------------------|-----------|---------------|-------------|------|----------------|---------------|-----------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$5,000 | 24-Nov-2008 | 14-Jan-2009 | 0.14 | \$35 | n/a | \$35 |

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

Avoided Costs

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

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|-------------------------------|-----------|---------------|------------|------|----------------|---------------|-----------|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance \$5,000 **TOTAL** \$35

| | | | | | | | | | | | | | | | | | | | | |
|---|---|----------|-------------|--------------------|-------|---------|----------------------|-----------|----------|------------|-------------------|---------------|--|--------------|---|--------------------|------------------|--|--|--|
| Screening Date 13-Jul-2009 | Docket No. 2009-1084-AIR-E | | | | | | | | | | | | | | | | | | | |
| Respondent INEOS USA LLC | PCW <small>Policy Revision 2 (September 2002) PCW Revision October 30, 2008</small> | | | | | | | | | | | | | | | | | | | |
| Case ID No. 37943 | | | | | | | | | | | | | | | | | | | | |
| Reg. Ent. Reference No. RN100238708 | | | | | | | | | | | | | | | | | | | | |
| Media [Statute] Air | | | | | | | | | | | | | | | | | | | | |
| Enf. Coordinator Kirk Schoppe | | | | | | | | | | | | | | | | | | | | |
| Violation Number 3 | | | | | | | | | | | | | | | | | | | | |
| Rule Cite(s) | 30 Tex. Admin. Code §§ 101.20(3) and 116.715(a), Tex. Health & Safety Code § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1 | | | | | | | | | | | | | | | | | | | |
| Violation Description | Failed to prevent unauthorized emissions during an event that occurred on May 6, 2009, as documented during an investigation conducted on July 15, 2009. Specifically, the Respondent released 552 lbs of 1,3-butadiene emissions and 427 lbs of other VOCs emissions from the Olefins No. 1 Unit DB901A Boiler into the atmosphere during the four hour and eight minute event (Incident No. 123862). The event occurred when the block valve to the boiler fuel gas line was not closed properly. Since the emissions event was avoidable due to poor operating practices, it does not meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222. | | | | | | | | | | | | | | | | | | | |
| Base Penalty | \$10,000 | | | | | | | | | | | | | | | | | | | |
| >> Environmental, Property and Human Health Matrix | | | | | | | | | | | | | | | | | | | | |
| OR | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td colspan="3" style="text-align: center;">Harm</td> <td></td> </tr> <tr> <td>Release</td> <td style="text-align: center;">Major</td> <td style="text-align: center;">Moderate</td> <td style="text-align: center;">Minor</td> <td></td> </tr> <tr> <td>Actual</td> <td></td> <td></td> <td style="text-align: center;">x</td> <td rowspan="2" style="vertical-align: middle;">Percent 25%</td> </tr> <tr> <td>Potential</td> <td></td> <td></td> <td></td> </tr> </table> | | Harm | | | | Release | Major | Moderate | Minor | | Actual | | | x | Percent 25% | Potential | | | |
| | Harm | | | | | | | | | | | | | | | | | | | |
| Release | Major | Moderate | Minor | | | | | | | | | | | | | | | | | |
| Actual | | | x | Percent 25% | | | | | | | | | | | | | | | | |
| Potential | | | | | | | | | | | | | | | | | | | | |
| >> Programmatic Matrix | | | | | | | | | | | | | | | | | | | | |
| | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">Major</td> <td style="text-align: center;">Moderate</td> <td style="text-align: center;">Minor</td> <td></td> </tr> <tr> <td>Falsification</td> <td></td> <td></td> <td></td> <td rowspan="2" style="vertical-align: middle;">Percent 0%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table> | | Major | Moderate | Minor | | Falsification | | | | Percent 0% | | | | | | | | | |
| | Major | Moderate | Minor | | | | | | | | | | | | | | | | | |
| Falsification | | | | Percent 0% | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| Matrix Notes | The emissions event resulted in the release of an insignificant amount of pollutants which did not exceed levels protective of human health and/or the environment. | | | | | | | | | | | | | | | | | | | |
| Adjustment | \$7,500 | | | | | | | | | | | | | | | | | | | |
| | \$2,500 | | | | | | | | | | | | | | | | | | | |
| Violation Events | | | | | | | | | | | | | | | | | | | | |
| Number of Violation Events | 1 | | | | | | | | | | | | | | | | | | | |
| | 1 Number of violation days | | | | | | | | | | | | | | | | | | | |
| <i>mark only one with an x</i> | <table border="1" style="width:100%; border-collapse: collapse;"> <tr><td>daily</td><td></td></tr> <tr><td>weekly</td><td></td></tr> <tr><td>monthly</td><td></td></tr> <tr><td>quarterly</td><td style="text-align: center;">x</td></tr> <tr><td>semiannual</td><td></td></tr> <tr><td>annual</td><td></td></tr> <tr><td>single event</td><td></td></tr> </table> | daily | | weekly | | monthly | | quarterly | x | semiannual | | annual | | single event | | | | | | |
| daily | | | | | | | | | | | | | | | | | | | | |
| weekly | | | | | | | | | | | | | | | | | | | | |
| monthly | | | | | | | | | | | | | | | | | | | | |
| quarterly | x | | | | | | | | | | | | | | | | | | | |
| semiannual | | | | | | | | | | | | | | | | | | | | |
| annual | | | | | | | | | | | | | | | | | | | | |
| single event | | | | | | | | | | | | | | | | | | | | |
| Violation Base Penalty | \$2,500 | | | | | | | | | | | | | | | | | | | |
| One quarterly event is recommended, based on the May 6, 2009 emissions event. | | | | | | | | | | | | | | | | | | | | |
| Good Faith Efforts to Comply | | | | | | | | | | | | | | | | | | | | |
| | 25.0% Reduction | | | | | | | | | | | | | | | | | | | |
| | \$625 | | | | | | | | | | | | | | | | | | | |
| Extraordinary | Before NOV | | | | | | | | | | | | | | | | | | | |
| Ordinary | NOV to EDRP/Settlement Offer | | | | | | | | | | | | | | | | | | | |
| N/A | (mark with x) | | | | | | | | | | | | | | | | | | | |
| Notes | The Respondent returned to compliance on June 9, 2009 and the NOE is dated August 14, 2009. | | | | | | | | | | | | | | | | | | | |
| Violation Subtotal | \$1,875 | | | | | | | | | | | | | | | | | | | |
| Economic Benefit (EB) for this violation | | | | | | | | | | | | | | | | | | | | |
| Estimated EB Amount | \$23 | | | | | | | | | | | | | | | | | | | |
| Statutory Limit Test | | | | | | | | | | | | | | | | | | | | |
| Violation Final Penalty Total | \$10,075 | | | | | | | | | | | | | | | | | | | |
| This violation Final Assessed Penalty (adjusted for limits) \$10,000 | | | | | | | | | | | | | | | | | | | | |

