

Executive Summary – Enforcement Matter – Case No. 46155

BASF Corporation

RN100218049

Docket No. 2013-0266-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

People or environmental receptors have been exposed to pollutants which exceed levels that are protective.

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

BASF Freeport Site, 602 Copper Road, Freeport, Brazoria County

Type of Operation:

Chemical manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket No. 2013-0169-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: June 14, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$250,000

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$125,000

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$125,000

Name of SEP: Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

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BASF Corporation

RN100218049

Docket No. 2013-0266-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: May 17, 2012

Date(s) of NOE(s): July 26, 2012

Violation Information

Failed to comply with the maximum allowable emissions rates for volatile organic compounds ("VOC") and carbon monoxide ("CO"), and to maintain a destruction and removal efficiency ("DRE") of at least 98% at R-170 Catalytic Incinerator [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review Permit No. 1733A, Special Conditions Nos. 1 and 10, and Federal Operating Permit No. O1926, Special Terms and Conditions No. 11].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

Respondent has implemented the following corrective measures:

- a. On March 9, 2012, shut down R-170 Catalytic Incinerator; and
- b. On March 23, 2012, reinstalled the still-active catalyst that had been removed during the September 22, 2011 shutdown.

Technical Requirements:

1. The Order will require Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)
2. The Order will also require Respondent to:
 - a. Within 30 days, implement procedures designed to maintain a DRE of at least 98% and to prevent VOC and CO exceedances from the R-170 Catalytic Incinerator; and
 - b. Within 45 days, submit written certification demonstrating compliance with Ordering Provision 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

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Docket No. 2013-0266-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Heather Podlipny, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-2603; Debra Barber, Enforcement Division,
MC 219, (512) 239-0412

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division,
MC 219, (512) 239-3565

Respondent: Christopher P. Witte, Senior Vice President & General Manager, BASF
Corporation, 602 Copper Road, Freeport, Texas 77541

Rodney Kutz, EH&S Team Leader, BASF Corporation, 602 Copper Road, Freeport,
Texas 77541

Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-0266-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	BASF Corporation
Penalty Amount:	Two Hundred Fifty Thousand Dollars (\$250,000)
SEP Amount:	One Hundred Twenty-Five Thousand Dollars (\$125,000)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
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 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

Respondent shall contribute the SEP offset amount to the Third-Party Recipient named above. The contribution will be to **Houston-Galveston AERCO** for the **Clean Cities/Clean Vehicles Program** as set forth in an agreement between the Third-Party Recipient and the TCEQ. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's Congestion Mitigation/Air Quality Funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the Environmental Protection Agency ("EPA"). SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, nitrogen oxides reduction catalyst technology in combination with diesel

BASF Corporation
Agreed Order - Attachment A

particulate filters, and other emission control technologies that are developed and approved by the EPA or the California Air Resources Board.

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

b. Environmental Benefit

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

c. Minimum Expenditure

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, Respondent must contribute the SEP amount to the Third-Party Recipient. Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
Attn.: Robert Veazie, Air Quality Planner
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP amount to the Third-Party Recipient. 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 Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP amount.

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

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

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

5. Publicity

Any public statements concerning this SEP made by or on behalf of 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

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 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 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	30-Jan-2013	Screening	31-Jan-2013	EPA Due	20-Apr-2013
	PCW	1-Feb-2013				

RESPONDENT/FACILITY INFORMATION

Respondent	BASF Corporation				
Reg. Ent. Ref. No.	RN100218049				
Facility/Site Region	12-Houston	Major/Minor Source	Major		

CASE INFORMATION

Enf./Case ID No.	46155	No. of Violations	1	
Docket No.	2013-0266-AIR-E	Order Type	Findings	
Media Program(s)	Air	Government/Non-Profit	No	
Multi-Media		Enf. Coordinator	Heather Podlipny	
		EC's Team	Enforcement Team 4	
Admin. Penalty \$ Limit	Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$125,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$125,000**

Notes: Enhancement for five agreed orders with denial of liability, five NOV's with same/similar violations, and two NOV's with dissimilar violations. Reduction for three Notices of Intent to conduct audits and one disclosure of violations.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$0**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$5,461
 Approx. Cost of Compliance \$195,617
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$250,000**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$250,000**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$250,000**

DEFERRAL **0.0%** Reduction **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 **\$250,000**

Screening Date 31-Jan-2013

Docket No. 2013-0266-AIR-E

PCW

Respondent BASF Corporation

Policy Revision 3 (September 2011)

