

Executive Summary – Enforcement Matter – Case No. 46798
Owens Corning Insulating Systems, LLC
RN100223585
Docket No. 2013-0889-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Owens Corning Insulating Systems Waxahachie Plant, 3700 North IH-35 East,
Waxahachie, Ellis County

Type of Operation:

Wool fiberglass insulation 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: November 22, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$16,576

Amount Deferred for Expedited Settlement: \$3,315

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$6,631

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$6,630

Name of SEP: North Central Texas Council of Governments

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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Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: January 22, 2013 through February 4, 2013, and March 1, 2013

Date(s) of NOE(s): May 2, 2013 and May 14, 2013

Violation Information

1. Failed to comply with the permitted carbon monoxide ("CO") emission rate of 20.70 pounds per hour ("lbs/hr") and the permitted volatile organic compounds ("VOC") emission rate of 10.50 lbs/hr. Specifically, during a stack test conducted from July 25 through 27, 2012, it was determined that the CO and VOC emission rates from the Mixing Chamber Stack, Emissions Point Number ("EPN") 40, were 22.95 lbs/hr and 11.38 lbs/hr, respectively, resulting in the release of approximately 15,282 lbs of CO and 5,977 lbs of VOC [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 6093, Special Conditions ("SC") No. 1, and Federal Operating Permit ("FOP") No. O1094, Special Terms and Conditions ("STC") No. 8].
2. Failed to submit records of adjusted operating parameters and daily records of glass production and binder usage rates sufficient to demonstrate compliance with the permitted emission rates for EPN 40 within 60 days after a stack test is conducted, and on a monthly basis until a permit amendment has been approved or until a re-test showing compliance is performed. Specifically, the stack test report submitted on September 24, 2012 documented that the operating parameters were adjusted, but monthly records were not submitted [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 6093, SC No. 46, and FOP No. O1094, STC No. 8].
3. Failed to prevent unauthorized emissions. Specifically, Respondent released 1,743.32 lbs of particulate matter from the V-2 Mixed Batch Bin (EPN 26), during an emissions event (Incident No. 177834) that began on December 25, 2012 and lasted 138 hours. The emissions event occurred when two level limit switches, or bindicators, in the V2 mixed batch storage system failed simultaneously due to loose set screws on the bindicator paddle. Since this emissions event was reported late, prompt action was not taken to achieve compliance and/or necessary repairs were not made as expeditiously as practicable, and the amount and duration of the unauthorized emissions and bypass of pollution control equipment were not minimized, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 6093, SC No. 1, and FOP No. O1094, STC No. 8].

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4. Failed to submit an initial notification for Incident No. 177834 within 24 hours after discovery of the emissions event. Specifically, the emissions event was discovered on December 26, 2012, but the initial notification was not submitted until January 8, 2013 [30 TEX. ADMIN. CODE § 101.201(a) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

Respondent has implemented the following corrective measures:

- a. By August 28, 2012, implemented measures to comply with the permitted CO emission rate for EPN 40;
- b. By January 11, 2013, reviewed standard work for operators with respect to daily tracking and added two additional Environmental, Health, and Safety (“EHS”) staff members to ensure proper coverage during holidays to prevent a recurrence of emissions events due to the same causes as Incident No. 177834;
- c. By January 23, 2013, implemented measures to comply with the permitted VOC emission rate for EPN 40;
- d. By April 23, 2013, implemented measures to ensure front line supervisors submitted emissions event notifications in a timely manner, and developed procedures whereby automatic notifications are sent to the environmental leader’s phone and messages are sent to key personnel; and
- e. On May 7, 2013, hired a new EHS leader at the Plant who immediately began implementing procedures for ensuring environmental compliance, including the requirement to submit records of adjusted operating parameters and daily records of glass production and binder usage rates sufficient to demonstrate compliance with permitted emission rates on a monthly basis until a permit amendment has been approved or until a re-test showing compliance is performed.