Economic Benefit Worksheet

Respondent **INEOS USA LLC**
 Case ID No. **37943**
 Reg. Ent. Reference No. **RN100238708**
 Media **Air**
 Violation No. **3**

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

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

No commas or \$

Delayed Costs

| | | | | | | | |
|--------------------------|---------|------------|------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$5,000 | 6-May-2009 | 9-Jun-2009 | 0.09 | \$23 | n/a | \$23 |

Notes for DELAYED costs: Estimated cost for additional oversight and management practices designed to ensure proper operation and maintenance practices are followed. The Date Required is based on the date of the emissions event and the Final Date is the date of compliance.

Avoided Costs

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

| | | | | | | | |
|-------------------------------|--|--|--|------|-----|-----|-----|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

| | | | |
|----------------------------|---------|-------|------|
| Approx. Cost of Compliance | \$5,000 | TOTAL | \$23 |
|----------------------------|---------|-------|------|

| | | | | |
|--|---|-------------------------------------|--|--|
| Screening Date 13-Jul-2009 | Docket No. 2009-1084-AIR-E | PCW | | |
| Respondent INEOS USA LLC | <small>Policy Revision 2 (September 2002)</small> | | | |
| Case ID No. 37943 | <small>PCW Revision: October 30, 2008</small> | | | |
| Reg. Ent. Reference No. RN100238708 | | | | |
| Media [Statute] Air | | | | |
| Enf. Coordinator Kirk Schoppe | | | | |
| Violation Number <input type="text" value="4"/> | | | | |
| Rule Cite(s) | 30 Tex. Admin. Code §§ 101.20(3) and 116.715(a), Tex. Health & Safety Code § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1 | | | |
| Violation Description | Failed to prevent unauthorized emissions during an event that occurred on November 12, 2008, as documented during an investigation conducted on February 10, 2009. Specifically, the Respondent released 18,075 lbs of ethylene emissions, 82 lbs of 1,3-butadiene emissions, 1,407 lbs of propylene emissions, 4,058 lbs of NOx emissions, 20,671 lbs of CO, and 848 lbs of other VOCs emissions from the Olefins No. 1 Unit into the atmosphere during the fifteen hour event (Incident No. 116493). The event occurred when the level of D-201 suction drum was not controlled and led to the shutdown of C-201 compressor. Since the emissions event could have been avoided by better maintenance and/or operational practices, it does not meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222. | | | |
| Base Penalty | <input type="text" value="\$10,000"/> | | | |
| >> Environmental, Property and Human Health Matrix | | | | |
| OR | Harm | | | |
| | Release | Major | Moderate | Minor |
| | Actual | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Potential | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Percent <input type="text" value="100%"/> |
| >> Programmatic Matrix | | | | |
| | Falsification | Major | Moderate | Minor |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Matrix Notes | <input type="text" value="The emissions event resulted in the release of a significant amount of pollutants which exceeded levels protective of human health and/or the environment."/> | | | Percent <input type="text" value="0%"/> |
| Adjustment | | | <input type="text" value="\$0"/> | |
| | | | \$10,000 | |
| Violation Events | | | | |
| | Number of Violation Events | <input type="text" value="1"/> | Number of violation days | |
| | | <input type="text" value="1"/> | | |
| <small>mark only one with an x</small> | daily | <input checked="" type="checkbox"/> | | |
| | weekly | <input type="checkbox"/> | | |
| | monthly | <input type="checkbox"/> | | |
| | quarterly | <input type="checkbox"/> | | |
| | semiannual | <input type="checkbox"/> | | |
| | annual | <input type="checkbox"/> | | |
| | single event | <input type="checkbox"/> | | |
| <input type="text" value="One daily event is recommended, based on the November 12, 2008 emissions event."/> | | | Violation Base Penalty <input type="text" value="\$10,000"/> | |
| Good Faith Efforts to Comply | | | \$2,500 | |
| | 25.0% Reduction | | | |
| | 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 | <input type="text" value="The Respondent returned to compliance on February 9, 2009 and the NOE is dated August 20, 2009."/> | | | |
| Violation Subtotal | | | <input type="text" value="\$7,500"/> | |
| Economic Benefit (EB) for this violation | | | Statutory Limit Test | |
| Estimated EB Amount | <input type="text" value="\$81"/> | | Violation Final Penalty Total <input type="text" value="\$40,300"/> | |
| This violation Final Assessed Penalty (adjusted for limits) | | | <input type="text" value="\$10,000"/> | |

Economic Benefit Worksheet

Respondent INEOS USA LLC
 Case ID No. 37943
 Reg. Ent. Reference No. RN100236708
 Media Air
 Violation No. 4

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

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

Delayed Costs

| | | | | | | | |
|--------------------------|---------|-------------|------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$5,000 | 12-Nov-2008 | 9-Feb-2009 | 0.24 | \$61 | n/a | \$61 |

Notes for DELAYED costs: Estimated cost for additional oversight and management practices designed to ensure proper operation and maintenance practices are followed. The Date Required is based on the date of the emissions event and the Final Date is the date of compliance.

