

Executive Summary – Enforcement Matter – Case No. 43155

BASF Corporation

RN100223379

Docket No. 2011-2315-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

BASF Catalysts Pasadena Catalyst Site, 10001 Chemical Road, Pasadena, Harris County

Type of Operation:

Catalyst manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: May 11, 2012

Comments Received: No

Penalty Information

Total Penalty Assessed: \$8,325

Amount Deferred for Expedited Settlement: \$1,665

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$3,330

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$3,330

Name of SEP: Houston Regional Monitoring Corporation

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

Executive Summary – Enforcement Matter – Case No. 43155
BASF Corporation
RN100223379
Docket No. 2011-2315-AIR-E

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: October 1, 2011
Date(s) of NOE(s): November 28, 2011

Violation Information

Failed to maintain a minimum pH level of 9.0 and a minimum flow rate of 25 gallons per minute. Specifically, the pH and the flow rate of the scrubbing liquid for Unit ID No. L-900 fell below minimum allowable levels on July 2 and 17, 2010, September 8, 11, 15 (two occasions), 18, 20, 22, 25, 27, 29, and 30, 2010, November 6, 2010, and February 2 and 3, 2011, for a total of 79 hours and 15 minutes. The pH of the scrubbing liquid for Unit ID No. C-600 fell below minimum allowable levels on September 27, 2010 and October 7 and 24, 2010, for a total of five hours [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Air Permit No. 17624, Special Conditions No. 5, and Federal Operating Permit No. O1473, Special Terms and Conditions No. 11].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

By April 29, 2011, Respondent adjusted the pH of Unit ID Nos. L-900 and C-600 to allowable levels and flushed the orifice with water to remove solids to bring the flow rate of Unit ID No. L-900 to allowable levels.

Technical Requirements:

The Order will require Respondent to implement and complete a Supplemental Environmental Project (“SEP”). (See SEP Attachment A)

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: John Muennink, Enforcement Division, Enforcement Team 5, MC R-12, (713) 422-8970; Debra Barber, Enforcement Division, MC 219, (512) 239-0412
TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

Executive Summary – Enforcement Matter – Case No. 43155
BASF Corporation
RN100223379
Docket No. 2011-2315-AIR-E

Respondent: John Robinson, Site Manager, BASF Corporation, 10001 Chemical Road, Pasadena, Texas 77507

Respondent's Attorney: N/A

Attachment A
Docket Number: 2011-2315-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	BASF Corporation
Penalty Amount:	Six Thousand Six Hundred Sixty Dollars (\$6,660)
SEP Offset Amount:	Three Thousand Three Hundred Thirty Dollars (\$3,330)
Type of SEP:	Contribution to a Pre-approved SEP
Third-Party Recipient:	Houston Regional Monitoring Corporation
Project Name:	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 SEP Offset Amount is set forth above and such offset 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 the **Houston Regional Monitoring Corporation** for the **HRMC Houston Area Air Monitoring**. The contribution will be used in accordance with the Supplemental Environmental Project between the Third-Party Recipient and the TCEQ (the “Project”). Specifically, the SEP Offset Amount 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 including approximately 160 volatile organic compounds (“VOC”). Specifically, the Third-Party Recipient shall use SEP Funds to operate, maintain, and potentially expand portions of the existing Houston Regional Monitoring Corporation ambient air quality monitoring network in the Houston area in order to continue to provide information on data quality and trends to the public, TCEQ, and industry representatives.

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 performed in accordance with all federal, state, and local environmental laws and regulations.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed 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 TCEQ uses this information, along with information collected at its own monitors and monitors operated by the City of Houston, to evaluate Houston's progress toward achieving or remaining in attainment of the National Ambient Air Quality Standards. Implementation of this SEP will allow continuation of ambient air monitoring in this region to collect near real-time VOC, nitrogen oxides, ozone, 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 hazardous 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 will indirectly benefit by having 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 shall contribute the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order to:

Houston Regional Monitoring Corporation SEP
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 Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

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

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP agreement in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director (“ED”) may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to complete the project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and shall include on the check the docket number of this Agreed Order and note that it is for reimbursement of a SEP. The Respondent shall make the check payable to “Texas Commission on Environmental Quality” and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
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

DATES	Assigned	5-Dec-2011	Screening	15-Dec-2011	EPA Due	
	PCW	15-Dec-2011				

RESPONDENT/FACILITY INFORMATION			
Respondent	BASF Corporation		
Reg. Ent. Ref. No.	RN100223379		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	43155	No. of Violations	1
Docket No.	2011-2315-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	John Muennink
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History Enhancement **Subtotals 2, 3, & 7**

Notes: Enhancement for two NOV's with same/similar violations, three NOV's with dissimilar violations, and one order with denial of liability.

