

Executive Summary – Enforcement Matter – Case No. 47501
The Lubrizol Corporation
RN101058410
Docket No. 2013-1608-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Lubrizol Bayport Plant, 12801 Bay Area Boulevard, Pasadena, Harris County

Type of Operation:

Industrial organic chemicals plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: April 4, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$88,977

Amount Deferred for Expedited Settlement: \$17,795

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$35,591

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$35,591

Name of SEP: Houston Regional Monitoring Corporation (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002 and September 2011

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: April 2, 2013 through July 15, 2013

Date(s) of NOE(s): August 2, 2013

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Violation Information

1. Failed to submit a completed Highly-Reactive Volatile Organic Compound ("HRVOC") Emissions Cap and Trade Annual Compliance Report. Specifically, Flare X-500 was not included on the report for the 2011 control period [30 TEX. ADMIN. CODE §§ 101.400(a)(1), (a)(2), and (a)(3) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O1582, Special Terms and Conditions ("ST & C") No. 11.].
2. Failed to limit the vent stream to Flare X-202 to no more than 720 hours per year on a rolling 12-month basis. Specifically, the vent gas stream was routed to the flare for 885.9 hours from March 2011 to February 2012, for 815.8 hours from April 2011 to March 2012, and for 806.4 hours from May 2011 to April 2012 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1582, ST & C No. 12, and New Source Review ("NSR") Permit No. 1685, Special Conditions No. 8].
3. Failed to obtain authorization to construct and operate a source of air emissions. Specifically, the Respondent failed to obtain a permit for the Effluent System, Emission Point Number ("EPN") EFFLUENT, and the Paintshop, EPN PAINT [30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.085(b) and 382.0518(a)].
4. Failed to limit the temperature to 70 degrees Fahrenheit or below for Tank 216, EPN A-216. Specifically, the temperature was above 70 degrees Fahrenheit on March 22-23, 2012, March 23-24, 2012, and March 25-29, 2012 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O1582, ST & C No. 12, and NSR Permit No. 1685, SC No. 14].
5. Failed to begin sampling the cooling tower water within 30 days of the issuance of the permit. Specifically, the Respondent did not sample the Cooling Tower CT-601 water for total dissolved solids and conductivity by January 26, 2012 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1582, ST & C No. 12, and NSR Permit No. 6221, SC Nos. 10.B. and 10.C.].
6. Failed to calibrate the ammonia scrubber's flow meter as per manufacturer's specifications or at least annually, whichever is more frequent. Specifically, during the period from October 1, 2011 through September 30, 2012, the Respondent failed to calibrate the ammonia scrubbers, EPN B-570, flow meter [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O1582, ST & C 12, and NSR Permit No. 6221, SC No. 12B.].
7. Failed to include all fugitives components and permits in FOP No. O1582. Specifically, the Respondent did not include Leak Detection and Repair ("LDAR") fugitives components (pumps, valves, connectors, agitators, compressors and

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connectors) nor NSR Permit Nos. 103908, 48651, 77731, 78674 and 97875 in the FOP [30 TEX. ADMIN. CODE §§ 122.210(a) and 122.121 and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b)].

8. Failed to include Tank Nos. 402, 408, 201, 216, 502, and 516 in the semi-annual pilot flame outage report dated January 27, 2012 [30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CODE OF FEDERAL REGULATIONS (“CFR”) § 60.115b(d)(3), and FOP No. O1582, ST & C No. 1A.].

9. Failed to provide an operating plan for storage vessels. Specifically, the Respondent failed to include Tank Nos. 402, 408, 201, 216, 502, 516, and 451 in the operating plan [30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CFR § 60.115b(c)(1), and FOP No. O1582, ST & C No. 1A.].

10. Failed to report all instances of deviations. Specifically, the Respondent failed to include 13 deviations in the deviation reports for the reporting period of October 1, 2011 through September 31, 2012 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O1582, General Terms and Conditions].