Avoided Costs

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

| | | | | | | | |
|-------------------------------|--|--|--|------|-----|-----|-----|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

| | | | |
|----------------------------|---------|-------|------|
| Approx. Cost of Compliance | \$5,000 | TOTAL | \$61 |
|----------------------------|---------|-------|------|

Compliance History Report

Customer/Respondent/Owner-Operator: CN602817884 INEOS USA LLC Classification: AVERAGE Rating: 2.69
Regulated Entity: RN100238708 CHOCOLATE BAYOU PLANT Classification: AVERAGE Site Rating: 7.13

| | | | |
|---------------|--|----------------|--------------|
| ID Number(s): | AIR OPERATING PERMITS | ACCOUNT NUMBER | BL0002S |
| | AIR OPERATING PERMITS | PERMIT | 1353 |
| | AIR OPERATING PERMITS | PERMIT | 2327 |
| | WASTEWATER | PERMIT | WQ0001333000 |
| | WASTEWATER | PERMIT | TPDES0004821 |
| | WASTEWATER | PERMIT | TX0004821 |
| | PETROLEUM STORAGE TANK REGISTRATION | REGISTRATION | 12999 |
| | PUBLIC WATER SYSTEM/SUPPLY | REGISTRATION | 0200132 |
| | UNDERGROUND INJECTION CONTROL | PERMIT | 5D0400007 |
| | AIR NEW SOURCE PERMITS | PERMIT | 53419 |
| | AIR NEW SOURCE PERMITS | PERMIT | 95 |
| | AIR NEW SOURCE PERMITS | PERMIT | 101 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 75608 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 12953 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 53419 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 75399 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 10465 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 10906 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 11060 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 11539 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 12136 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 12709 |
| | AIR NEW SOURCE PERMITS | ACCOUNT NUMBER | BL0002S |
| | AIR NEW SOURCE PERMITS | AFS NUM | 4803900014 |
| | AIR NEW SOURCE PERMITS | EPA ID | PSDTX854 |
| | AIR NEW SOURCE PERMITS | PERMIT | 488A |
| | AIR NEW SOURCE PERMITS | PERMIT | 491A |
| | AIR NEW SOURCE PERMITS | PERMIT | 1041 |
| | AIR NEW SOURCE PERMITS | PERMIT | 2798 |
| | AIR NEW SOURCE PERMITS | PERMIT | 4882 |
| | AIR NEW SOURCE PERMITS | PERMIT | 7196 |
| | AIR NEW SOURCE PERMITS | PERMIT | 19868 |
| | AIR NEW SOURCE PERMITS | PERMIT | 35735 |
| | AIR NEW SOURCE PERMITS | PERMIT | 46192 |

| | | |
|---|----------------------------------|--------------|
| AIR NEW SOURCE PERMITS | PERMIT | 48637 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 71820 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 74968 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 76394 |
| AIR NEW SOURCE PERMITS | EPA ID | PSDTX793 |
| AIR NEW SOURCE PERMITS | EPA ID | PSDTX983 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 76826 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 76401 |
| AIR NEW SOURCE PERMITS | EPA ID | PSDTX642 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 78501 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 78483 |
| AIR NEW SOURCE PERMITS | EPA ID | PSDTX854M2 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 87813 |
| WATER LICENSING | LICENSE | 0200132 |
| INDUSTRIAL AND HAZARDOUS WASTE GENERATION | EPA ID | TXD050309012 |
| INDUSTRIAL AND HAZARDOUS WASTE GENERATION | SOLID WASTE REGISTRATION # (SWR) | 30042 |
| INDUSTRIAL AND HAZARDOUS WASTE STORAGE | PERMIT | 50121 |
| INDUSTRIAL AND HAZARDOUS WASTE STORAGE | EPA ID | TXD050309012 |
| INDUSTRIAL AND HAZARDOUS WASTE STORAGE | PERMIT | 50121 |
| IHW CORRECTIVE ACTION | SOLID WASTE REGISTRATION # (SWR) | 30042 |
| INDUSTRIAL AND HAZARDOUS WASTE COMPLIANCE PLANS | PERMIT | 50121 |
| INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE | PERMIT | 50121 |

Location: 2 MI S OF THE INTERSECTION OF FM 2917 AND FM 2004

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: July 08, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: July 08, 2004 to July 08, 2009

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

Name: Kirk Schoppe **Phone:** 239 - 0489

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/operator of the site during the compliance period? Yes
OWNOPR
3. If Yes, who is the current owner/operator?
N/A
INEOS USA LLC

4. if Yes, who was/were the prior owner(s)/operator(s) ?
- | | | |
|--|--------|---------------------------|
| | OWNOPR | INEOS USA LLC |
| | N/A | |
| | OWNOPR | BP Amoco Chemical Company |
5. When did the change(s) in owner or operator occur?
- | | | | |
|--|------------|--------|---------------------------|
| | 04/25/2005 | OWNOPR | BP Amoco Chemical Company |
| | N/A | | |
| | 06/01/2005 | OWNOPR | INEOS USA LLC |
6. Rating Date: 9/1/2008 Repeat Violator: NO

Components (Multimedia) for the Site :

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

Effective Date: 08/28/2004 ADMINORDER 2004-0036-PST-E
 N/A

Classification: Minor
 Citation: 2D TWC Chapter 26, SubChapter A 26.346(a)
 30 TAC Chapter 334, SubChapter A 334.8(c)(4)(A)(vii)
 Description: Failure to ensure the timely renewal of a previously issued UST delivery certificate.
 Classification: Minor
 Citation: 2D TWC Chapter 26, SubChapter A 26.3467(a)
 30 TAC Chapter 334, SubChapter A 334.8(c)(5)(A)(i)
 Description: Failure to make available to a common carrier a valid and current TCEQ delivery certificate before accepting the delivery of a regulated substance into the UST system.