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

**Executive Summary – Enforcement Matter – Case No. 46798
Owens Corning Insulating Systems, LLC
RN100223585
Docket No. 2013-0889-AIR-E**

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Kimberly Morales, Enforcement Division,
Enforcement Team 5, MC R-12, (713) 422-8938; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456

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

Respondent: Gregory D. Bowling, Plant Leader, Owens Corning Insulating Systems,
LLC, 3700 North IH-35 East, Waxahachie, Texas 75165
Ricky Derby, Environmental Coordinator, Owens Corning Insulating Systems, LLC,
3700 North IH-35 East, Waxahachie, Texas 75165

Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-0889-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

| | |
|-----------------------------------|---|
| Respondent: | Owens Corning Insulating Systems, LLC |
| Penalty Amount: | Thirteen Thousand Two Hundred Sixty-One Dollars (\$13,261) |
| SEP Offset Amount: | Six Thousand Six Hundred Thirty Dollars (\$6,630) |
| Type of SEP: | Contribution to a Third-Party Pre-Approved SEP |
| Third-Party Administrator: | North Central Texas Council of Governments |
| Project Name: | North Central Texas Clean School Bus Program |
| Location of SEP: | Collin, Dallas, Denton, Ellis, Erath, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, Tarrant, and Wise Counties |

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 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

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **North Central Texas Council of Governments ("NCTCOG")** for the *North Central Texas Clean School Bus Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount will be used to provide reimbursement to schools, school districts, or school bus operators that retrofit, repower, or replace older school buses with newer model year buses or cleaner technology. Retrofitting, in this context, means installing devices to reduce exhaust emissions that are verified or certified by the U.S. Environmental Protection Agency ("EPA") or the California Air Resources Board ("CARB") as proven retrofit technologies. Repowering, in this context, means replacing older engines with newer, cleaner engines but keeping the same vehicle body. All replacement engines must be certified or verified by the EPA or CARB.

Owens Corning Insulating Systems, LLC
Agreed Order - Attachment A

Buses replaced with the SEP Offset Amount must be buses that are not budgeted for replacement within the next twelve months. Any buses that are replaced with new buses will no longer be driven, must be fully decommissioned, and may only be sold for scrap. The Third-Party Administrator shall provide proof of decommissioning to the TCEQ for each new bus purchased with SEP Funds.

The Third-Party Administrator shall conduct a competitive call for projects that will be open to schools, school districts, and school bus operators in the 16-county NCTCOG service area. Scoring will be based on several key criteria including emissions reductions, cost-effectiveness, operation area(s), and vehicle usage.

This is an air pollution reduction program designed to reduce ozone formation and particulate matter emissions, directly impacting the health of school children traveling on buses. The primary emissions focus will be on reductions of nitrogen oxides ("NO_x") with a secondary focus on particulate matter and other toxics associated with diesel emissions.

The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

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

The Project will directly benefit air quality by reducing exhaust emissions which contribute to the formation of ozone. In addition to containing the ozone precursors NO_x and hydrocarbon, as well as particulate matter and carbon monoxide, diesel exhaust is known to cause or exacerbate a number of respiratory diseases, including asthma.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail the contribution, with a copy of the Agreed Order to:

Owens Corning Insulating Systems, LLC
Agreed Order - Attachment A

North Central Texas Council of Governments
Attention: Amanda Brimmer, Senior Transportation Planner
P.O. Box 5888
Arlington, Texas 76005-5888

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, 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 Administrator. 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 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 Respondent failed to complete the project, 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. 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 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.

Owens Corning Insulating Systems, LLC
Agreed Order - Attachment A

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 Offset Amount identified in this Agreed Order has not been, and shall not be, included as a 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 | 29-Apr-2013 | Screening | 6-May-2013 | EPA Due | 21-Jan-2014 |
| | PCW | 17-Jul-2013 | | | | |

RESPONDENT/FACILITY INFORMATION

| | | |
|-----------------------------|---------------------------------------|---------------------------------|
| Respondent | Owens Corning Insulating Systems, LLC | |
| Reg. Ent. Ref. No. | RN100223585 | |
| Facility/Site Region | 4-Dallas/Fort Worth | Major/Minor Source Major |

CASE INFORMATION

| | | | |
|--|-----------------|------------------------------|--------------------|
| Enf./Case ID No. | 46798 | No. of Violations | 4 |
| Docket No. | 2013-0889-AIR-E | Order Type | 1660 |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Kimberly Morales |
| | | EC's Team | Enforcement Team 5 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$25,000 |

Penalty Calculation Section

| | | |
|---|-------------------|----------|
| TOTAL BASE PENALTY (Sum of violation base penalties) | Subtotal 1 | \$15,250 |
|---|-------------------|----------|

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

| | | | |
|---------------------------|-------------------|--------------------------------|---------|
| Compliance History | 30.0% Enhancement | Subtotals 2, 3, & 7 | \$4,575 |
|---------------------------|-------------------|--------------------------------|---------|

Notes: Enhancement for one NOV with same/similar violations and one order without denial of liability.

