

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO. 2009-0583-AIR-E RN100211523 CASE NO. 37501
RESPONDENT NAME: ALBEMARLE CORPORATION

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	

CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL 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

SITE WHERE VIOLATION(S) OCCURRED: 13000 Baypark Road, Pasadena, Harris County

TYPE OF OPERATION: Chemical plant

SMALL BUSINESS: Yes No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and Respondent expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired June 21, 2010. No comments were received.

CONTACTS AND MAILING LIST:
TCEQ Attorney: Ms. Anna Treadwell, Litigation Division, MC 175, (512) 239-3400
Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-3400
TCEQ Enforcement Coordinator: Mr. James Nolan, Air Enforcement Section, MC 149
TCEQ Regional Contact: Ms. Linda Vasse, Houston Regional Office, MC R-12, (713) 767-3637
TCEQ SEP Coordinator: Ms. Sharon Blue, Litigation Division, MC 175, (512) 239-2223
Respondent: Mr. Charlie Seaton, EH&S Manager, Albemarle Corporation, 13000 Baypark Road, Pasadena, Texas 77507
Respondent's Attorney: Mr. Charles R. Nestrud, Chisenhall, Nestrud, & Julian, P.A., 400 West Capitol, Suite 2840, Little Rock, Arkansas 72201

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: February 12, 2009</p> <p>Date of NOE Relating to this Case: April 10, 2009</p> <p>Background Facts: The EDRP was filed on September 1, 2009. Respondent filed an answer and the case was referred to SOAH. Settlement was achieved and the agreed order was signed on May 3, 2010.</p> <p>AIR: Failed to submit the semi-annual reports required by 40 C.F.R. Subpart Db for steam generating units Emission Point No. VSP-9 [30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), 40 C.F.R. § 60.49b(w), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-01559, Special Terms and Conditions No. 1A.]</p>	<p>Total Assessed: \$7,200</p> <p>Total Deferred: \$3,600 <input type="checkbox"/> Expedited Order <input type="checkbox"/> Financial Inability to Pay <input checked="" type="checkbox"/> SEP Conditional Offset</p> <p>Total Paid to General Revenue: \$3,600</p> <p>The Respondent paid \$3,600 of the administrative penalty. The remaining amount of \$3,600 shall be conditionally offset by the completion of a Supplemental Environmental Project (SEP).</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>Corrective Actions Taken:</p> <p>The Executive Director recognizes that Respondent began submitting semi-annual reports for steam generating units as required by 40 C.F.R. § 60.49b(w) for Emission Point No. VSP-9 on July 9, 2009.</p>

Attachment A
Docket Number: 2009-0583-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Albemarle Corporation
Penalty Amount:	Seven Thousand Two Hundred Dollars (\$7,200)
SEP Offset Amount:	Three Thousand Six Hundred Dollars (\$3,600)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston Regional Monitoring Corporation – HRMC Houston Area Air Monitoring
Location of SEP:	Harris County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset 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 the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to **Houston Regional Monitoring Corporation** for the *HRMC Houston Area Air Monitoring* to be used as set forth in an agreement between the Third-Party Recipient and the TCEQ. SEP funds will be used to supplement existing operation of a network of ambient air monitoring stations (designated HRM Sites 1, 3, 4, 7, 8, 10, Wallisville, and Lynchburg Ferry) that continuously measure and record concentrations of ambient air pollutants. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

The Respondent certifies that it has no prior commitment to make this contribution and that it is being done solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing data from the network which may be used to evaluate the effectiveness of current emission control strategies, track ambient concentration trends for key pollutants of interest, evaluate episodic emission events, conduct source attribution studies, and assess potential community exposure to toxic air contaminants. The SEP will provide collection of near real-time volatile organic compound (“VOC”), nitrogen oxides (“NOx”), ozone (“O₃”), and meteorological data sets that can be used to evaluate and track air pollution emission events as they occur, and to assess potential ambient community exposure to a limited number of air pollutants. Data from these monitors may also be publicly accessible through the TCEQ website and may be used in evaluating air quality in the area, including ozone forecasts, and ozone warnings. The public will directly benefit by having access to the data and the forecasting

and notification tools which can be used for public awareness and indirectly benefit by providing data useful in addressing Houston's ozone non-attainment status.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset 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 Offset Amount to the Third-Party Recipient. The Respondent shall make the check payable to "Houston Regional Monitoring Corporation" and mail a copy of the Agreed Order with the contribution check to:

Houston Regional Monitoring Corporation
c/o Christopher B. Amandes
Vinson & Elkins LLP First City Tower
1001 Fannin Street, Suite 2500
Houston, Texas 77002-6760

3. Records and Reporting

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

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

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset 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 Offset Amount.