Effective Date: 08/30/2004 ADMINORDER 2003-1280-AIR-E
 Classification: Major
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: SC 1 PERMIT
 Description: Exceeded the volatile organic carbon maximum allowable emission rate for Flare DM-1101 on March 17, 2003. (Note mistake in order should be "compound" not "carbon")

Effective Date: 08/28/2006 ADMINORDER 2006-0242-AIR-E
 Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: Air Permit #92/PSD-TX-854, S.C.#1 PA
 Description: Failed to prevent unauthorized emissions during a April 14, 2005 emissions event.
 Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: Air Permit #95/PSD-TX-854, S.C.#1 PA
 Description: Failed to prevent unauthorized emissions during a May 29, 2005 emissions event.
 Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Air Permit #95/PSD-TX-854, S.C.#1 PA
Description: Failed to prevent unauthorized emissions during a July 5, 2005 emissions event.

Effective Date: 11/03/2006 ADMINORDER 2006-0469-AIR-E

Classification: Major
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
Rqmt Prov: No. 95/PSD-TX-854, Special Condition #1 PERMIT
Description: Failure to prevent loss of instrument air resulting in unauthorized emissions.

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
Rqmt Prov: Permit No. 95/PSD-TX-854 PERMIT
Description: Failed to maintain an emission rate below the maximum allowable emission limit of zero from the No. 1 Olefins Flare on November 19, 2005 [emission point No. ("EPN") DM-1101] on November 19, 2005.

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: Special Condition No. 1 PERMIT
Description: Failed to maintain an emission rate below the maximum allowable emission limit of zero from the No. 1 Olefins Flare on December 11, 2005 [EPN DM-1101] on December 11, 2005.

Effective Date: 04/26/2007 ADMINORDER 2006-1893-AIR-E

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
Rqmt Prov: No. 95, Special Condition 1 PERMIT
Description: Failed to prevent unauthorized emissions.

Effective Date: 08/31/2007 ADMINORDER 2007-0175-AIR-E

Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
Rqmt Prov: No. 95, Special Condition 1 PERMIT
Description: Failure to prevent unauthorized emissions.

Effective Date: 11/19/2007 ADMINORDER 2004-0891-AIR-E

Classification: Major
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Flexible Air Permit #95, SC #1 PERMIT
Description: BP Amoco failed to prevent the unauthorized excessive emissions from Emission Point No. DDM-3101 during a period of 42 hours on April 1 through April 3, 2003.

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Flexible Permit 95 and PSD-TX-854 PA
Description: BP Amoco failed to prevent the unauthorized emissions when a drain valve on Flare Knock-Out Drum AD-1501 was left open for one hour on May 3, 2004.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

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

Rqmt Prov: TCEQ FLEXIBLE AIR PERMIT #95, SC#1 PERMIT

Description: BP Amoco failed to prevent the unauthorized emissions when BP Amoco failed to prevent a high concentration of carbon monoxide in cracked gas which caused a malfunction in the acetylene reactor, which in turn, resulted in the production of ethylene which was routed to the Olefins 1 Flare for approximately 12 hours and 30 minutes on July 19, 2004.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)

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

Rqmt Prov: TCEQ Flexible Air Permit No. 95, SC1 PERMIT

Description: BP Amoco failed to prevent the unauthorized emissions from the Olefins 2 Unit's flare when the Steam Turbine, DDGT-220AN, had an electrical short circuit which caused it to trip offline. This short circuiting caused the Cracked-Gas Compressor DDC-202N to trip-off during a period of approximately eleven (11) hours on June 16, 2004.

Classification: Moderate

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

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

Rqmt Prov: 19868, SC No. 1 PA

Description: BP Amoco failed to prevent the unauthorized emissions due to a seal failure on Quench Pump MG-251 for approximately one hour and forty-five minutes on July 9, 2004.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)

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

Rqmt Prov: TCEQ Flex Air Permit No. 95, SC1 PERMIT

Description: BP Amoco failed to prevent unauthorized emissions from the Olefins 1 Unit Flare when BP failed to control back-pressure in a hydrogen pipeline; thereby shutting down two compressors and decreasing flow through the ethylene section of the Olefins 1 Unit for approximately 40 hours from October 21 through October 23, 2004.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)

Rqmt Prov: 95, SC #1 PA

Description: BP Amoco failed to prevent unauthorized emissions from the Olefins 1 Flare when BP failed to control the carbon monoxide concentration and temperature in the acetylene reactor, DR-201 A/B, for approximately 10 hours on October 29, 2004.

Effective Date: 01/28/2008

ADMINORDER 2007-0370-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

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

Rqmt Prov: No. 95/PSD-TX-854, SC#1 PERMIT

Description: Failure to prevent an unplanned compressor shutdown resulting in unauthorized emissions during Incident 63040 and 63041.