11. Failed to to conduct LDAR monitoring for 13 pumps [30 TEX. ADMIN. CODE §§ 101.20(2), 113.520, and 122.143(4), 40 CFR §§ 63.1023(a)(1)(ii) and 63.1026(b)(1), and FOP No. O1582, ST & C No. 1A.].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. On November 1, 2012, began sampling the Cooling Tower CT-601 water for total dissolved solids and conductivity;
- b. On April 22, 2013, submitted a permit amendment application for FOP No. O1582 to add LDAR fugitives;
- c. On May 2, 2013, recalibrated the ammonia scrubber flow meter as per manufacturer’s specifications;
- d. On July 24, 2013, received a permit alteration for NSR Permit No. 1685 to allow an additional temperature gauge to be used to monitor and maintain tank temperature; and

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e. On May 31, 2012, implemented a management program to assist in tracking and maintaining the vent stream to Flare X-202 to 720 hours on a rolling 12- month basis.

Technical Requirements:

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

2. The Order will also require the Respondent to:

a. Within 90 days:

i. Submit a corrected Form ECT-1H, HRVOC Emissions Cap and Trade Annual Compliance Report to include Flare X-500;

ii. Submit the corrected semi-annual pilot flame outage report to include Tank Nos. 402, 408, 201, 216, 502, and 516;

iii. Submit a revised operating plan to include Tank Nos. 402, 408, 201, 216, 502, 516, and 451;

iv. Implement policies or procedures to ensure that all instances of deviations are included in deviation reports and the deviation reports are submitted in a timely manner; and

v. Implement measures to ensure that the pumps are monitored monthly.

b. Within 90 days, submit an administratively complete Form PI-7 or NSR permit amendment application for the Effluent System and Paintshop.

c. Within 90 days, submit an administratively complete FOP application for the Plant to include all permit numbers or demonstrate the Plant meets the requirement of permit application shield.

d. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the Form PI-7 registration or NSR permit amendment application and FOP application within 30 days after the date of such requests, or by any other deadline specified in writing.

e. Within 120 days, submit written certification of compliance with Ordering Provisions a., b., and c.

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Docket No. 2013-1608-AIR-E**

f. Within 450 days, submit written certification that either authorization to operate the sources of air emissions has been obtained or that operation has ceased until such time that appropriate authorization has been obtained.

g. Within 810 days, submit written certification that FOP No. O1582 has been amended to incorporate NSR Permit Nos. 103908, 48651, 77731, 78674 and 97875.

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Rajesh Acharya, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-0577; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456

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

Respondent: Anthony Shick, General Manager, The Lubrizol Corporation, 12801 Bay
Area Boulevard, Pasadena, Texas 77507

Cynthia Causey, Environmental Compliance Manager, The Lubrizol Corporation, 12801
Bay Area Boulevard, Pasadena, Texas 77507

Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-1608-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	The Lubrizol Corporation
Penalty Amount:	Seventy-One Thousand One Hundred Eighty-Two Dollars (\$71,182)
SEP Offset Amount:	Thirty-Five Thousand Five Hundred Ninety-One Dollars (\$35,591)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Houston Regional Monitoring Corporation
Project Name:	<i>Houston Area Air Monitoring Project</i>
Location of SEP:	Harris County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Houston Regional Monitoring Corporation** for the *Houston Area Air Monitoring Project* SEP. 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 operate a network of ambient air monitoring stations that continuously measure and record concentrations of ambient air pollutants. This network includes the Houston Regional Monitor (“HRM”) 617 Wallisville Road site, the HRM 615 Lynchburg Ferry site, and the HRM 3 Haden Road site. The Third-Party Administrator shall use the SEP Offset Amount to report data from these three existing sites in the Houston Regional Monitoring Corporation ambient air quality monitoring network in the Houston-Galveston Air Quality Control Region No. 216. The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will provide TCEQ with near real-time access to high quality, short time resolution volatile organic compound, nitrogen oxide, ozone, and meteorological data sets that can be used to evaluate and track air pollution emission events as they occur, conduct source attribution studies, and to assess potential ambient community exposure to a limited number of hazardous air pollutants. Data from the monitors can be used with data from other monitors to provide critical information that can be used to evaluate the effectiveness of current and proposed emission control strategies aimed at achieving compliance with the 8-hr ozone National Ambient Air Quality Standards. It also provides a key source of information that is essential to furthering our overall understanding of those emission sources that contribute to ambient community exposure to toxic air contaminants. Because the information is available in near real-time, it can be used to provide both agency staff and industry personnel with time critical information to investigate emission events in a timely fashion. Another key benefit is the ability to measure the change in the ambient air concentration of the individual target species and quantify control measure effectiveness. Data from these monitors will be publicly accessible through the TCEQ's website and will be used in evaluating air quality in the area, in ozone forecasts, and ozone warnings. Thus, the public will directly benefit by having access to the data and the forecasting and notification tools which can be used for public awareness.