In the event of incomplete performance, the Respondent shall include on the check the docket number of this Agreed Order and a note that it is for reimbursement of a SEP. The Respondent shall make the payment for the amount due to "Texas Commission on Environmental Quality" and mail it to:

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

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 Offset Amount identified in this Agreed Order has not been, and shall not be, included as a 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

TCEQ

DATES	Assigned	13-Apr-2009			
	PCW	22-Mar-2010	Screening	15-Apr-2009	EPA Due

RESPONDENT/FACILITY INFORMATION					
Respondent	Albemarle Corporation				
Reg. Ent. Ref. No.	RN100211523				
Facility/Site Region	12-Houston	Major/Minor Source	Major		

CASE INFORMATION					
Enf./Case ID No.	37501	No. of Violations	1		
Docket No.	2009-0583-AIR-E	Order Type	1660		
Media Program(s)	Air	Government/Non-Profit	No		
Multi-Media		Enf. Coordinator	James Nolan		
		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	\$5,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	44.0% Enhancement	Subtotals 2, 3, & 7	\$2,200
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Notes: The penalty was enhanced due to one 1660 style order, four NOV's for similar violations and two NOV's for dissimilar violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$493
 Approx. Cost of Compliance \$2,500
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$7,200
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount \$7,200

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$7,200
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DEFERRAL	0.0% Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral not offered for non-expedited settlement.

PAYABLE PENALTY	\$7,200
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Screening Date 15-Apr-2009

Docket No. 2009-0583-AIR-E

PCW

Respondent Albemarle Corporation

Policy Revision 2 (September 2002)

Case ID No. 37501

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100211523

Media [Statute] Air

Enf. Coordinator James Nolan

Compliance History Worksheet

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

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	4	20%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 44%

>> **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 one 1660 style order, four NOVs for similar violations and two NOVs for dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 44%

Screening Date 15-Apr-2009 **Docket No.** 2009-0583-AIR-E **PCW**
Respondent Albemarle Corporation *Policy Revision 2 (September 2002)*
Case ID No. 37501 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100211523
Media [Statute] Air
Enf. Coordinator James Nolan

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1) and 122.143(4), 40 Code of Federal Regulations ("CFR") § 60.49b(w), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit No. O-01559, Special Terms and Conditions No. 1A

Violation Description Failed to submit the semi-annual reports required by 40 CFR Subpart Db for steam generating units Emission Point No. VSP-9, as documented during an investigation conducted on February 12, 2009.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	1/1/2007				0%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
		x			25%

Matrix Notes 100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2 730 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	x
single event	

Violation Base Penalty \$5,000

Two annual events are recommended for the years 2007-2008.

Good Faith Efforts to Comply

0.0% Reduction \$0

	Before NOV	NOV to EDRP/Settlement
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$5,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$493

Violation Final Penalty Total \$7,200

This violation Final Assessed Penalty (adjusted for limits) \$7,200

Economic Benefit Worksheet

Respondent Albemarle Corporation
Case ID No. 37501
Reg. Ent. Reference No. RN100211523
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

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	\$2,500	1-Jan-2007	11-Dec-2010	3.95	\$493	n/a	\$493
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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost for additional oversight and management practices designed to ensure proper reporting practices are followed. The date required is first date of the compliance period and the final date is the prospective 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