Classification: Major

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

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

Rqmt Prov: No. 95 PERMIT

Description: Failed to control unauthorized emissions during Incident No. 63863 and No. 63864.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

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

Rqmt Prov: TCEQ Flex Air Permit #95/PSD-TX-854, SC1 OP

Description: INEOS failure to prevent an avoidable emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

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

Rqmt Prov: Special Condition No. 1 PERMIT
Description: Failure to prevent loss of feed resulting in unauthorized emissions.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: TCEQ Permit No. 95, Special Condition 1 PERMIT
Description: Failure to prevent unauthorized emissions due to operator error.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: TCEQ Permit No. 95, Special Condition 1 PERMIT
Description: Failure to prevent unauthorized emissions.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: No. 95, Special Condition 1 PERMIT

Description: Failure to prevent unauthorized emissions.

Effective Date: 04/03/2008 ADMINORDER 2007-1325-PWS-E
Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)
5A THC Chapter 341, SubChapter A 341.0315(c)
Description: Violated the maximum contaminant level for Trihalomethanes during the fourth quarter of 2006.
Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)
5A THC Chapter 341, SubChapter A 341.0315(c)
Description: Violated the maximum contaminant level for Trihalomethanes during the first quarter of 2007.

Effective Date: 07/21/2008 ADMINORDER 2008-0266-AIR-E
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: No. 95, Special Condition 1 PERMIT
Description: Failed to prevent the interruption of dimethylsulfide supply to dilution steam.

Effective Date: 11/17/2008 ADMINORDER 2008-0800-AIR-E
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 111, SubChapter A 111.111(a)(1)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: General Condition No. 11 PERMIT
Special Condition 1 PERMIT
Description: Failed to comply with permitted emissions limits.

Effective Date: 03/12/2009

ADMINORDER 2008-1561-AIR-E

Classification: Moderate

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

Rqmt Prov: Special Condition 1 PERMIT

Description: Failed to prevent rupture of Tank AF4601B roof seals.

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

N/A

C. Chronic excessive emissions events.

N/A

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

| | | | |
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| N/A | 2 | 07/13/2004 | (274532) |
| | 3 | 07/15/2004 | (351989) |
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| | 7 | 08/18/2004 | (284687) |
| | 8 | 08/30/2004 | (250202) |
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| | 24 | 12/13/2004 | (338522) |
| | 25 | 12/15/2004 | (337091) |
| | 26 | 12/16/2004 | (341903) |
| | 27 | 12/17/2004 | (337094) |
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| | 43 | 02/22/2005 | (381802) |
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45 04/22/2005 (419633)
46 04/26/2005 (372080)
47 05/18/2005 (374942)
48 05/19/2005 (419634)
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 279 11/10/2008 (710686)
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 284 02/05/2009 (722823)
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 288 02/20/2009 (689422)
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 290 03/04/2009 (750206)
 291 03/18/2009 (738007)
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 293 04/01/2009 (750208)
 294 04/08/2009 (750207)
 295 04/18/2009 (741058)
 296 04/24/2009 (737309)
 297 04/27/2009 (737963)
 298 05/05/2009 (739628)
 299 05/05/2009 (739755)
 300 05/15/2009 (737333)
 301 05/15/2009 (742437)
 302 05/15/2009 (742470)
 303 05/15/2009 (742611)
 304 06/09/2009 (739816)
 305 06/30/2009 (746227)

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

Date: 08/30/2004 (250202) CN602817884
 N/A Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 35735 PA
 Description: Failure to comply with Special Condition No. 11A of TCEQ Permit No. 35735.

Date: 12/28/2004 (288451) CN602817884
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(a)
 5419, SC 1 PA
 Description: Failure to meet demonstration criteria.

Date: 01/05/2005 (287246) CN602817884
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)
 5C THC Chapter 382, SubChapter A 382.085(b)
 95, Special Condition No. 1 PA
 Description: Exceeded permit limit during an avoidable emissions event.

Date: 06/13/2005 (418277) CN602817884
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Other Requirements, No. 3 PERMIT
 Description: Failure to comply with chlorine residual limits for the discharge from the domestic
 sewage facility.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 319, SubChapter A 319.11(b)

Description: Failure to analyze chlorine residual samples within hold time.

Date: 07/15/2005 (399321) CN602817884
Self Report? NO Classification: Moderate
Citation: 19868 SC No. 7E PA
30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)

Description: Failure to plug the open-ended lines.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 116, SubChapter B 116.115(c)
35735 SC No. 3 PA
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)

Description: Failure to maintain net heating value of flare header to a minimum value of 300 Btu/Scf.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 117, SubChapter B 117.206(l)

Description: Failure to comply with 30 TAC 117.206(l) by operating the emergency generator between the hours of 6:00 AM and Noon.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.136(b)

Description: Failure to include PP-1 powder baghouse and vent CM-1307 in the title V permit within 60 days upon discovery.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter H 115.782(c)(2)(A)

Description: Failure to conduct extraordinary attempts to repair leaking valves within seven days.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)
5419 SC No. 3 PA

Description: Failure to avoid visible emissions from flare for more than five minutes in any two hour period.

Date: 08/31/2005 (440768) CN602817884
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: 12/05/2005 (397651) CN602817884
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 115, SubChapter H 115.783(5)
30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
Permit # 95 Special Condition 28E PERMIT

Description: Failure to seal three open ended lines.

Date: 04/28/2006 (453217) CN602817884
Self Report? NO Classification: Moderate
Citation: Permit No. 19868, Special Condition 1 PERMIT
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to keep the emissions within the Maximum Allowable Emissions Rate Table limits specified in TCEQ Air Permit No. 19868 for the Flare.