| | | | | |
|--------------------|----|------------------|-------------------|-----|
| 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 | \$3,249 |
|--|-------------------|---------|

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

Total EB Amounts \$282
 Approx. Cost of Compliance \$16,000
 *Capped at the Total EB \$ Amount

| | | |
|-----------------------------|-----------------------|----------|
| SUM OF SUBTOTALS 1-7 | Final Subtotal | \$16,576 |
|-----------------------------|-----------------------|----------|

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount \$16,576

| | | |
|-----------------------------------|-------------------------------|----------|
| STATUTORY LIMIT ADJUSTMENT | Final Assessed Penalty | \$16,576 |
|-----------------------------------|-------------------------------|----------|

| | | | |
|-----------------|-----------------|-------------------|----------|
| DEFERRAL | 20.0% Reduction | Adjustment | -\$3,315 |
|-----------------|-----------------|-------------------|----------|

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 | \$13,261 |
|------------------------|----------|

Screening Date 6-May-2013

Docket No. 2013-0889-AIR-E

PCW

Respondent Owens Corning Insulating Systems, LLC

Policy Revision 3 (September 2011)

Case ID No. 46798

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100223585

Media [Statute] Air

Enf. Coordinator Kimberly Morales

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 (number of NOVs meeting criteria) | 1 | 5% |
| | Other written NOVs | 0 | 0% |
| Orders | Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria) | 0 | 0% |
| | 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 | 1 | 25% |
| Judgments and Consent Decrees | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria) | 0 | 0% |
| | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | 0 | 0% |
| Convictions | Any criminal convictions of this state or the federal government (number of counts) | 0 | 0% |
| Emissions | Chronic excessive emissions events (number of events) | 0 | 0% |
| Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted) | 0 | 0% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed) | 0 | 0% |
| <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) 30%

>> 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 one NOV with same/similar violations and one order without denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 30%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 30%

Screening Date 6-May-2013

Docket No. 2013-0889-AIR-E

FGW

Respondent Owens Corning Insulating Systems, LLC

Policy Revision 3 (September 2011)

Case ID No. 46798

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100223585

Media (Statute) Air

Enf. Coordinator Kimberly Morales

Violation Number

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit No. 6093, Special Conditions ("SC") No. 1, and Federal Operating Permit ("FOP") No. 01094, Special Terms and Conditions ("STC") No. 8

Violation Description

Failed to comply with the permitted carbon monoxide ("CO") emission rate of 20.70 pounds per hour ("lbs/hr") and the permitted volatile organic compounds ("VOC") emission rate of 10.50 lbs/hr. Specifically, during a stack test conducted from July 25 through 27, 2012, it was determined that the CO and VOC emission rates from the Mixing Chamber Stack, Emissions Point Number ("EPN") 40, were 22.95 lbs/hr and 11.36 lbs/hr, respectively, resulting in the release of approximately 15,282 lbs of CO and 5,977 lbs of VOC.

Base Penalty \$25,000

Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | X |
| Potential | | | |

Percent 15.0%

Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2

160 Number of violation days

mark only one with an x

| | |
|----------------|---|
| Daily | |
| Weekly | |
| Monthly | |
| Quarterly | X |
| Semiannual | |
| Annual | |
| Specific Event | |

Violation Base Penalty \$7,500

Two quarterly events are recommended from the July 27, 2012 performance test to the January 23, 2013 compliance date.

Good Faith Efforts to Comply

25.0% Reduction

\$1,875

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

Notes

The Respondent completed corrective actions on January 23, 2013, prior to the May 2, 2013 NOE.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$247

Violation Final Penalty Total \$7,875

This violation Final Assessed Penalty (adjusted for limits) \$7,875

Economic Benefit Worksheet

Respondent: Owens Corning Insulating Systems, LLC
Case ID No.: 46798
Reg. Ent. Reference No.: RN100223585
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 |
|------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|

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 | \$0 | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | \$0 | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Permit Costs | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | \$10,000 | 27-Jul-2012 | 28-Jan-2013 | 0.49 | \$247 | \$0 | \$247 |

Notes for DELAYED costs

Estimated cost to implement measures to comply with the permitted emission rates for EPN 40. The date required is the date the stack test was completed. The final date is the date that corrective actions 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

\$10,000

TOTAL

\$247

Screening Date 6-May-2013

Docket No. 2013-0889-AIR-E

PCW

Respondent Owens Corning Insulating Systems, LLC

Policy Revision 3 (September 2011)

Case ID No. 46798

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100223585

Media (Statute) Air

Enf. Coordinator Kimberly Morales

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit No. 6093, SC No. 46, and FOP No. 01094, STC No. 8

Violation Description

Failed to submit records of adjusted operating parameters and daily records of glass production and binder usage rates sufficient to demonstrate compliance with the permitted emission rates for EPN 40 within 60 days after a stack test is conducted, and on a monthly basis until a permit amendment has been approved or until a re-test showing compliance is performed. Specifically, the stack test report submitted on September 24, 2012 documented that the operating parameters were adjusted, but monthly records were not submitted.