Case ID No. 46155

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100218049

Media [Statute] Air

Enf. Coordinator Heather Podlipny

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>)	5	25%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	5	100%
	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>)	3	-3%
	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>)	1	-2%
<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) 124%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for five agreed orders with denial of liability, five NOVs with same/similar violations, and two NOVs with dissimilar violations. Reduction for three Notice of Intent to conduct audits and one disclosure of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 124%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 31-Jan-2013

Docket No. 2013-0266-AIR-E

PCW

Respondent BASF Corporation

Policy Revision 3 (September 2011)

Case ID No. 46155

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100218049

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b), New Source Review Permit No. 1733A, Special Conditions Nos. 1 and 10, and Federal Operating Permit No. O1926, Special Terms and Conditions No. 11

Violation Description

Failed to comply with the maximum allowable emissions rates for volatile organic compounds ("VOC") and carbon monoxide ("CO") from R-170 Catalytic Incinerator, Emission Point Number 11-1-2, from November 1, 2011 through March 9, 2012. In addition, the Respondent failed to maintain a destruction and removal efficiency ("DRE") of at least 98% at R-170 Catalytic Incinerator, while utilizing the catalyst bed installed on September 22, 2011, and started up on November 1, 2011. Specifically, significant deformation of the catalyst basket and new catalyst blocks that did not deform as needed to fill the catalyst basket allowed gaps up to 1/4 inch between catalyst blocks. The gaps reduced the R-170 Catalytic Incinerator DRE by 5-7%. The catalyst itself had also undergone sintering, which resulted in a loss of intrinsic activity for the principal VOC, cyclohexane, and a reduction in DRE to 85%. This resulted in the release of 424,477 pounds ("lbs") of unauthorized VOC emissions, including 5,986 lbs of ethylene and 4,515 lbs of propylene, and 83,379 lbs of unauthorized CO emissions over 129 days.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$25,000

Violation Events

Number of Violation Events 5 Number of violation days 129

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$125,000

Five monthly events are recommended for the period between November 1, 2011 through March 9, 2012.

Good Faith Efforts to Comply

0.0% Reduction

\$0

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

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

Violation Subtotal \$125,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5,461

Violation Final Penalty Total \$250,000

This violation Final Assessed Penalty (adjusted for limits) \$250,000

Economic Benefit Worksheet

Respondent BASF Corporation
Case ID No. 46155
Reg. Ent. Reference No. RN100218049
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	\$194,117	1-Nov-2011	23-Mar-2012	0.39	\$254	\$5,070	\$5,324
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)	\$1,500	1-Nov-2011	30-Aug-2013	1.83	\$137	n/a	\$137

Notes for DELAYED costs

Estimated costs for catalyst material and installation and to implement procedures designed to maintain a DRE of 98% and to prevent VOC exceedances. The Date Required is the date the emissions began and the Final Date is the date the catalyst was installed and the estimated 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

\$195,617

TOTAL

\$5,461

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN600124895, RN100218049, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator: CN600124895, BASF Corporation