Culpability Enhancement **Subtotal 4**

Notes: The Respondent does not meet the culpability criteria.

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

Economic Benefit Enhancement* **Subtotal 6**

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

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

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty**

DEFERRAL Reduction **Adjustment**

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

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 15-Dec-2011

Docket No. 2011-2315-AIR-E

PCW

Respondent BASF Corporation

Policy Revision 2 (September 2002)

Case ID No. 43155

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100223379

Media [Statute] Air

Enf. Coordinator John Muennink

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	2	10%
	Other written NOVs	3	6%
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%

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) 36%

>> 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

Enhancement for two NOVs with same/similar violations, three NOVs with dissimilar violations, and one order with denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 36%

Screening Date 15-Dec-2011

Docket No. 2011-2315-AIR-E

PCW

Respondent BASF Corporation

Policy Revision 2 (September 2002)

Case ID No. 43155

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100223379

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Air Permit No. 17624, Special Conditions No. 5, and Federal Operating Permit No. O1473, Special Terms and Conditions No. 11

Violation Description Failed to maintain a minimum pH level of 9.0 and a minimum flow rate of 25 gallons per minute ("gpm"), as documented during a record review conducted on October 1, 2011. Specifically, the pH and the flow rate of the scrubbing liquid for Unit ID No. L-900 fell below minimum allowable levels on July 2 and 17, 2010, September 8, 11, 15 (two occasions), 18, 20, 22, 25, 27, 29, and 30, 2010, November 6, 2010, and February 2 and 3, 2011, for a total of 79 hours and 15 minutes. The pH of the scrubbing liquid for Unit ID No. C-600 fell below minimum allowable levels on September 27, 2010 and October 7 and 24, 2010, for a total of five hours.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential		x	

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment could be exposed to a significant amount of pollutants that would not exceed levels protective of human health or environmental receptors.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 3 17 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$7,500

Three quarterly events are recommended from the first date of the violation on July 2, 2010, to the last day of the violation on February 3, 2011.

Good Faith Efforts to Comply

25.0% Reduction

\$1,875

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

Notes

The Respondent completed corrective measures by April 29, 2011, prior to the November 28, 2011 NOE date.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$206

Violation Final Penalty Total \$8,325

This violation Final Assessed Penalty (adjusted for limits) \$8,325

Economic Benefit Worksheet

Respondent BASF Corporation
Case ID No. 43155
Req. Ent. Reference No. RN100223379
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
<small>No commas or \$</small>							

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	2-Jul-2010	29-Apr-2011	0.82	\$206	n/a	\$206

Notes for DELAYED costs

Estimated expense to implement measures and/or procedures to ensure compliance with minimum allowable pH levels and flow rates. The Date Required is the first date of non-compliance. The Final Date is the date that corrective measures were completed.

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

\$206

Compliance History

Customer/Respondent/Owner-Operator: CN600124895 BASF Corporation Classification: AVERAGE Rating: 3.55
 Regulated Entity: RN100223379 BASF CATALYSTS PASADENA Classification: AVERAGE Site Rating: 24.60
 CATALYST SITE

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0052U
AIR OPERATING PERMITS	PERMIT	1473
AIR NEW SOURCE PERMITS	REGISTRATION	15158
AIR NEW SOURCE PERMITS	PERMIT	17624
AIR NEW SOURCE PERMITS	PERMIT	19344
AIR NEW SOURCE PERMITS	PERMIT	21140
AIR NEW SOURCE PERMITS	REGISTRATION	28569
AIR NEW SOURCE PERMITS	REGISTRATION	27874
AIR NEW SOURCE PERMITS	REGISTRATION	30552
AIR NEW SOURCE PERMITS	REGISTRATION	34118
AIR NEW SOURCE PERMITS	REGISTRATION	45084
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0052U
AIR NEW SOURCE PERMITS	AFS NUM	4820100369
AIR NEW SOURCE PERMITS	REGISTRATION	73934
AIR NEW SOURCE PERMITS	REGISTRATION	76623
AIR NEW SOURCE PERMITS	REGISTRATION	81137
AIR NEW SOURCE PERMITS	REGISTRATION	86091
AIR NEW SOURCE PERMITS	REGISTRATION	86129
AIR NEW SOURCE PERMITS	REGISTRATION	89442
AIR NEW SOURCE PERMITS	REGISTRATION	83818
AIR NEW SOURCE PERMITS	PERMIT	87775
PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1012739
WATER LICENSING	LICENSE	1012739
STORMWATER	PERMIT	TXR05Z295
INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD077874634
INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION #	31081
	(SWR)	
POLLUTION PREVENTION PLANNING	ID NUMBER	P00111
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	HG0052U