Date: 01/17/2007 (567358) CN602817884
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)
5A THC Chapter 341, SubChapter A 341.0315(c)
Description: Violated the maximum contaminant level for Trihalomethanes during the fourth quarter of 2006.

Date: 05/18/2007 (652283) CN602817884
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)
Description: TOTAL TRIHALOMETHANES

Date: 05/18/2007 (568214) CN602817884
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)
5A THC Chapter 341, SubChapter A 341.0315(c)
Description: Violated the maximum contaminant level for Trihalomethanes during the first quarter of 2007.

Date: 08/10/2007 (652667) CN602817884
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)
Description: TOTAL TRIHALOMETHANES

Date: 08/31/2007 (565801) CN602817884
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Part 60, Subpart VV 60.482-6(a)(1)
5C THC Chapter 382, SubChapter D 382.085(b)
FOP #O-01353, Special Condition #1A OP
FOP #O-01353, Special Condition #6 OP
Permit #19868, Special Condition #5E PERMIT
Permit #35735, Special Condition #8E PERMIT
Permit #5419, Special Condition #8E PERMIT

Description: Failure to seal open-ended lines in a VOC service.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
FOP # O-01353, Special Condition #1A OP
FOP # O-01353, Special Condition #6 OP
Permit #19868, Special Condition #8D PERMIT
Permit #35735, Special Condition #4 PERMIT

Description: Failure to prevent flares' on-line analyzers to be out of service.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Part 60, Subpart A 60.18(c)(1)
5C THC Chapter 382, SubChapter D 382.085(b)
FOP #O-01353, Special Condition #1A OP
FOP #O-01353, Special Condition #6 OP
Permit #35735, Special Condition #3 PERMIT

Description: Failure to prevent visible emissions at the flare.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
FOP #O-01353, Special Condition #6 OP
Permit #35735, Special Condition #4 PERMIT

Description: Failure to prevent flare monitoring data for vent flow rate lost due to parametric meter malfunction.

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
 30 TAC Chapter 122, SubChapter B 122.146(5)(D)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Description: Failure to include in four previous deviation reports (May 2005 to October 2006) their failure to submit semi-annual reports of non-repairable HRVOC fugitive emission components to TCEQ Houston Region Office.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter H 115.782(c)(2)(A)(I)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Description: Failure to prevent extraordinary repair attempt not completed within 30 days of leak detection for valve in HRVOC service (leaking <10,000 ppmv).

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter H 115.786(c)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Description: Failure to submit reports of HRVOC fugitive emissions components that were non-repairable (i.e. placed on delay of repair) to the TCEQ and local agency semi-annually as required until the report covering the period ending December 31, 2006.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter H 115.764(a)(2)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Description: Failure to collect samples for total VOC analysis while Polypropylene Unit #2 cooling tower analyzer was out of calibration.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 117, SubChapter B 117.206(I)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Description: Failure to prevent stationary diesel emergency engine tested between 6 am and 12 noon.

Date: 09/30/2007 (607523) CN602817884
 Self Report? YES Classification: Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter

Date: 11/15/2007 (653032) CN602817884
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)
 Description: TOTAL TRIHALOMETHANES

Date: 02/08/2008 (652098) CN602817884
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 290, SubChapter F 290.113(f)(4)
 Description: TOTAL TRIHALOMETHANES

Date: 04/04/2008 (618108) CN602817884
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THSC Chapter 382 382.085(b)
 No. 95, Special Condition 1 PERMIT
 Description: Failure to prevent unauthorized emissions due to operator error.

Date: 07/15/2008 (681456) CN602817884
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter F 101.221(a)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
 5C THSC Chapter 382 382.085(b)
 Special Condition No. 8B PERMIT
 Description: Failed to prevent the loss of flame at the flare.
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Date: 08/22/2008 (687895) CN602817884
Self Report? NO Classification: Moderate
Citation:

30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition #1 PERMIT

Description: Failure to prevent flare malfunction.
Self Report? NO Classification: Moderate
Citation:

30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
Special Condition #8.B PERMIT

Description: Failure to prevent the loss of flame on the flare.

Date: 10/31/2008 (710686) CN602817884
Self Report? YES Classification: Moderate
Citation:

2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to meet the limit for one or more permit parameter

Date: 10/31/2008 (636605) CN602817884
Self Report? NO Classification: Minor
Citation:

30 TAC Chapter 115, SubChapter D 115.352(2)(C)
30 TAC Chapter 115, SubChapter H 115.782(c)(1)(C)(ii)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.171(d)(2)
5C THSC Chapter 382 382.085(b)
STC 1A OP

Description: Failure to repair four leaking pumps.
Self Report? NO Classification: Minor
Citation:

30 TAC Chapter 115, SubChapter D 115.352(2)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
STC 1A OP

Description: Failed to repair leaking components within 15 days.
Self Report? NO Classification: Moderate
Citation:

30 TAC Chapter 115, SubChapter H 115.786(c)
5C THSC Chapter 382 382.085(b)

Description: Failure to submit HRVOC Delay of Repair report.
Self Report? NO Classification: Minor
Citation:

30 TAC Chapter 115, SubChapter H 115.782(c)(2)(A)(i)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct Extra-Ordinary Efforts.
Self Report? NO Classification: Minor
Citation:

30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1033(b)(1)
5C THSC Chapter 382 382.085(b)
SC 34E PA
STC 19 PA

Description: Failure to seal open ended lines.
Self Report? NO Classification: Moderate
Citation:

30 TAC Chapter 115, SubChapter D 115.354(2)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC 35F PA
STC 19 OP

Description: Failure to conduct fugitive monitoring on 216 valves.