Classification: SATISFACTORY

Rating: 6.27

Regulated Entity: RN100218049, BASF FREEPORT SITE

Classification: SATISFACTORY

Rating: 4.27

Complexity Points: 56

Repeat Violator: NO

CH Group: 05 - Chemical Manufacturing

Location: 602 COPPER ROAD, FREEPORT, TX 77541-3001, BRAZORIA COUNTY

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER BL00210

AIR OPERATING PERMITS PERMIT 1925

AIR OPERATING PERMITS PERMIT 1927

AIR OPERATING PERMITS PERMIT 2158

AIR OPERATING PERMITS PERMIT 2907

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD008081697

INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50128

WASTEWATER EPA ID TX0008788

AIR NEW SOURCE PERMITS REGISTRATION 10373

AIR NEW SOURCE PERMITS REGISTRATION 10437

AIR NEW SOURCE PERMITS REGISTRATION 10578

AIR NEW SOURCE PERMITS REGISTRATION 10641

AIR NEW SOURCE PERMITS REGISTRATION 11081

AIR NEW SOURCE PERMITS PERMIT 7596A

AIR NEW SOURCE PERMITS PERMIT 7223A

AIR NEW SOURCE PERMITS PERMIT 1396A

AIR NEW SOURCE PERMITS PERMIT 1395A

AIR NEW SOURCE PERMITS PERMIT 1391A

AIR NEW SOURCE PERMITS PERMIT 1445A

AIR NEW SOURCE PERMITS PERMIT 8074A

AIR NEW SOURCE PERMITS PERMIT 9494A

AIR NEW SOURCE PERMITS REGISTRATION 12952A

AIR NEW SOURCE PERMITS PERMIT 13481A

AIR NEW SOURCE PERMITS ACCOUNT NUMBER BL00210

AIR NEW SOURCE PERMITS PERMIT 19886

AIR NEW SOURCE PERMITS REGISTRATION 35389

AIR NEW SOURCE PERMITS REGISTRATION 42856

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX959

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX193M1

AIR NEW SOURCE PERMITS AFS NUM 4803900017

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX641M1

AIR NEW SOURCE PERMITS REGISTRATION 54190

AIR NEW SOURCE PERMITS REGISTRATION 56520

AIR NEW SOURCE PERMITS REGISTRATION 77324

AIR NEW SOURCE PERMITS REGISTRATION 80499

AIR NEW SOURCE PERMITS REGISTRATION 82606

AIR NEW SOURCE PERMITS REGISTRATION 90047

AIR OPERATING PERMITS PERMIT 1536

AIR OPERATING PERMITS PERMIT 1926

AIR OPERATING PERMITS PERMIT 1928

AIR OPERATING PERMITS PERMIT 2159

PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 0200501

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30024

WASTEWATER PERMIT WQ0003977000

AIR NEW SOURCE PERMITS REGISTRATION 10310

AIR NEW SOURCE PERMITS REGISTRATION 10388

AIR NEW SOURCE PERMITS REGISTRATION 10554

AIR NEW SOURCE PERMITS REGISTRATION 10634

AIR NEW SOURCE PERMITS REGISTRATION 11080

AIR NEW SOURCE PERMITS REGISTRATION 11286

AIR NEW SOURCE PERMITS PERMIT 7595A

AIR NEW SOURCE PERMITS PERMIT 735B

AIR NEW SOURCE PERMITS PERMIT 1390A

AIR NEW SOURCE PERMITS PERMIT 1733A

AIR NEW SOURCE PERMITS PERMIT 1392A

AIR NEW SOURCE PERMITS PERMIT 6773A

AIR NEW SOURCE PERMITS PERMIT 9513A

AIR NEW SOURCE PERMITS PERMIT 9603A

AIR NEW SOURCE PERMITS REGISTRATION 12957A

AIR NEW SOURCE PERMITS REGISTRATION 12277A

AIR NEW SOURCE PERMITS PERMIT 735C

AIR NEW SOURCE PERMITS REGISTRATION 34793

AIR NEW SOURCE PERMITS PERMIT 40799

AIR NEW SOURCE PERMITS PERMIT 55239

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX641

AIR NEW SOURCE PERMITS REGISTRATION 47112

AIR NEW SOURCE PERMITS REGISTRATION 56742

AIR NEW SOURCE PERMITS REGISTRATION 90607

AIR NEW SOURCE PERMITS REGISTRATION 72728

AIR NEW SOURCE PERMITS REGISTRATION 74947

AIR NEW SOURCE PERMITS REGISTRATION 79305

AIR NEW SOURCE PERMITS REGISTRATION 83062

AIR NEW SOURCE PERMITS REGISTRATION 85277

AIR NEW SOURCE PERMITS REGISTRATION 85333

AIR NEW SOURCE PERMITS REGISTRATION 91469
AIR NEW SOURCE PERMITS REGISTRATION 85188
AIR NEW SOURCE PERMITS REGISTRATION 91495
AIR NEW SOURCE PERMITS REGISTRATION 91693
AIR NEW SOURCE PERMITS REGISTRATION 94421
AIR NEW SOURCE PERMITS REGISTRATION 96047
AIR NEW SOURCE PERMITS REGISTRATION 99604
AIR NEW SOURCE PERMITS REGISTRATION 98935
AIR NEW SOURCE PERMITS REGISTRATION 100057
AIR NEW SOURCE PERMITS REGISTRATION 101418
AIR NEW SOURCE PERMITS REGISTRATION 99497
AIR NEW SOURCE PERMITS REGISTRATION 97946
AIR NEW SOURCE PERMITS REGISTRATION 102885
AIR NEW SOURCE PERMITS REGISTRATION 104186
AIR NEW SOURCE PERMITS REGISTRATION 106570
AIR NEW SOURCE PERMITS REGISTRATION 105976
UNDERGROUND INJECTION CONTROL PERMIT WDW099
UNDERGROUND INJECTION CONTROL PERMIT WDW409
AIR EMISSIONS INVENTORY ACCOUNT NUMBER BL00210