\$2,500

TOTAL

\$493

Compliance History Report

Customer/Respondent/Owner-Operator:	CN600129589 Albemarle Corporation	Classification: AVERAGE	Rating: 5.05
Regulated Entity:	RN100211523 ALBEMARLE BAYPORT PLANT	Classification: AVERAGE	Site Rating: 8.91
ID Number(s):	AIR OPERATING PERMITS	PERMIT	1559
	AIR OPERATING PERMITS	PERMIT	1559
	AIR OPERATING PERMITS	ACCOUNT NUMBER	HGA010J
	AIR NEW SOURCE PERMITS	AFS NUM	4820101604
	AIR NEW SOURCE PERMITS	PERMIT	16685
	AIR NEW SOURCE PERMITS	PERMIT	32992
	AIR NEW SOURCE PERMITS	PERMIT	14757
	AIR NEW SOURCE PERMITS	PERMIT	53669
	AIR NEW SOURCE PERMITS	REGISTRATION	54632
	AIR NEW SOURCE PERMITS	PERMIT	9402
	AIR NEW SOURCE PERMITS	PERMIT	2487
	AIR NEW SOURCE PERMITS	PERMIT	21995
	AIR NEW SOURCE PERMITS	PERMIT	9487A
	AIR NEW SOURCE PERMITS	REGISTRATION	76400
	AIR NEW SOURCE PERMITS	REGISTRATION	56753
	AIR NEW SOURCE PERMITS	REGISTRATION	70381
	AIR NEW SOURCE PERMITS	REGISTRATION	71389
	AIR NEW SOURCE PERMITS	REGISTRATION	72717
	AIR NEW SOURCE PERMITS	REGISTRATION	72739
	AIR NEW SOURCE PERMITS	EPA ID	N022
	AIR NEW SOURCE PERMITS	PERMIT	76621
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HGA010J
	AIR NEW SOURCE PERMITS	REGISTRATION	78935
	AIR NEW SOURCE PERMITS	REGISTRATION	80147
	AIR NEW SOURCE PERMITS	REGISTRATION	81084
	AIR NEW SOURCE PERMITS	REGISTRATION	85793
	AIR NEW SOURCE PERMITS	PERMIT	48057
	AIR NEW SOURCE PERMITS	REGISTRATION	84495
	AIR NEW SOURCE PERMITS	PERMIT	9626
	AIR NEW SOURCE PERMITS	PERMIT	45951
	AIR NEW SOURCE PERMITS	PERMIT	50122
	AIR NEW SOURCE PERMITS	REGISTRATION	80542
	AIR NEW SOURCE PERMITS	REGISTRATION	84228
	AIR NEW SOURCE PERMITS	PERMIT	83813
	AIR NEW SOURCE PERMITS	PERMIT	37604
	AIR NEW SOURCE PERMITS	PERMIT	34867
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD073920399
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	31226
	STORMWATER	PERMIT	TXR05W861
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50072
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50072

Location: 13000 BAYPARK RD, PASADENA, TX, 77507
TCEQ Region: REGION 12 - HOUSTON
Date Compliance History Prepared: April 16, 2009
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: April 16, 2004 to April 16, 2009
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Jimmy Nolan Phone: 239 - 6634

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
3. If Yes, who is the current owner/operator?

OWN OPR	Albermarle Catalysts Company LP
OWNOPR	Albermarle Corporation
4. If Yes, who was/were the prior owner(s)/operator(s)?

OWNOPR	Akzo Nobel Catalysts LLC
OWNOPR	Akzo Nobel Polymer Chemicals LLC
5. When did the change(s) in owner or operator occur?

10/30/2007	OWNOPR	Akzo Nobel Catalysts LLC
	OWNOPR	Akzo Nobel Polymer Chemicals LLC
	OWNOPR	Albermarle Corporation
	OWNOPR	Albermarle Corporation
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: 07/30/2004	ADMINORDER 2003-1320-AIR-E
Classification: Moderate	
Citation: 30 TAC Chapter 101, SubChapter H 101.359	
5C THC Chapter 382, SubChapter A 382.085(b)	
Description: Failed to submit form ECT-1, Annual Compliance Report by March 31, 2003.	
- B. Any criminal convictions of the state of Texas and the federal government.
N/A