Base Penalty \$25,000

Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | |
| Potential | | | |

Percent 0.0%

Programmatic Matrix

| Falsification | Harm | | |
|---------------|-------|----------|-------|
| | Major | Moderate | Minor |
| | X | | |

Percent 15.0%

Matrix Notes

The Respondent has failed to comply with 100% of the permit requirement.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

223 Number of violation days

mark only one with an x

| | |
|--------------|---|
| Daily | |
| Weekly | |
| Monthly | |
| Quarterly | |
| Semiannual | |
| Annual | |
| Single event | X |

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

10.0% Reduction

\$375

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

Notes

The Respondent completed corrective actions on May 7, 2013, after the May 2, 2013 NOE.

Violation Subtotal \$3,375

Economic Benefits (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$15

Violation Final Penalty Total \$4,500

This violation Final Assessed Penalty (adjusted for limits) \$4,500

Economic Benefit Worksheet

Respondent: Owens Corning Insulating Systems, LLC
Case ID No.: 46798
Reg. Ent. Reference No.: RN100223585
Media: Air
Violation No.: 2

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

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

| 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 | \$0 | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | \$0 | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Permit Costs | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | \$500 | 25-Sep-2012 | 7-May-2013 | 0.61 | \$15 | \$0 | \$15 |
| Notes for DELAYED costs: Estimated cost to implement measures and procedures to ensure records of adjusted operating parameters and daily records of glass production and binder usage rates are submitted on a monthly basis. The date required is the date the first records were due. The final date is the date that corrective actions were completed. | | | | | | | |

| Avoided Costs | | | | | | | |
|---|--|--|--|------|-----|-----|-----|
| ANNUALIZE/11 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 \$500

TOTAL \$15

Screening Date 6-May-2013

Docket No. 2013-0889-AIR-E

PCW

Respondent Owens Corning Insulating Systems, LLC

Policy Revision 3 (September 2011)

Case ID No. 46798

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100223585

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit No. 6093, SC No. 1, and FOP No. O1094, STC No. 8

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,743.32 lbs of particulate matter from the V-2 Mixed Batch Bin (EPN 26), during an emissions event (Incident No. 177894) that began on December 25, 2012 and lasted 138 hours. The emissions event occurred when two level limit switches, or indicators, in the V2 mixed batch storage system failed simultaneously due to loose set screws on the indicator paddle. Since this emissions event was reported late, prompt action was not taken to achieve compliance and/or necessary repairs were not made as expeditiously as practicable, and the amount and duration of the unauthorized emissions and bypass of pollution control equipment were not minimized, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | X |
| Potential | | | |

Percent 15.0%

Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

6 Number of violation days

mark only one with an x

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | X |
| semiannual | |
| annual | |
| single event | |

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

Before NOV NOV to EDPRP/Settlement Offer

| | |
|---------------|---------------|
| Extraordinary | |
| Ordinary | X |
| N/A | (mark with x) |

Notes The Respondent completed corrective actions on January 11, 2013, prior to the May 14, 2013 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$12

Violation Final Penalty Total \$3,938

This violation Final Assessed Penalty (adjusted for limits) \$3,938

Economic Benefit Worksheet

Respondent: Owens Corning Insulating Systems, LLC
Case ID No.: 46798
Reg. Ent. Reference No.: RN100223585
Media: Air
Violation No.: 3

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

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

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 | \$0 | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | \$0 | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Permit Costs | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | \$5,000 | 7-5-2012 | 11-24-2013 | 0.05 | \$12 | \$0 | \$12 |

Notes for DELAYED costs

Estimated cost to implement measures and procedures designed to prevent the recurrence of emissions events due to the same causes as Incident No. 177834. The date required is the date the emissions event began. The final date is the date that corrective actions 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

\$12

Screening Date: 6-May-2013

Docket No. 2013-0889-AIR-E

PCW

Respondent: Owens Corning Insulating Systems, LLC

Policy Revision 3 (September 2011)

Case ID No. 46798

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100223585

Media: [Statute] Air

Enf. Coordinator: Kimberly Morales

Violation Number: 4

Rule Cite(s): 30 Tex. Admin. Code § 101.201(a) and Tex. Health & Safety Code § 392.085(b)

Violation Description

Failed to submit an Initial notification for Incident No. 177834 within 24 hours after discovery of the emissions event. Specifically, the emissions event was discovered on December 26, 2012, but the initial notification was not submitted until January 8, 2013.