AIR NEW SOURCE PERMITS REGISTRATION 87592
AIR NEW SOURCE PERMITS REGISTRATION 87472
AIR NEW SOURCE PERMITS EPA PERMIT N126
AIR NEW SOURCE PERMITS REGISTRATION 93451
AIR NEW SOURCE PERMITS REGISTRATION 95904
AIR NEW SOURCE PERMITS REGISTRATION 96347
AIR NEW SOURCE PERMITS REGISTRATION 96514
AIR NEW SOURCE PERMITS REGISTRATION 99651
AIR NEW SOURCE PERMITS REGISTRATION 98432
AIR NEW SOURCE PERMITS REGISTRATION 101310
AIR NEW SOURCE PERMITS REGISTRATION 100691
AIR NEW SOURCE PERMITS REGISTRATION 99541
AIR NEW SOURCE PERMITS REGISTRATION 102031
AIR NEW SOURCE PERMITS REGISTRATION 102484
AIR NEW SOURCE PERMITS REGISTRATION 105144
UNDERGROUND INJECTION CONTROL PERMIT WDW051
UNDERGROUND INJECTION CONTROL PERMIT WDW408
WATER LICENSING LICENSE 0200501
POLLUTION PREVENTION PLANNING ID NUMBER
P00069

Compliance History Period: September 01, 2007 to August 31, 2012 **Rating Year:** 2012 **Rating Date:** 09/01/2012

Date Compliance History Report Prepared: January 31, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 31, 2008 to January 31, 2013

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Heather Podlipny

Phone: (512) 239-2603

Site and Owner/Operator History:

- 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 for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 04/03/2008 ADMINORDER 2006-0735-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

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 NNN 60.662
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Special Condition 5 PERMIT

Description: Failing to maintain the catalytic oxidizer at required levels.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.113b(a)(5)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.115b(a)(3)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failing to notify the TCEQ prior to filling or refilling of Tank D-60 C on February 1, 2004.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failing to prevent the unauthorized emissions of 170 pounds (lbs), 156.5 lbs, 23.2 lbs, and 1,035 lbs of process or continuous, unauthorized volatile organic compounds (VOCs) from the demethanator (EPN 11-1-101) on

December 12, 2002, January 13, 2003, August 11, 2003 and October 21, 2003, respectively pounds to dates.

Classification: Moderate

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

Rqmt Prov:TCEQ Air Permit #8074A, SC #1 PA

Description: Failing to limit emissions from Flare 5-2-FL200 (EPN 5-2-02) in the OXO Alcohols Unit to those established by the permit.

Classification: Moderate

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

Rqmt Prov:Special Condition 1 PERMIT

Description: Failing to comply with permitted emissions.

Classification: Moderate

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

Rqmt Prov:Special Condition 1 PERMIT

Description: Failing to comply with permitted emissions limit.

Classification: Moderate

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

Rqmt Prov:Special Condition 1 PERMIT

Description: Failing to comply with permitted emission limits by allowing unauthorized emissions of 130 lbs of propylene to be released. The event occurred on July 25, 2006 and lasted for 1.2 hours.

Classification: Moderate

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

Rqmt Prov:Permit No. 8074A, Special Condition 1 PERMIT

Description: Failing to prevent unauthorized emissions.

2 Effective Date: 03/12/2009 ADMINORDER 2007-1508-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

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

Rqmt Prov:TCEQ NSR Permit No. 8074A, SC No. 1 PERMIT

Description: Failed to control unauthorized emissions from the OXO Flare, FL-200, on May 2, 2007. Specifically, during an event which lasted two hours and 59 minutes, the following emissions were unauthorized: 478.85 pounds ("lbs") of volatile organic compounds, 2,289.61 lbs of carbon monoxide, and 71.39 lbs of nitrogen oxides. Because the Respondent failed to provide timely notice of the emissions event, the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 could not be met.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)
5C THSC Chapter 382 382.085(b)

Description: Failed to submit timely final notification for the May 2, 2007 event. Specifically, final notification was required to be submitted within two weeks after the end of the emission event. BASF did not submit the final report until May 17, 2007.