Location: 10001 CHEMICAL RD, PASADENA, TX, 77507

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: December 15, 2011

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: December 15, 2006 to December 15, 2011

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

Name: John Muennink Phone: (713) 422-8970

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? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? N/A
6. Rating Date: 9/1/2011 Repeat Violator: NO

Components (Multimedia) for the Site :

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

Effective Date: 02/20/2011 ADMINORDER 2009-1271-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)

5C THSC Chapter 382 382.085(b)

Description: Failure to report deviations on the deviation report. (Category A12i7 violation)

Classification: Moderate
 Citation: 30 TAC Chapter 117, SubChapter D 117.2035(a)(1)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: FOP, Special Terms and Condition 6A(iii) OP
 Description: Failed to maintain and operate a totalizing fuel flow meter for HTR-2 (Category B).
 Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: FOP, Special Condition 8 OP
 NSR, Special Condition 5A PERMIT
 Description: Failed to comply with the minimum flow rate of 50 gpm for the caustic vent scrubber.
 (Category A12i6 violation)
 Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: FOP, Special Terms and Condition 8 OP
 NSR, Special Condition 2D PERMIT
 Description: Failed to operate a continuous flow monitor and BTU analyzer at least 95% of the time
 when the flare is operational.
 Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: FOP, Special Terms and Condition 8 OP
 NSR, Special Condition 6 PERMIT
 Description: Failed to install a vent line and its supporting equipment to connect from the CPX-1 truck
 loading/unloading facility to the flare by December 31, 2007 (Category B).

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

N/A

C. Chronic excessive emissions events.

N/A

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

1	11/08/2007	(565540)
2	08/24/2007	(573311)
3	08/13/2008	(639300)
4	08/07/2008	(686695)
5	07/07/2009	(703274)
6	12/08/2009	(767584)
7	11/19/2009	(779723)
8	07/14/2010	(828311)
9	12/15/2010	(857990)
10	11/28/2011	(952276)

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

Date:	11/08/2007	(565540)	CN600124895
Self Report?	NO		Classification: Minor
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 30 TAC Chapter 122, SubChapter B 122.146(2) 5C THSC Chapter 382, SubChapter D 382.085(b) O-01473, General Terms and Conditions OP		
Description:	Failure to submit the PCC report for the certification period April 4, 2006 through April 3, 2007 within 30 days after the end of the certification period.		
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, SubChapter D 382.085(b) O-01473, General Terms and Conditions OP		
Description:	Failure to submit the semi-annual deviation for the period April 4, 2006 through November 4, 2006 within 30 days from the end of the reporting period.		
Self Report?	NO		Classification: Minor
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4)		

30 TAC Chapter 122, SubChapter B 122.145(2)(B)
5C THC Chapter 382, SubChapter D 382.085(b)
O-01473, General Terms and Conditions OP

Description: Fail to submit a semi-annual deviation report for at least each six-month period after permit issuance. BASF submitted a semi-annual deviation report dated November 30, 2006 and postmarked December 6, 2006, which covered a period from April 4, 2006 through November 4, 2006. This time period covers a seven month time period instead of the required six month time period.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.144(1)
5C THC Chapter 382, SubChapter D 382.085(b)
O-01473, General Terms and Conditions OP

Description: Failure to retain flare observation records from April 6, 2006 through November 4, 2006.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
O-01473, Special Terms and Cond. 1(A) OP

Description: Failure to record at least 98 percent of required flare observations during the reporting period from November 4, 2006 through April 4, 2007. BASF reported 16 deviations of failure to record required flare observations during the reporting period from November 4, 2006 through April 4, 2007. Mr. Fontaine stated that some of the pages in the log book did not indicate if the flare was observed or smoking.

Date: 07/07/2009 (703274) CN600124895

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP, Special Terms and Condition 1A PERMIT

Description: Failure to record daily flare observations.

Date: 12/08/2009 (767584) CN600124895

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP OP

Description: Failed to record visible emissions observations from Flare 940001-CV from December 27, 2008 through January 25, 2009

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)
5C THSC Chapter 382 382.085(b)
FOP OP

Description: Failed to submit deviations in a timely manner

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)
FOP OP

Description: Failed to submit revised deviation reports in a timely manner.

Date: 12/15/2010 (857990) CN600124895

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(2)
General Terms & Conditions (GT&C) OP

Description: Failure to report three non reportable emission events as deviations in the semi annual report dated October 27, 2009. (CATEGORY C3 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)
Special Condition (SC) 5 PERMIT
ST&C 8 OP

Description: Failure to maintain the pH level of the scrubbing liquid of C-600 and L1000 above 9.0 during the time period June 11, 2009 through March 11, 2010. (CATEGORY B18 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC 5B PERMIT
ST&C 8 OP

Description: Failure to maintain the pH level of the scrubbing liquid of C-600 above 9.5 during the time period July 11, 2009 through October 22, 2009.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(1)
5C THSC Chapter 382 382.085(b)

Description: Failure to maintain the pH level of the scrubbing liquid of L900 above 9.0 and the flow rate above 25 gallons per minute (gpm) during the time period October 21, 2009 through March 22, 2010.