c. Minimum Expenditure

The 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, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the contribution payable to **Houston Regional Monitoring Corporation SEP** and shall mail the contribution with a copy of the Agreed Order to:

The Lubrizol Corporation
Agreed Order - Attachment A

Houston Regional Monitoring Corporation
c/o Christopher B. Amandes
Morgan, Lewis, & Bockius, LLP
1000 Louisiana, Suite 4000
Houston, Texas 77002

3. Records and Reporting

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

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

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

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

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

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



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	5-Aug-2013	Screening	19-Aug-2013	EPA Due	29-Apr-2014
	PCW	25-Nov-2013				

RESPONDENT/FACILITY INFORMATION	
Respondent	The Lubrizol Corporation
Reg. Ent. Ref. No.	RN101058410
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	47501	No. of Violations	1
Docket No.	2013-1608-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rajesh Acharya
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$12,500
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ADJUSTMENTS (+/-) TO SUBTOTAL 1	Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.	
Compliance History	58.0% Enhancement	Subtotals 2, 3, & 7

Notes	Enhancement for one NOV with a similar violations and three orders with denial of liability. Reduction for three notices of intent to conduct an audit and two disclosure of violations.	Subtotal 3	\$7,250
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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	\$3,125
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
Total EB Amounts	\$31	*Capped at the Total EB \$ Amount	
Approx. Cost of Compliance	\$500		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$16,625
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	
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Notes		Final Penalty Amount	\$16,625
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$16,625
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DEFERRAL	20.0% Reduction	Adjustment	-\$3,325
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Notes	Deferral offered for expedited settlement.		
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PAYABLE PENALTY	\$13,300
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Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 2 (September 2002)

Case ID No. 47501

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

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>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	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>)	2	-4%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 58%

>> 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 a similar violations and three orders with denial of liability. Reduction for three notices of intent to conduct an audit and two disclosure of violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 58%

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 2 (September 2002)

Case ID No. 47501

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit No. O1582, Special Terms & Conditions No. 12, and New Source Review Permit No. 1685, Special Conditions No. 8

Violation Description Failed to limit the vent stream to Flare X-202 to no more than 720 hours per year on a rolling 12-month basis. Specifically, the vent gas stream was routed to the flare for 885.9 hours from March 2011 to February 2012, for 815.8 hours from April 2011 to March 2012, and for 806.4 hours from May 2011 to April 2012.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 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 \$7,500

\$2,500

Violation Events

Number of Violation Events 5

426 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$12,500

Five quarterly events are recommended for the periods of non-compliance from March 1, 2011 to the date of compliance May 31, 2012.

Good Faith Efforts to Comply

25.0% Reduction

\$3,125

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

Notes The Respondent implemented corrective action on May 31, 2012, after the Notice of Enforcement dated August 2, 2013.