3 Effective Date: 09/21/2009 ADMINORDER 2009-0572-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

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

Rqmt Prov:TCEQ Permit No. 1733A, SC #1 PERMIT

Description: BASF failed to prevent an unauthorized benzene release.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 101, SubChapter F 101.201(c)
5C THSC Chapter 382 382.085(b)

Description: BASF failed to submit notifications within the required timeframe.

4 Effective Date: 05/09/2010 ADMINORDER 2009-1277-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

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

Rqmt Prov:TCEQ Permit No. 1733A, SC #1 PERMIT

Description: BASF failed to prevent unauthorized emissions due to a faulty connection wire.

- 5 Effective Date: 10/13/2012 ADMINORDER 2012-0454-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Special Condition 1 PERMIT
Description: Failure to prevent unauthorized emissions during an emissions event that occurred on September 26, 2011 to September 27, 2012. (Category A8)

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	February 20, 2008	(672234)
Item 2	February 28, 2008	(617153)
Item 3	March 17, 2008	(672235)
Item 4	March 31, 2008	(616921)
Item 5	April 18, 2008	(672236)
Item 6	April 29, 2008	(640385)
Item 7	May 16, 2008	(654109)
Item 8	May 23, 2008	(640304)
Item 9	May 27, 2008	(641286)
Item 10	June 18, 2008	(690155)
Item 11	June 25, 2008	(684122)
Item 12	July 07, 2008	(614573)
Item 13	July 17, 2008	(690157)
Item 14	August 01, 2008	(687321)
Item 15	August 20, 2008	(710947)
Item 16	August 26, 2008	(689233)
Item 17	August 27, 2008	(686679)
Item 18	September 11, 2008	(700089)
Item 19	September 16, 2008	(710949)
Item 20	October 16, 2008	(710948)
Item 21	October 29, 2008	(686652)
Item 22	November 13, 2008	(727637)
Item 23	November 20, 2008	(707233)
Item 24	November 24, 2008	(683986)
Item 25	December 04, 2008	(708960)
Item 26	December 15, 2008	(654968)
Item 27	December 16, 2008	(750465)
Item 28	January 29, 2009	(700296)
Item 29	February 12, 2009	(653438)
Item 30	February 13, 2009	(750461)
Item 31	February 17, 2009	(726642)
Item 32	February 25, 2009	(726123)
Item 33	March 11, 2009	(750462)
Item 34	April 17, 2009	(750463)
Item 35	April 21, 2009	(742757)
Item 36	April 29, 2009	(741544)
Item 37	May 05, 2009	(743633)
Item 38	May 18, 2009	(768493)
Item 39	June 11, 2009	(768494)
Item 40	June 30, 2009	(748407)
Item 41	July 13, 2009	(760534)
Item 42	August 12, 2009	(805154)

Item 43	September 16, 2009	(805155)
Item 44	October 20, 2009	(805156)
Item 45	November 17, 2009	(805157)
Item 46	November 20, 2009	(777067)
Item 47	November 23, 2009	(778532)
Item 48	December 02, 2009	(779779)
Item 49	December 09, 2009	(767467)
Item 50	December 14, 2009	(781749)
Item 51	December 15, 2009	(779778)
Item 52	December 16, 2009	(805158)
Item 53	January 18, 2010	(805159)
Item 54	January 25, 2010	(767441)
Item 55	February 10, 2010	(790636)
Item 56	February 24, 2010	(790231)
Item 57	February 26, 2010	(789504)
Item 58	March 16, 2010	(831064)
Item 59	March 30, 2010	(785685)
Item 60	April 19, 2010	(831065)
Item 61	April 28, 2010	(799266)
Item 62	April 29, 2010	(799681)
Item 63	May 10, 2010	(800121)
Item 64	May 18, 2010	(801891)
Item 65	June 11, 2010	(802782)
Item 66	June 17, 2010	(824720)
Item 67	June 22, 2010	(826103)
Item 68	June 28, 2010	(826069)
Item 69	July 08, 2010	(828078)
Item 70	July 14, 2010	(828310)
Item 71	August 11, 2010	(866895)
Item 72	September 09, 2010	(842663)
Item 73	September 14, 2010	(850059)
Item 74	October 12, 2010	(850105)
Item 75	October 18, 2010	(873965)
Item 76	October 19, 2010	(881562)
Item 77	November 12, 2010	(869998)
Item 78	November 16, 2010	(866126)
Item 79	November 17, 2010	(866129)
Item 80	November 19, 2010	(858002)
Item 81	November 23, 2010	(873735)
Item 82	December 01, 2010	(871808)
Item 83	December 11, 2010	(896308)
Item 84	December 15, 2010	(858007)
Item 85	January 12, 2011	(902364)
Item 86	February 03, 2011	(891587)
Item 87	February 17, 2011	(909149)
Item 88	February 28, 2011	(892231)
Item 89	March 15, 2011	(916400)
Item 90	April 06, 2011	(907287)
Item 91	April 14, 2011	(924931)
Item 92	May 17, 2011	(915816)
Item 93	May 20, 2011	(938086)
Item 94	May 27, 2011	(899340)
Item 95	June 20, 2011	(945458)
Item 96	June 30, 2011	(934459)
Item 97	July 13, 2011	(934140)
Item 98	August 09, 2011	(937530)
Item 99	August 11, 2011	(922157)
Item 100	August 15, 2011	(959369)
Item 101	August 31, 2011	(951779)
Item 102	September 19, 2011	(971441)
Item 103	September 28, 2011	(955564)