Base Penalty: \$25,000

Environmental Property and Human Health Matrix

| Release | Harm | | | Percent |
|-----------|-------|----------|-------|---------|
| | Major | Moderate | Minor | |
| Actual | | | | 0.0% |
| Potential | | | | |

Programmatic Matrix

| Falsification | Major | Moderate | Minor | Percent |
|---------------|-------|----------|-------|---------|
| | | | X | 1.0% |

Matrix Notes

The Respondent met at least 70% of the rule requirements.

Adjustment: \$24,750

\$250

Violation Events

Number of Violation Events: 1 Number of violation days: 12

mark only one with an x

| | |
|--------------|---|
| any | |
| weekly | |
| monthly | |
| quarterly | |
| semi-annual | |
| annual | |
| single event | X |

Violation Base Penalty: \$250

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$62

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

Notes: The Respondent completed corrective actions on April 23, 2013, prior to the May 14, 2013 NOE.

Violation Subtotal: \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount: \$8

Violation Final Penalty Total: \$263

This violation Final Assessed Penalty (adjusted for limits): \$263

Economic Benefit Worksheet

Respondent: Owens Corning Insulating Systems, LLC
Case ID No.: 46798
Reg. Ent. Reference No.: RN100223585
Media: Air
Violation No.: 4

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

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

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 | \$0 | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | \$0 | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Permit Costs | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | \$500 | 27-Dec-2012 | 23-Apr-2013 | 0.32 | \$8 | \$0 | \$8 |

Notes for DELAYED costs

Estimated cost to implement measures and procedures designed to prevent the late submittal of emissions event notifications. The date required is the date the initial notification was due. The final date is the date that corrective actions 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

\$500

TOTAL

\$8

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.



Compliance History Report

PUBLISHED Compliance History Report for CN603159088, RN100223585, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

| | | | |
|---|--|-------------------------------------|---------------------|
| Customer, Respondent, or Owner/Operator: | CN603159088, Owens Corning Insulating Systems, LLC | Classification: SATISFACTORY | Rating: 2.50 |
| Regulated Entity: | RN100223585, OWENS CORNING INSULATING SYSTEMS WAXAHACHIE PLANT | Classification: SATISFACTORY | Rating: 2.50 |
| Complexity Points: | 16 | Repeat Violator: | NO |
| CH Group: | 14 - Other | | |
| Location: | 3700 N IH 35 E WAXAHACHIE, TX 75165-6607, ELLIS COUNTY | | |
| TCEQ Region: | REGION 04 - DFW METROPLEX | | |

ID Number(s):

| | |
|---|--|
| AIR OPERATING PERMITS ACCOUNT NUMBER ED00510 | AIR OPERATING PERMITS PERMIT 1094 |
| INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD007332570 | INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 31420 |
| WASTEWATER PERMIT WQ0001178000 | WASTEWATER EPA ID TX0065749 |
| AIR NEW SOURCE PERMITS PERMIT 6093 | AIR NEW SOURCE PERMITS ACCOUNT NUMBER ED00510 |
| AIR NEW SOURCE PERMITS AFS NUM 4813900005 | AIR NEW SOURCE PERMITS PERMIT 6092 |
| AIR NEW SOURCE PERMITS REGISTRATION 45087 | AIR NEW SOURCE PERMITS REGISTRATION 78155 |
| AIR NEW SOURCE PERMITS REGISTRATION 84393 | STORMWATER PERMIT TXR05V224 |
| AIR EMISSIONS INVENTORY ACCOUNT NUMBER ED00510 | POLLUTION PREVENTION PLANNING ID NUMBER P00494 |

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

Date Compliance History Report Prepared: May 06, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: May 06, 2008 to May 06, 2013

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

Name: Kimberly Morales

Phone: (713) 422-8938

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: 05/09/2010 ADMINORDER 2009-1788-IWD-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: Effluent Limits PERMIT
Description: Failure to comply with permit effluent limits as documented by a TCEQ record review of self-reported data.
Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(17)