Violation Subtotal \$9,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$31

Violation Final Penalty Total \$16,625

This violation Final Assessed Penalty (adjusted for limits) \$16,625

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$500	1-Mar-2011	31-May-2012	1.25	\$31	n/a	\$31
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to implement a management program to assist in tracking and maintaining the vent stream to Flare X-202 to 720 hours per year. Date Required is the date of the initial non-compliance. Final Date is the compliance date.

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 \$31



Penalty Calculation Worksheet (PCW)

TCEQ

DATES	Assigned	5-Aug-2013	Screening	19-Aug-2013	EPA Due	29-Apr-2014
	PCW	25-Nov-2013				

RESPONDENT/FACILITY INFORMATION	
Respondent	The Lubrizol Corporation
Reg. Ent. Ref. No.	RN101058410
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	47501	No. of Violations	10
Docket No.	2013-1608-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rajesh Acharya
		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** **\$44,750**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **58.0%** Enhancement **Subtotals 2, 3, & 7** **\$25,955**

Notes Enhancement for one NOV with similar violations and three orders with denial of liability. Reduction for three notices of intent to conduct an audit and two disclosures 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** **\$1,811**

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

Total EB Amounts **\$4,775**
 Approx. Cost of Compliance **\$17,364**
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$68,894**

OTHER FACTORS AS JUSTICE MAY REQUIRE **5.0%** **Adjustment** **\$3,458**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes Recommended enhancement to capture the avoided cost of compliance associated with Violation Nos. 4 and 10.

Final Penalty Amount **\$72,352**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$72,352**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$14,470**

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 **\$57,882**

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 3 (September 2011)

Case ID No. 47501

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

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>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	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>)	2	-4%
<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) 58%

>> **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 similar violations and three orders with denial of liability. Reduction for three notices of intent to conduct an audit and two disclosures of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 58%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 58%

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 3 (September 2011)

Case ID No. 47501

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.400(a)(1), (a)(2), and (a)(3) and 122.143(4), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit ("FOP") No. O1582, Special Terms and Conditions ("ST & C") No. 1I

Violation Description Failed to submit a completed Highly-Reactive Volatile Organic Compound ("HRVOC") Emissions Cap and Trade Annual Compliance Report. Specifically, Flare X-500 was not included on the report for the 2011 control period.

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 1.0%

Matrix Notes

25% of the rule requirement was not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$250

One single event is recommended.

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 \$250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$25

Violation Final Penalty Total \$415

This violation Final Assessed Penalty (adjusted for limits) \$415

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				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)	\$250	31-Mar-2012	31-Mar-2014	2.00	\$25	n/a	\$25

Notes for DELAYED costs

Estimated cost to submit a corrected 2011 HRVOC Emissions Cap and Trade Annual Compliance Report. Date Required is the date the complete report was due. Final Date is the estimated compliance date.

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

\$250

TOTAL

\$25

Screening Date 19-Aug-2013
Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media [Statute] Air
Enf. Coordinator Rajesh Acharya

Docket No. 2013-1608-AIR-E

PCW

Policy Revision 3 (September 2011)
 PCW Revision August 3, 2011

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.110(a) and Tex. Health & Safety Code §§ 382.085(b) and 382.0518(a)

Violation Description

Failed to obtain authorization to construct and operate a source of air emissions. Specifically, the Respondent failed to obtain a permit for the Effluent System, Emission Point Number ("EPN") EFFLUENT, and the Paintshop, EPN PAINT.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 5

139 Number of violation days

mark only one with an x

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$18,750

Five monthly events are recommended based on the April 2, 2013 investigation date to the August 19, 2013 screening date.

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 \$18,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$229

Violation Final Penalty Total \$31,112

This violation Final Assessed Penalty (adjusted for limits) \$31,112

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
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
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$5,000	2-Apr-2013	2-Mar-2014	0.92	\$229	n/a	\$229
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to obtain authorization. Date Required is the initial date of the investigation. Final Date is the estimated compliance date.