Item 104	October 26, 2011	(948627)
Item 105	November 17, 2011	(977597)
Item 106	December 19, 2011	(984365)
Item 107	December 21, 2011	(964640)
Item 108	January 11, 2012	(990664)
Item 109	January 27, 2012	(970566)
Item 110	February 10, 2012	(987103)
Item 111	February 14, 2012	(983589)
Item 112	February 15, 2012	(984038)
Item 113	February 16, 2012	(998028)
Item 114	March 19, 2012	(1003553)
Item 115	April 17, 2012	(1010119)
Item 116	May 01, 2012	(964306)
Item 117	May 16, 2012	(1002867)
Item 118	May 18, 2012	(1016509)
Item 119	June 18, 2012	(1024232)
Item 120	July 16, 2012	(1031624)
Item 121	August 06, 2012	(1021959)
Item 122	August 10, 2012	(1023188)
Item 123	August 14, 2012	(1022062)
Item 124	August 15, 2012	(1038001)
Item 125	September 17, 2012	(1046739)
Item 126	October 08, 2012	(1028726)
Item 127	October 12, 2012	(1030572)
Item 128	October 15, 2012	(1029491)
Item 129	October 22, 2012	(1030573)
Item 130	October 23, 2012	(1029207)
Item 131	October 30, 2012	(1042286)
Item 132	December 19, 2012	(1030781)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

- 1 Date: 06/18/2012 (970568) CN600124895
- 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 11 PERMIT
ST&C 11 OP
- Description: Failure to maintain the established minimum thermal oxidizer firebox exit temperature of 1,200 degree F, and failure to maintain the minimum exhaust oxygen concentration of 3 percent for the Thermal Oxidizer R-180 (EPN 11-1-100)
- 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 NNN 60.662(a)
5C THSC Chapter 382 382.085(b)
SC 10 PERMIT
ST&C 1 and 11 OP
- Description: Failure to maintain the required minimum delta temperature of 287 degree C and failure to maintain the required minimum outlet temperature of 550 degree C for the Catalytic Incinerator R170 (EPN 11-1-2)
- 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 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
SC 16E PERMIT
ST&C 1 and 11 OP
- Description: Failure to seal open-ended lines (OELs) with plugs or second valves
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.115b(a)(3)