Rqmt Prov: Effluent Reporting Requirements PERMIT
Description: Failed to submit complete and accurate DMRs.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

| | | |
|---------|--------------------|----------|
| Item 1 | May 12, 2008 | (692563) |
| Item 2 | May 21, 2008 | (618877) |
| Item 3 | June 11, 2008 | (679932) |
| Item 4 | June 12, 2008 | (681930) |
| Item 5 | June 13, 2008 | (713691) |
| Item 6 | July 09, 2008 | (682391) |
| Item 7 | July 16, 2008 | (713692) |
| Item 8 | July 17, 2008 | (681937) |
| Item 9 | August 18, 2008 | (713693) |
| Item 10 | August 25, 2008 | (688859) |
| Item 11 | September 24, 2008 | (811315) |
| Item 12 | September 30, 2008 | (729702) |
| Item 13 | October 14, 2008 | (729703) |
| Item 14 | November 19, 2008 | (729704) |
| Item 15 | November 25, 2008 | (705898) |
| Item 16 | December 12, 2008 | (687530) |
| Item 17 | December 17, 2008 | (729705) |
| Item 18 | January 16, 2009 | (752942) |
| Item 19 | February 20, 2009 | (752941) |
| Item 20 | February 25, 2009 | (725161) |
| Item 21 | March 12, 2009 | (737908) |
| Item 22 | March 16, 2009 | (770530) |
| Item 23 | May 11, 2009 | (744258) |
| Item 24 | June 22, 2009 | (748928) |
| Item 25 | July 17, 2009 | (811313) |
| Item 26 | August 31, 2009 | (811314) |
| Item 27 | October 02, 2009 | (811316) |
| Item 28 | October 06, 2009 | (777216) |
| Item 29 | November 09, 2009 | (811318) |
| Item 30 | December 15, 2009 | (811319) |
| Item 31 | January 14, 2010 | (811320) |
| Item 32 | February 22, 2010 | (811312) |
| Item 33 | February 25, 2010 | (793587) |
| Item 34 | March 15, 2010 | (833174) |
| Item 35 | May 27, 2010 | (833176) |
| Item 36 | June 21, 2010 | (846988) |
| Item 37 | July 09, 2010 | (828746) |
| Item 38 | July 13, 2010 | (802237) |
| Item 39 | July 19, 2010 | (861475) |
| Item 40 | July 31, 2010 | (874708) |
| Item 41 | August 18, 2010 | (867749) |
| Item 42 | September 30, 2010 | (826202) |
| Item 43 | October 22, 2010 | (882297) |
| Item 44 | November 12, 2010 | (888762) |
| Item 45 | November 30, 2010 | (897109) |
| Item 46 | December 06, 2010 | (858301) |
| Item 47 | January 14, 2011 | (878241) |
| Item 48 | January 21, 2011 | (903026) |
| Item 49 | February 17, 2011 | (909895) |

| | | |
|---------|--------------------|-----------|
| Item 50 | March 21, 2011 | (917134) |
| Item 51 | March 31, 2011 | (938829) |
| Item 52 | April 11, 2011 | (895419) |
| Item 53 | April 21, 2011 | (906449) |
| Item 54 | April 25, 2011 | (927451) |
| Item 55 | April 29, 2011 | (901311) |
| Item 56 | May 02, 2011 | (908208) |
| Item 57 | June 20, 2011 | (946198) |
| Item 58 | June 28, 2011 | (934958) |
| Item 59 | July 13, 2011 | (953467) |
| Item 60 | July 18, 2011 | (935077) |
| Item 61 | August 09, 2011 | (933611) |
| Item 62 | August 11, 2011 | (960100) |
| Item 63 | September 13, 2011 | (966147) |
| Item 64 | September 16, 2011 | (951152) |
| Item 65 | September 19, 2011 | (948785) |
| Item 66 | October 11, 2011 | (972176) |
| Item 67 | October 17, 2011 | (958969) |
| Item 68 | October 18, 2011 | (962479) |
| Item 69 | November 04, 2011 | (952306) |
| Item 70 | November 10, 2011 | (957902) |
| Item 71 | November 14, 2011 | (978334) |
| Item 72 | November 21, 2011 | (968613) |
| Item 73 | December 15, 2011 | (985134) |
| Item 74 | January 12, 2012 | (991412) |
| Item 75 | January 23, 2012 | (974784) |
| Item 76 | February 13, 2012 | (1025018) |
| Item 77 | March 14, 2012 | (1004297) |
| Item 78 | April 12, 2012 | (1010857) |
| Item 79 | April 24, 2012 | (995348) |
| Item 80 | May 10, 2012 | (1017230) |
| Item 81 | May 18, 2012 | (1003312) |
| Item 82 | June 08, 2012 | (1025019) |
| Item 83 | June 11, 2012 | (1006720) |
| Item 84 | July 05, 2012 | (1032370) |
| Item 85 | August 09, 2012 | (1038789) |
| Item 86 | September 10, 2012 | (1047676) |
| Item 87 | October 11, 2012 | (1065203) |
| Item 88 | December 10, 2012 | (1042894) |
| Item 89 | December 13, 2012 | (1065204) |
| Item 90 | January 15, 2013 | (1080748) |
| Item 91 | February 12, 2013 | (1080747) |
| Item 92 | February 25, 2013 | (1058315) |
| Item 93 | April 29, 2013 | (1076375) |