Date: 11/28/2011 (952276) CN600124895

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)
NSR PERMIT
O-01473 OP

Description: Failure to maintain the permitted pH level and flow rate of scrubbing liquid for Caustic Vent Scrubber. (Category C4)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter D 117.2010(c)(1)(A)
30 TAC Chapter 122, SubChapter B 122.143(4)
O-01473 OP

Description: Failure to maintain the permitted heat input of 0.036 lbs/MMBtu of NOx for Unit IDs L-900 & CD. (Category C4)

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
BASF CORPORATION
RN100223379

§ BEFORE THE
§ TEXAS COMMISSION ON
§ ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2011-2315-AIR-E

I. JURISDICTION AND STIPULATIONS

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

1. The Respondent owns and operates a catalyst manufacturing plant at 10001 Chemical Road in Pasadena, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about December 3, 2011.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Eight Thousand Three Hundred Twenty-Five Dollars (\$8,325) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Three Thousand Three Hundred

Thirty Dollars (\$3,330) of the administrative penalty and One Thousand Six Hundred Sixty-Five Dollars (\$1,665) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Three Thousand Three Hundred Thirty Dollars (\$3,330) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that by April 29, 2011, the Respondent adjusted the pH of Unit ID Nos. L-900 and C-600 to allowable levels and flushed the orifice with water to remove solids to bring the flow rate of Unit ID No. L-900 to allowable levels.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to maintain a minimum pH level of 9.0 and a minimum flow rate of 25 gallons per minute, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Air Permit No. 17624, Special Conditions No. 5, and Federal Operating Permit No. O1473, Special Terms and Conditions No. 11, as documented during a record review conducted on October 1, 2011. Specifically, the pH and the flow rate of the scrubbing liquid for Unit ID No. L-900 fell below minimum allowable levels on July 2 and 17, 2010, September 8, 11, 15 (two occasions), 18, 20, 22, 25, 27, 29, and 30, 2010, November 6, 2010, and February 2 and 3, 2011, for a total of 79 hours and 15 minutes. The pH of the scrubbing liquid for Unit ID No. C-600 fell below minimum allowable levels on September 27, 2010 and October 7 and 24, 2010, for a total of five hours.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: BASF Corporation, Docket No. 2011-2315-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 SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Three Thousand Three Hundred Thirty Dollars (\$3,330) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

6/18/12

Date

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

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

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

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



Signature

2/29/12

Date

John Robinson

Name (Printed or typed)
Authorized Representative of
BASF Corporation

Site Manager

Title

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

Attachment A
Docket Number: 2011-2315-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	BASF Corporation
Penalty Amount:	Six Thousand Six Hundred Sixty Dollars (\$6,660)
SEP Offset Amount:	Three Thousand Three Hundred Thirty Dollars (\$3,330)
Type of SEP:	Contribution to a Pre-approved SEP
Third-Party Recipient:	Houston Regional Monitoring Corporation
Project Name:	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 SEP Offset Amount is set forth above and such offset 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 the **Houston Regional Monitoring Corporation** for the **HRMC Houston Area Air Monitoring**. The contribution will be used in accordance with the Supplemental Environmental Project between the Third-Party Recipient and the TCEQ (the "Project"). Specifically, the SEP Offset Amount 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 including approximately 160 volatile organic compounds ("VOC"). Specifically, the Third-Party Recipient shall use SEP Funds to operate, maintain, and potentially expand portions of the existing Houston Regional Monitoring Corporation ambient air quality monitoring network in the Houston area in order to continue to provide information on data quality and trends to the public, TCEQ, and industry representatives.

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 performed in accordance with all federal, state, and local environmental laws and regulations.

BASF Corporation
Attachment A

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed 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 TCEQ uses this information, along with information collected at its own monitors and monitors operated by the City of Houston, to evaluate Houston's progress toward achieving or remaining in attainment of the National Ambient Air Quality Standards. Implementation of this SEP will allow continuation of ambient air monitoring in this region to collect near real-time VOC, nitrogen oxides, ozone, 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 hazardous 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 will indirectly benefit by having 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 shall contribute the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order to:

Houston Regional Monitoring Corporation SEP
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 Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

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

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP agreement in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to complete the project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and shall include on the check the docket number of this Agreed Order and note that it is for reimbursement of a SEP. The Respondent shall make the check payable to "Texas Commission on Environmental Quality" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
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.