C. Chronic excessive emissions events.

N/A

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

1	07/27/2004	(250493)
2	09/01/2004	(293223)
3	11/01/2004	(281908)
4	12/13/2004	(333307)
5	12/20/2004	(341375)
6	01/05/2005	(286039)
7	04/11/2005	(376308)
8	07/22/2005	(399599)
9	03/25/2006	(485606)
10	05/31/2006	(457458)
11	05/31/2006	(464456)
12	01/29/2007	(532777)
13	08/30/2007	(573478)
14	01/16/2009	(686691)
15	04/08/2009	(703400)

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

Date:	07/27/2004	(250493)		
Self Report?	NO		Classification:	Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.145(2)(A)			
Description:	Failure to include emission events in deviation reports			
Date:	01/05/2005	(286039)		
Self Report?	NO		Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter A 382.085(b) TCEQ Air Permit No. 9626, SC #1 PERMIT			
Description:	Exceeded permit limits during an avoidable emissions event.			
Date:	05/03/2006	(464456)		
Self Report?	NO		Classification:	Minor
Citation:	30 TAC Chapter 335, SubChapter A 335.2(b) I.C.2 PERMIT			
Description:	Allowed unauthorized waste to be managed within the permitted container storage area.			
Date:	05/31/2006	(457458)		
Self Report?	NO		Classification:	Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.145(2)(A) O-1559 SC 15 OP			
Description:	All pertinent data on the deviation that occurred on VSP-9 not submitted.			
Date:	08/30/2007	(573478)		
Self Report?	NO		Classification:	Major
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 30 TAC Chapter 122, SubChapter B 122.145(2)(C) 5C THC Chapter 382, SubChapter A 382.085(b)			
Description:	RE's deviation report was submitted 14 days late.			
Date:	01/16/2009	(686691)		
Self Report?	NO		Classification:	Minor
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 30 TAC Chapter 122, SubChapter B 122.145(2)(C) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP			
Description:	Failure to submit a deviation report within 30 days of the end of the reporting period.			

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSS).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
ALBEMARLE CORPORATION;
RN100211523**

§
§
§
§
§

**BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2009-0583-AIR-E**

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality (“Commission” or “TCEQ”) considered this agreement of the parties, resolving an enforcement action regarding Albemarle Corporation (“Albemarle”) under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and Albemarle, represented by Charles R. Nestrud of the law firm of Chisenhall, Nestrud & Julian, P.A., appear before the Commission and together stipulate that:

1. Albemarle owns and operates a chemical plant located at 13000 Baypark Road, Pasadena, Harris County, Texas (the “Plant”).
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. The Commission and Albemarle agree that the Commission has jurisdiction to enter this Agreed Order, and that Albemarle is subject to the Commission’s jurisdiction.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Albemarle of any violation alleged in Section II (“Allegations”), nor of any statute or rule.
5. An administrative penalty in the amount of seven thousand two hundred dollars (\$7,200.00) is assessed by the Commission in settlement of the violations alleged in Section II (“Allegations”). Pursuant to TEX. WATER CODE § 7.067, three thousand six hundred dollars (\$3,600.00) of the administrative penalty shall be conditionally offset by Albemarle’s completion of a Supplemental Environmental Project (“SEP”) as defined in Attachment A, incorporated herein by reference. Albemarle’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. Albemarle paid three thousand six hundred dollars (\$3,600.00) of the administrative penalty.

6. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.
7. The Executive Director of the TCEQ and Albemarle agree on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
8. The Executive Director recognizes that Albemarle began submitting semi-annual reports for steam generating units as required by 40 CODE OF FEDERAL REGULATIONS § 60.49b(w) for Emission Point No. VSP-9 on July 9, 2009.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas (“OAG”) for further enforcement proceedings if the Executive Director determines that Albemarle has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

1. During an investigation conducted on February 12, 2009, a TCEQ Houston Regional Office investigator documented that Albemarle violated 30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.49b(w), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-01559, Special Terms and Conditions No. 1A by failing to submit the semi-annual reports required by 40 CODE OF FEDERAL REGULATIONS Subpart Db for steam generating units Emission Point No. VSP-9.
2. Albemarle received notice of the violation on or about April 15, 2009

III. DENIALS

Albemarle generally denies each Allegation in Section II (“Allegations”).