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: 02/21/2013 (1054288) CN603159088
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)
5C THSC Chapter 382 382.085(b)
Description: Failure to report all deviations within a timely manner as required by 30 TAC §122.145(2).

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 | § | BEFORE THE |
| ENFORCEMENT ACTION | § | |
| CONCERNING | § | TEXAS COMMISSION ON |
| OWENS CORNING INSULATING | § | |
| SYSTEMS, LLC | § | |
| RN100223585 | § | ENVIRONMENTAL QUALITY |

AGREED ORDER
DOCKET NO. 2013-0889-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Owens Corning Insulating Systems, LLC ("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 together stipulate that:

1. The Respondent owns and operates a wool fiberglass insulation manufacturing plant at 3700 North Interstate Highway 35 East in Waxahachie, Ellis 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 Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notices of the violations alleged in Section II ("Allegations") on or about May 7 and 19, 2013.
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 Sixteen Thousand Five Hundred Seventy-Six Dollars (\$16,576) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Six Thousand Six Hundred Thirty-

One Dollars (\$6,631) of the administrative penalty and Three Thousand Three Hundred Fifteen Dollars (\$3,315) 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. Six Thousand Six Hundred Thirty Dollars (\$6,630) of the administrative penalty 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 and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. By August 28, 2012, implemented measures to comply with the permitted carbon monoxide ("CO") emission rate for Emissions Point Number ("EPN") 40;
 - b. By January 11, 2013, reviewed standard work for operators with respect to daily tracking and added two additional Environmental, Health, and Safety ("EHS") staff members to ensure proper coverage during holidays to prevent a recurrence of emissions events due to the same causes as Incident No. 177834;
 - c. By January 23, 2013, implemented measures to comply with the permitted volatile organic compounds ("VOC") emission rate for EPN 40;
 - d. By April 23, 2013, implemented measures to ensure front line supervisors submitted emissions event notifications in a timely manner, and developed procedures whereby automatic notifications are sent to the environmental leader's phone and messages are sent to key personnel; and
 - e. On May 7, 2013, hired a new EHS leader at the Plant who immediately began implementing procedures for ensuring environmental compliance, including the requirement to submit records of adjusted operating parameters and daily records of glass production and binder usage rates sufficient to demonstrate compliance with permitted emission rates on a monthly basis until a permit amendment has been approved or until a re-test showing compliance is performed.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to comply with the permitted CO emission rate of 20.70 pounds per hour ("lbs/hr") and the permitted VOC emission rate of 10.50 lbs/hr, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 6093, Special Conditions ("SC") No. 1, and Federal Operating Permit ("FOP") No. O1094, Special Terms and Conditions ("STC") No. 8, as documented during a record review conducted from January 22 through February 4, 2013. Specifically, during a stack test conducted from July 25 through 27, 2012, it was determined that the CO and VOC emission rates from the Mixing Chamber Stack, EPN 40, were 22.95 lbs/hr and 11.38 lbs/hr, respectively, resulting in the release of approximately 15,282 lbs of CO and 5,977 lbs of VOC.
2. Failed to submit records of adjusted operating parameters and daily records of glass production and binder usage rates sufficient to demonstrate compliance with the permitted emission rates for EPN 40 within 60 days after a stack test is conducted, and on a monthly basis until a permit amendment has been approved or until a re-test showing compliance is performed, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 6093, SC No. 46, and FOP No. O1094, STC No. 8, as documented during a record review conducted from January 22 through February 4, 2013. Specifically, the stack test report submitted on September 24, 2012 documented that the operating parameters were adjusted, but monthly records were not submitted.
3. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 6093, SC No. 1, and FOP No. O1094, STC No. 8, as documented during a record review conducted on March 1, 2013. Specifically, the Respondent released 1,743.32 lbs of particulate matter from the V-2 Mixed Batch Bin (EPN 26), during an emissions event (Incident No. 177834) that began on December 25, 2012 and lasted 138 hours. The emissions event occurred when two level limit switches, or bindicators, in the V2 mixed batch storage system failed simultaneously due to loose set screws on the bindicator paddle. Since this emissions event was reported late, prompt action was not taken to achieve compliance and/or necessary repairs were not made as expeditiously as practicable, and the amount and duration of the unauthorized emissions and bypass of pollution control equipment were not minimized, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
4. Failed to submit an initial notification for Incident No. 177834 within 24 hours after discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a) and