5C THSC Chapter 382 382.085(b)
 ST&C 1 OP
 Description: Failure to furnish the required annual visual inspection report
 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 23 PERMIT
 ST&C 11 OP
 Description: Failure to maintain the combustion temperature of 1,435 degree Celcius for the
 Vent Gas Flare (EPN 12-1-1)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 ST&C 2F OP
 Description: Failure to maintain final records for a non-reportable emissions event within the
 required time frame
 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 19Bi PERMIT
 ST&C 11 OP
 Description: Failure to record monitoring data for control device by-passes
 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)
 ST&C 1 OP
 Description: Failure to demonstrate that a first attempt at repair was made no later than five
 calendar days after the leak is found and that the component was repaired no
 later than 15 calendar days after the leak is found
 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 38Bii PERMIT
 ST&C 11 OP
 Description: Failure to monitor VOC emissions prior to degassing process equipment
 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)
 GT & C OP
 Description: Failure to report all deviations in a deviation report
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(3)
 30 TAC Chapter 115, SubChapter D 115.354(5)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(b)(1)
 5C THSC Chapter 382 382.085(b)
 ST&C 1 OP
 Description: Failure to tag leaking components upon the detection of the leaking components
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 NSR Permit 1733A PERMIT
 Title V Permit 1926 PERMIT
 Description: Failure to prevent scrubber bypasses from the SOx scrubbers (EPNs 7-1-73 and
 14-1-76) during nitrogen purges in Capro 1 and Capro 2
 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 8 PERMIT
 ST&C 11 OP
 Description: Failure to maintain the benzene unloading limit of 220,000 pounds per calendar
 year
 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 31 PERMIT
ST&C 11 OP
- Description: Failure to sample and record the charcoal tower once every fourth regeneration
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(c)(2)
5C THSC Chapter 382 382.085(b)
ST&C 1 OP
- Description: Failure to demonstrate that a first attempt at repair was made no later than five calendar days after each leak is found
- 2 Date: 06/22/2012 (1008174) CN600124895
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)
General Condition 8 PERMIT
Description: Failure to present an affirmative defense for the unauthorized emissions resulting from an overpressured tank truck during an emissions event. [Subcategory B13]
- 3 Date: 07/03/2012 (1009477) CN600124895
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 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT FFFF 63.2480(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1033(b)(2)
5C THSC Chapter 382 382.085(b)
Special Condition (9)E PERMIT
Special Conditions 2(C) & 3 PERMIT
Special Terms and Conditions 1A & 10 OP
Description: Failure to equip open-ended lines with a cap, blind flange, plug, or second valve. (Category B19(g)(6))
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)
Special Terms & Condition 10 PERMIT
Special Terms & Conditions 10 OP
Description: Failure to comply with permitted CO concentration limit from unit 5-5-50. [Category B19(g)(1)]
- 4 Date: 07/20/2012 (952168) CN600124895
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)
Special Condition 14B PERMIT
Special Terms & Conditions 5 OP
Description: Failure to monitor Volatile Organic Compound (VOC) concentration prior to degassing. (Category B1)
- 5 Date: 08/01/2012 (1021878) CN600124895
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)
30 TAC Chapter 335, SubChapter E 335.112(a)(9)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(1)(ii)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.193(e)(1)(iii)
Description: The containment cracks and gaps were noted.
- 6 Date: 08/31/2012 (1008086) CN600124895
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
SPECIAL TERMS AND CONDITIONS 1A OP
Description: Failure to equip 28 open-ended lines in VOC service with a cap, blind flange, plug or a second valve in the SynGas/Oxo area (EPN 5-4-30). (Category C10)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 117, SubChapter B 117.310(c)(2)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 SPECIAL TERMS AND CONDITIONS 1A OP
 Description: Failure to maintain the ammonia (NH3) emissions below 10 ppmv at 3.0% Oxygen (O2) from January 24, 2011 to November 8, 2011 (EPN 5-1-31).

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 7 and 13B PERMIT
 SPECIAL TERMS AND CONDITIONS 1A and 12 OP
 Description: Failure to control isobutanol loading with the thermal oxidizer EPN 5-4-31 on July 7, 2011 and July 20, 2011. (Category C7)

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
 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 VV 60.485(c)(2)
 5C THSC Chapter 382 382.085(b)
 SC 10H PERMIT
 SPECIAL TERMS AND CONDITIONS 1A and 12 OP
 Description: Failure to remonitor pump P-307A within 15 days of being repaired. (Category C7)

Self Report? NO 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)
 GENERAL TERMS AND CONDITIONS OP
 Description: Failure to report all instances of deviations. (Category B3)

Date: 09/05/2012 (1022055)

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 unauthorized emissions during an emissions event (Category B13).

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(c)
 5C THSC Chapter 382 382.085(b)
 Description: Failure to comply the reporting requirements of a reportable emissions event.

F. Environmental audits:

Notice of Intent Date: 06/21/2010 (829065)

Disclosure Date: 10/27/2010

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(1)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(c)(1)(i)

Description: Failure to monitor 70 newly installed valves for two consecutive months before monitoring on a quarterly basis.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354(11)
 30 TAC Chapter 115, SubChapter D 115.354(2)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(a)(1)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-4(a)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(1)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT FFFF 63.2480(a)

Description: Failure to tag and monitor equipment leaks of volatile organic compounds (VOC) and hazardous air pollutants (HAP). Specifically, components associated with the following equipment were not tagged and monitored: D-130, D-131, F-210, T-230, C160A&B, D-165A&B (liquid) and Anlon Sample Pot to P-143 A/B.