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

\$229

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 3 (September 2011)

Case ID No. 47501

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 01582, ST & C No. 12, and New Source Review ("NSR") Permit No. 1685, SC No. 14

Violation Description Failed to limit the temperature to 70 degrees Fahrenheit or below for Tank 216, EPN A-216. Specifically, the temperature was above 70 degrees Fahrenheit on March 22-23, 2012, March 23-24, 2012, and March 25-29, 2012.

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

8 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$3,750

One quarterly event is recommended for the period of March 22-29, 2012.

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 implemented corrective action on July 24, 2013, before the Notice of Enforcement ("NOE") dated August 2, 2013.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$167

Violation Final Penalty Total \$5,238

This violation Final Assessed Penalty (adjusted for limits) \$5,238

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$2,500	22-Mar-2012	24-Jul-2013	1.34	\$167	n/a	\$167
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to alter the permit to add another temperature gauge and install it. Date Required is the date of the initial non-compliance. Final Date is the compliance date.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,500

TOTAL

\$167

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 3 (September 2011)

Case ID No. 47501

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. O1582, ST & C No. 12, and NSR Permit No. 6221, SC Nos. 10.B. and 10.C.

Violation Description Failed to begin sampling the cooling tower water within 30 days of the issuance of the permit. Specifically, the Respondent did not sample the Cooling Tower CT-601 water for total dissolved solids ("TDS") and conductivity by January 26, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				7.0%
Potential			x	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$23,250

\$1,750

Violation Events

Number of Violation Events 1 Number of violation days 280

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
single event	x	

Violation Base Penalty \$1,750

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$437

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

Notes The Respondent implemented corrective action on November 1, 2012, before the NOE dated August 2, 2013.

Violation Subtotal \$1,313

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$3,363

Violation Final Penalty Total \$2,445

This violation Final Assessed Penalty (adjusted for limits) \$2,445

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$100	26-Jan-2012	1-Nov-2012	0.77	\$4	n/a	\$4
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to begin samplig the cooling tower for TDS and conductivity (\$50 each). Date Required is the date sampling was due. Final Date is the compliance date.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling	\$4,170	26-Jan-2012	1-Nov-2012	0.77	\$160	\$3,199	\$3,359
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

Estimated avoided costs for not sampling the cooling tower water for TDS and conductivity (\$520 per year for TDS and \$3,650 per year for conductivity). Date Required is the date sampling was due. Final Date is the compliance date.

Approx. Cost of Compliance

\$4,270

TOTAL

\$3,363

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 3 (September 2011)

Case ID No. 47501

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 5

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 01582, ST & C No. 12, and NSR Permit No. 6221, SC No. 12B

Violation Description

Failed to calibrate ammonia scrubber's flow meter as per manufacturer's specifications or at least annually, whichever is more frequent. Specifically, during the period from October 1, 2011 through September 30, 2012, the Respondent failed to calibrate the ammonia scrubber's, EPN B-570, flow meter.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 7.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$23,250

\$1,750

Violation Events

Number of Violation Events 1

365 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	x
single event	

mark only one with an x

Violation Base Penalty \$1,750

One annual event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$437

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

Notes

The Respondent implemented corrective action on May 2, 2013, before the NOE dated August 2, 2013.

Violation Subtotal \$1,313

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$56

Violation Final Penalty Total \$2,445

This violation Final Assessed Penalty (adjusted for limits) \$2,445

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media Air
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction	\$500	1-Oct-2011	2-May-2013	1.59	\$3	\$53	\$56
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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to calibrate the ammonia scrubber's flow meter as per manufacturers's specifications. Date Required is the date of the initial non-compliance. Final Date is the compliance date.

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

\$56

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 3 (September 2011)

Case ID No. 47501

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code §§ 122.210(a) and 122.121 and Tex. Health & Safety Code §§ 382.054 and 382.085(b)

Violation Description

Failed to include all fugitives components and permits in FOP No. O1582. Specifically, the Respondent did not include Leak Detection and Repair ("LDAR") fugitives components (pumps, valves, connectors, agitators, compressors and connectors) nor NSR Permit Nos. 103908, 48651, 77731, 78674, and 97875 in the FOP.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1764 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$3,750

One single event is recommended.