TEX. HEALTH & SAFETY CODE §382.085(b), as documented during a record review conducted on March 1, 2013. Specifically, the emissions event was discovered on December 26, 2012, but the initial notification was not submitted until January 8, 2013.

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: Owens Corning Insulating Systems, LLC, Docket No. 2013-0889-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 I, Paragraph 6 above, Six Thousand Six Hundred Thirty Dollars (\$6,630) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. 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.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Nancy Miller for Ramiro Garcia
For the Executive Director

1.9.14
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.

Greg D. Bowling
Signature

9/12/2013
Date

GREGORY D. BOWLING
Name (Printed or typed)
Authorized Representative of
Owens Corning Insulating Systems, LLC

PLANT LEADER
Title

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

Attachment A
Docket Number: 2013-0889-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

| | |
|-----------------------------------|---|
| Respondent: | Owens Corning Insulating Systems, LLC |
| Penalty Amount: | Thirteen Thousand Two Hundred Sixty-One Dollars (\$13,261) |
| SEP Offset Amount: | Six Thousand Six Hundred Thirty Dollars (\$6,630) |
| Type of SEP: | Contribution to a Third-Party Pre-Approved SEP |
| Third-Party Administrator: | North Central Texas Council of Governments |
| Project Name: | North Central Texas Clean School Bus Program |
| Location of SEP: | Collin, Dallas, Denton, Ellis, Erath, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, Tarrant, and Wise Counties |

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 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

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **North Central Texas Council of Governments ("NCTCOG")** for the *North Central Texas Clean School Bus Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount will be used to provide reimbursement to schools, school districts, or school bus operators that retrofit, repower, or replace older school buses with newer model year buses or cleaner technology. Retrofitting, in this context, means installing devices to reduce exhaust emissions that are verified or certified by the U.S. Environmental Protection Agency ("EPA") or the California Air Resources Board ("CARB") as proven retrofit technologies. Repowering, in this context, means replacing older engines with newer, cleaner engines but keeping the same vehicle body. All replacement engines must be certified or verified by the EPA or CARB.

Owens Corning Insulating Systems, LLC
Agreed Order - Attachment A

Buses replaced with the SEP Offset Amount must be buses that are not budgeted for replacement within the next twelve months. Any buses that are replaced with new buses will no longer be driven, must be fully decommissioned, and may only be sold for scrap. The Third-Party Administrator shall provide proof of decommissioning to the TCEQ for each new bus purchased with SEP Funds.

The Third-Party Administrator shall conduct a competitive call for projects that will be open to schools, school districts, and school bus operators in the 16-county NCTCOG service area. Scoring will be based on several key criteria including emissions reductions, cost-effectiveness, operation area(s), and vehicle usage.

This is an air pollution reduction program designed to reduce ozone formation and particulate matter emissions, directly impacting the health of school children traveling on buses. The primary emissions focus will be on reductions of nitrogen oxides ("NO_x") with a secondary focus on particulate matter and other toxics associated with diesel emissions.

The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

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

The Project will directly benefit air quality by reducing exhaust emissions which contribute to the formation of ozone. In addition to containing the ozone precursors NO_x and hydrocarbon, as well as particulate matter and carbon monoxide, diesel exhaust is known to cause or exacerbate a number of respiratory diseases, including asthma.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail the contribution, with a copy of the Agreed Order to:

Owens Corning Insulating Systems, LLC
Agreed Order - Attachment A

North Central Texas Council of Governments
Attention: Amanda Brimmer, Senior Transportation Planner
P.O. Box 5888
Arlington, Texas 76005-5888

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, 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 Administrator. 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 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 Respondent failed to complete the project, 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. 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 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.

Owens Corning Insulating Systems, LLC
Agreed Order - Attachment A

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