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Albemarle pay an administrative penalty as set forth in Section I, Paragraph 5, above. The payment of this administrative penalty and Albemarle's compliance with all the terms and conditions set forth in this Agreed Order resolve only the Allegations in Section II. The Commission shall not be constrained in any manner from considering or requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: Albemarle Corporation, Docket No. 2009-0583-AIR-E" to:

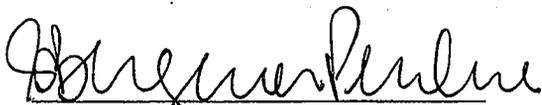
Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. Albemarle shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067 and as set forth in Section I, Paragraph 5, above. Three thousand six hundred dollars (\$3,600.00) of the assessed administrative penalty shall be offset with the condition that Albemarle implement and complete the SEP pursuant to the terms of the SEP as defined in Attachment A, incorporated herein by reference. Albemarle'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 Albemarle. Albemarle is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over Plant operations referenced in this Agreed Order.
4. If Albemarle 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, Albemarle's failure to comply is not a violation of this Agreed Order. Albemarle shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Albemarle shall notify the Executive Director within seven days after Albemarle 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 Albemarle shall be made in writing to the Executive Director. Extensions are not effective until Albemarle receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Albemarle in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This 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.
8. Under 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T. CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of this Order to Albemarle, or three days after the date on which the Commission mails notice of this Order to Albemarle, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

5/26/2010

Date

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

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

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



Signature

5/3/10

Date

Rebecca L. Schmidt

Name (Printed or typed)

PLANT MANAGER

Title

Authorized representative of
Albemarle Corporation

Attachment A
Supplemental Environmental Project

Attachment A
Docket Number: 2009-0583-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Albemarle Corporation
Penalty Amount:	Seven Thousand Two Hundred Dollars (\$7,200)
SEP Offset Amount:	Three Thousand Six Hundred Dollars (\$3,600)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston Regional Monitoring Corporation – HRMC Houston Area Air Monitoring
Location of SEP:	Harris County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset 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 the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to **Houston Regional Monitoring Corporation** for the *HRMC Houston Area Air Monitoring* to be used as set forth in an agreement between the Third-Party Recipient and the TCEQ. SEP funds will be used to supplement existing operation of a network of ambient air monitoring stations (designated HRM Sites 1, 3, 4, 7, 8, 10, Wallisville, and Lynchburg Ferry) that continuously measure and record concentrations of ambient air pollutants. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

The Respondent certifies that it has no prior commitment to make this contribution and that it is being done solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing data from the network which may be used to evaluate the effectiveness of current emission control strategies, track ambient concentration trends for key pollutants of interest, evaluate episodic emission events, conduct source attribution studies, and assess potential community exposure to toxic air contaminants. The SEP will provide collection of near real-time volatile organic compound (“VOC”), nitrogen oxides (“NOx”), ozone (“O₃”), and meteorological data sets that can be used to evaluate and track air pollution emission events as they occur, and to assess potential ambient community exposure to a limited number of air pollutants. Data from these monitors may also be publicly accessible through the TCEQ website and may be used in evaluating air quality in the area, including ozone forecasts, and ozone warnings. The public will directly benefit by having access to the data and the forecasting

and notification tools which can be used for public awareness and indirectly benefit by providing data useful in addressing Houston's ozone non-attainment status.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset 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 Offset Amount to the Third-Party Recipient. The Respondent shall make the check payable to "Houston Regional Monitoring Corporation" and mail a copy of the Agreed Order with the contribution check to:

Houston Regional Monitoring Corporation
c/o Christopher B. Amandes
Vinson & Elkins LLP First City Tower
1001 Fannin Street, Suite 2500
Houston, Texas 77002-6760

3. Records and Reporting

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

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

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset 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 Offset Amount.

In the event of incomplete performance, the Respondent shall include on the check the docket number of this Agreed Order and a note that it is for reimbursement of a SEP. The Respondent shall make the payment for the amount due to "Texas Commission on Environmental Quality" and mail it to:

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

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