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|--------------|--|-----------------|----------|
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 115, SubChapter D 115.352(2) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) STC 1A OP | | |
| Description: | Failure to verify leak repairs. | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 115, SubChapter H 115.788(c) 5C THSC Chapter 382 382.085(b) | | |
| Description: | Failure to provide 30 day notification prior to HRVOC Audit. | | |
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC 13 PA STC 19 OP | | |
| Description: | Failure to maintain hourly NOX emissions within limits. | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 115, SubChapter H 115.725(d)(3) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) STC 1HI OP | | |
| Description: | Failure to maintain flare analyzer downtime to less than 5%. | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 117, SubChapter B 117.310(c)(2) 5C THSC Chapter 382 382.085(b) | | |
| Description: | Failure to maintain ammonia emissions less than 10 ppmv. | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC 1 PA STC 19 OP | | |
| Description: | Failure to maintain ammonia emissions within the MAERT. | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 117, SubChapter B 117.300 30 TAC Chapter 117, SubChapter B 117.340(d) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) STC 1A OP | | |
| Description: | Failure to monitor ammonia slp. | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(4)(ii) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(7)(ii) 5C THSC Chapter 382 382.085(b) SC 11A PA STC 1A OP | | |
| Description: | Failure to maintain flare exit velocity less than Vmax. | | |
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3) 5C THSC Chapter 382 382.085(b) SC 11A PA STC 1A OP | | |
| Description: | Failure to maintain net heating content greater than 300 Btu/scf. | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 117, SubChapter B 117.300 30 TAC Chapter 117, SubChapter B 117.335(a)(4) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) STC 1A OP | | |
| Description: | Failure to test engine within 60 days. | | |

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|--------------|--|-----------------|----------|
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 117, SubChapter B 117.300 30 TAC Chapter 117, SubChapter B 117.310(c)(1) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) STC 1A OP | | |
| Description: | Failure to maintain CO emissions less than 400 ppmv. | | |
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC 1 PA STC 19 OP | | |
| Description: | Failure to maintain firing rates within limits. | | |
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC 4B PA STC 19 OP | | |
| Description: | Failure to maintain boiler firing rate less than 388 mmbtu/hr. | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC 49 PA STC 19 OP | | |
| Description: | Failure to record vent stream flow to flare. | | |
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC 1 PA STC 19 OP | | |
| Description: | Failure to maintain CO emissions within the MAERT. | | |
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(A) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) STC 3AI OP | | |
| Description: | Failure to prevent visible emissions from stationary vents. | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1038(c)(2)(l) 5C THSC Chapter 382 382.085(b) STC 1A OP | | |
| Description: | Failure to maintain records of Audio, Visual, Olfactory (AVO) inspections. | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC 38 PA STC 19 OP | | |
| Description: | Failure to record time during ammonia AVO inspections | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 1A OP 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) SC 3 PA | | |
| Description: | Failure to maintain NOx emissions within limits | | |
| Self Report? | NO | Classification: | Minor |
| Citation: | 30 TAC Chapter 117, SubChapter B 117.300 30 TAC Chapter 117, SubChapter B 117.345(b)(2) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) | | |

STC 1A OP
Description: Failure to submit PEMS RATA notification within 15 days.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 117, SubChapter B 117.310(f)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
STC 7A OP

Description: Failure to prevent engine testing between 6 am and 12 noon.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

STC 2F OP
Description: Failure to submit Emission Event reports to local programs.

Date: 11/10/2008 (700448) CN602817884
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)
Special Condition 1 PERMIT

Description: Failure to prevent unauthorized emissions.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)
Special Condition #11.B PERMIT

Description: Failed to prevent the loss of flame on the flare.

Date: 04/27/2009 (737963) CN602817884
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)
Special Condition 1 PERMIT

Description: Failure to prevent unauthorized emissions during an emissions event.

F. Environmental audits.

09/08/2005 (435727)

Notice of Intent Date:

No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



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

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**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2009-1084-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding INEOS USA LLC ("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 presented this agreement to the Commission.

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

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

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

I. FINDINGS OF FACT

1. The Respondent owns and operates a petrochemical plant on Farm-to-Market Road 2004, two miles south of the intersection of Farm-to-Market Road 2917 and Farm-to-Market Road 2004, in Alvin, Brazoria County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During an investigation on June 10, 2009, TCEQ staff documented that the Respondent failed to prevent unauthorized emissions during an event that occurred on April 18, 2009. Specifically, the Respondent released 7,267 pounds ("lbs") of ethylene emissions, 144 lbs of 1,3-butadiene emissions, 347 lbs of propylene emissions, 1,722 lbs of nitrogen oxides ("NOx") emissions, 8,772 lbs of carbon monoxide ("CO") emissions, and 186 lbs of other volatile organic compounds ("VOCs") emissions from the Olefins No. 1 Flare into the atmosphere during the five hour and forty-one minute event (Incident No. 122974). The event occurred due to a loss of steam that led to the tripping of the C-201 cracked gas compressor and subsequent flaring. Since the emissions event could have been avoided by better maintenance and/or operational practices, it does not meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
4. During an investigation on February 4, 2009, TCEQ staff documented that the Respondent failed to prevent unauthorized emissions during an event that occurred on November 24 and 25, 2008. Specifically, the Respondent released 25,878 lbs of ethylene emissions, 35 lbs of 1,3-butadiene emissions, 262 lbs of propylene emissions, 4,745 lbs of NOx emissions, 24,167 lbs of CO emissions, and 26 lbs of other VOCs emissions from the Olefins No. 1 Unit into the atmosphere during the twenty-three hour and thirty-three minute event (Incident No. 117037). The event occurred when a sudden temperature increase in the second catalyst bed of R-202 acetylene reactor occurred. Since the emissions event was excessive and could have been avoided by better maintenance and/or operational practices, it does not meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
5. During an investigation on July 15, 2009, TCEQ staff documented that the Respondent failed to prevent unauthorized emissions during an event that occurred on May 6, 2009. Specifically, the Respondent released 552 lbs of 1,3-butadiene emissions and 427 lbs of other VOCs emissions from the Olefins No. 1 Unit DB901A Boiler into the atmosphere during the four hour and eight minute event (Incident No. 123862). The event occurred when the block valve to the boiler fuel gas line was not closed properly. Since the emissions event was avoidable due to poor operating practices, it does not meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
6. During an investigation on February 10, 2009, TCEQ staff documented that the Respondent failed to prevent unauthorized emissions during an event that occurred on November 12, 2008. Specifically, the Respondent released 18,075 lbs of ethylene emissions, 82 lbs of 1,3-butadiene emissions, 1,407 lbs of propylene emissions, 4,058 lbs of NOx emissions, 20,671 lbs of CO emissions, and 848 lbs of other VOCs emissions from the Olefins No. 1 Unit into the atmosphere during the fifteen hour event (Incident No. 116493). The event occurred when the level of D-201 suction drum was not controlled and led to the shutdown of C-201 compressor. Since the emissions event could have been avoided by better maintenance and/or operational practices, it does not meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
7. The Respondent received notice of the violations on July 1, 2009, July 29, 2009, August 18, 2009, and August 24, 2009.

8. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
- a. By November 30, 2008, Incident No. 117037 was reviewed with Operations technicians to stress that during an oscillation, the valve position should be reset to where it was operating during steady-state conditions prior to the problem;
 - b. By December 31, 2008, regarding Incident No. 117037, temperature control tuning was adjusted so that the controller expects a slower temperature response for a given controller output change;
 - c. By January 14, 2009, regarding Incident No. 117037, the tuning on the minimum flow of the compressor upstream of R-202 was adjusted to take into account the process response time between the measurement of the flow and the valve that controls flow;
 - d. By February 3, 2009, regarding Incident No. 116493, DR-202 controls were modified to ensure that if the reactor is bypassed, due to high temperature, nitrogen will immediately enter the vessel to cool the reactor, regardless of the mode of the controller at the time of the trip, minimizing the amount of time before DR-202 can safely be returned to service;
 - e. By February 9, 2009, regarding Incident No. 116493, the drain line on the liquid knockout drum for the DC-201 compressor suction was unplugged, which allows for the liquids to be drained from the drum more quickly and ensures that the compressor does not shutdown;
 - f. By June 9, 2009, regarding Incident No. 123862, established Standard Operating Procedures covering the shutdown of boilers at No. 1 Olefins. Specifically, the procedure will ensure that the VOC-containing boiler fuel gas is blocked in during shutdown, preventing recurrence of VOC emissions;
 - g. By June 29, 2009, regarding Incident No. 122974, 12 to 18 inches of capacity in the main storm ditches were re-established by clearing vegetation and sediment. This will help maintain steam pressure in the steam piping that runs through those ditches by ensuring that the piping will not be submerged during heavy rains; and
 - h. By June 29, 2009, regarding Incident No. 122974, a new Emergency Standard Operating Procedure was put in place to effectively and consistently manage steam production and usage in the event of steam system flooding.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.

2. As evidenced by Findings of Fact No. 3, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1.
3. As evidenced by Findings of Fact No. 4, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1.
4. As evidenced by Findings of Fact No. 5, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1.
5. As evidenced by Findings of Fact No. 6, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Flexible Permit No. 95/PSD-TX-854M2, Special Condition 1.
6. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
7. An administrative penalty in the amount of Forty Thousand Dollars (\$40,000) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid Twenty Thousand Dollars (\$20,000) of the administrative penalty. Twenty Thousand Dollars (\$20,000) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project.

III. ORDERING PROVISIONS

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

1. The Respondent is assessed an administrative penalty in the amount of Forty Thousand Dollars (\$40,000) as set forth in Section II, Paragraph 7 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: INEOS USA LLC, Docket No. 2009-1084-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 II, Paragraph 7 above, Twenty Thousand Dollars (\$20,000) of the assessed administrative penalty shall be offset with the condition that the Respondent implements 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. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
7. 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.
8. 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.

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

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

Date 2/24/2010

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

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

I also understand that 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

Date 11/23/09

John Harvey III

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

Site Director
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: 2009-1084-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

| | |
|--------------------------------|--|
| Respondent: | INEOS USA LLC |
| Payable Penalty Amount: | Forty Thousand Dollars (\$40,000) |
| SEP Amount: | Twenty Thousand Dollars (\$20,000) |
| Type of SEP: | Pre-approved |
| Third-Party Recipient: | Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D")- Clean School Buses |
| Location of SEP: | Texas Air Quality Control Region 216 – Houston-Galveston |

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 shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fuelled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. The funds will be disbursed on a needs-rated basis, using non-attainment area status, condition of buses, and economic status of the recipient as possible rating factors if competition for the funds exists. To maximize funds, retrofitting will take priority over replacement of buses. Older buses deemed not suitable for retrofitting will be permanently retired and sold only for scrap.

Acceptable retrofit technologies include particulate matter traps, diesel particulate matter filters, nitrogen oxides (NO_x) reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by the United States Environmental Protection Agency ("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 matter and hydrocarbon emissions from buses, to meet the new, more stringent emissions standards introduced by the EPA which will be phased in between 2007 and 2010.

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:

Texas Association of Resource Conservation and Development Areas, Inc.
1716 Briarcrest Drive, Suite 510
Bryan, Texas 77802-2700

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.

INEOS USA LLC
Agreed Order - Attachment A

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.