Notice of Intent Date: 07/09/2012 (1022679)

No DOV Associated

Notice of Intent Date: 09/26/2012 (1037264)

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:

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
RN100218049**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2013-0266-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 BASF Corporation ("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 chemical manufacturing plant at 602 Copper Road in Freepport, 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 conducted on May 17, 2012, TCEQ staff documented that the Respondent failed to comply with the maximum allowable emissions rates for volatile organic compounds ("VOC") and carbon monoxide ("CO") from R-170 Catalytic Incinerator, Emission Point Number 11-1-2, from November 1, 2011 through March 9, 2012. In addition, the Respondent failed to maintain a destruction and removal efficiency ("DRE") of at least 98% at R-170 Catalytic Incinerator, while utilizing the catalyst bed installed on September 22, 2011, and started up on November 1, 2011. Specifically, significant deformation of the catalyst basket and new catalyst blocks that did not deform as needed to fill the catalyst basket allowed gaps up to 1/4 inch between catalyst blocks. The gaps reduced the R-170 Catalytic Incinerator DRE by 5-7%. The catalyst itself had also undergone sintering, which resulted in a loss of intrinsic activity for the principal VOC, cyclohexane, and a reduction in DRE to 85%. This resulted in the release of 424,477 pounds ("lbs") of unauthorized VOC emissions, including 5,986 lbs of ethylene and 4,515 lbs of propylene, and 83,379 lbs of unauthorized CO emissions over 129 days.
4. The Respondent received notice of the violations on July 30, 2012.
5. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On March 9, 2012, shut down R-170 Catalytic Incinerator; and
 - b. On March 23, 2012, reinstalled the still-active catalyst that had been removed during the September 22, 2011 shutdown.

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 comply with the maximum allowable emissions rates for VOC and CO, and to maintain a DRE of at least 98% at R-170 Catalytic Incinerator, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review Permit No. 1733A, Special Conditions Nos. 1 and 10, and Federal Operating Permit No. O1926, Special Terms and Conditions No. 11.
3. 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.

4. An administrative penalty in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) 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 One Hundred Twenty-Five Thousand Dollars (\$125,000) of the administrative penalty. One Hundred Twenty-Five Thousand Dollars (\$125,000) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

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 Two Hundred Fifty Thousand Dollars (\$250,000) as set forth in Section II, Paragraph 4 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: BASF Corporation, Docket No. 2013-0266-AIR-E" to:

Financial Administration Division, Revenue Operations 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 II, Paragraph 4 above, One Hundred Twenty-Five Thousand Dollars (\$125,000) 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 Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement procedures designed to maintain a DRE of at least 98% and to prevent VOC and CO exceedances from the R-170 Catalytic Incinerator; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance

with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

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

4. The provisions of this Agreed Order shall apply to and be binding upon 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.
5. 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.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by 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.

7. 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.
8. 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.
9. 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.
10. 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.
11. 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

Pam Rowan
For the Executive Director

7/19/13
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of BASF Corporation. I am authorized to agree to the attached Agreed Order on behalf of BASF Corporation, 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, BASF Corporation 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.

Christopher P. Witte
Signature

April 17th, 2013
Date

Christopher P. Witte
Name (Printed or typed)
Authorized Representative of
BASF Corporation

Sr. Vice President & General Mgr.
Title

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

Attachment A
Docket Number: 2013-0266-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	BASF Corporation
Penalty Amount:	Two Hundred Fifty Thousand Dollars (\$250,000)
SEP Amount:	One Hundred Twenty-Five Thousand Dollars (\$125,000)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
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 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

Respondent shall contribute the SEP offset amount to the Third-Party Recipient named above. The contribution will be to **Houston-Galveston AERCO** for the **Clean Cities/Clean Vehicles Program** as set forth in an agreement between the Third-Party Recipient and the TCEQ. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's Congestion Mitigation/Air Quality Funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the Environmental Protection Agency ("EPA"). SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, nitrogen oxides reduction catalyst technology in combination with diesel

BASF Corporation
Agreed Order - Attachment A

particulate filters, and other emission control technologies that are developed and approved by the EPA or the California Air Resources Board.

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

b. Environmental Benefit

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

c. Minimum Expenditure

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, Respondent must contribute the SEP amount to the Third-Party Recipient. Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
Attn.: Robert Veazie, Air Quality Planner
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP amount to the Third-Party Recipient. 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 Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP amount.

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

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

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

5. Publicity

Any public statements concerning this SEP made by or on behalf of 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

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.