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 \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$671

Violation Final Penalty Total \$6,222

This violation Final Assessed Penalty (adjusted for limits) \$6,222

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media Air
Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$2,500	20-Oct-2008	2-Mar-2014	5.37	\$671	n/a	\$671
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to amend the FOP. Date Required is the permit issuance date. Final Date is 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

\$2,500

TOTAL

\$671

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 3 (September 2011)

Case ID No. 47501

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 7

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1) and 122.143(4), Tex. Health & Safety Code § 382.085(b), 40 Code of Federal Regulations ("CFR") § 60.115b(d)(3), and FOP No. O1582, ST & C No. 1A

Violation Description Failed to include Tank Nos. 402, 408, 201, 216, 502, and 516 in the semi-annual pilot flame outage report dated January 27, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
		x	

Percent 7.0%

Matrix Notes

50% of the rule requirement was not met.

Adjustment \$23,250

\$1,750

Violation Events

Number of Violation Events 1

431 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$1,750

One single event is recommended for the incomplete report.

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 \$1,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$81

Violation Final Penalty Total \$2,904

This violation Final Assessed Penalty (adjusted for limits) \$2,904

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media Air
Violation No. 7

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$750	27-Jan-2012	27-Mar-2014	2.16	\$81	n/a	\$81

Notes for DELAYED costs

Estimated cost to submit the corrected semi-annual report. Date Required is the last date the semi-annual report was submitted. Final Date is 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 \$750

TOTAL \$81

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 3 (September 2011)

Case ID No. 47501

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 8

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1) and 122.143(4), Tex. Health & Safety Code § 382.085(b), 40 CFR § 60.115b(c)(1), and FOP No. O1582, ST & C No. 1A

Violation Description Failed to provide an operating plan for storage vessels. Specifically, the Respondent failed to include Tank Nos. 402, 408, 201, 216, 502, 516, and 451 in the operating plan.

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 7.0%

Matrix Notes

50% of the rule requirement was not met.

Adjustment \$23,250

\$1,750

Violation Events

Number of Violation Events 1

139 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$1,750

One single event is recommended for the incomplete operating plan.

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 \$1,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$11

Violation Final Penalty Total \$2,904

This violation Final Assessed Penalty (adjusted for limits) \$2,904

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media Air
Violation No. 8

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	2-Apr-2013	1-Mar-2014	0.91	\$11	n/a	\$11

Notes for DELAYED costs

Estimated cost to submit a revised operating plan. Date Required is the investigation date. Final Date is the estimated compliance date.

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

\$250

TOTAL

\$11

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 3 (September 2011)

Case ID No. 47501

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 9

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b), and FOP No. 01582, General Terms and Conditions

Violation Description Failed to report all instances of deviations. Specifically, the Respondent failed to include 13 deviations in the deviation reports for the reporting period of October 1, 2011 through September 31, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0.0%
Potential				

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
	x			15.0%

Matrix Notes: Greater than 70% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2 Number of violation days 475

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$7,500

Two single events are recommended for the two incomplete semiannual deviation reports.

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 \$7,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$24

Violation Final Penalty Total \$12,445

This violation Final Assessed Penalty (adjusted for limits) \$12,445

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media Air
Violation No. 9

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$250	1-May-2012	1-Apr-2014	1.92	\$24	n/a	\$24
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to implement policies or procedures to ensure that all instances of deviations are included in deviation reports and the deviation reports are submitted in a timely manner. Date Required is the date the first semi-annual deviation report was due. Final Date is the estimated compliance date.

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 \$250

TOTAL \$24

Screening Date 19-Aug-2013

Docket No. 2013-1608-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 3 (September 2011)

Case ID No. 47501

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

V12 10

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(2), 113.520, and 122.143(4), 40 CFR §§ 63.1023(a)(1)(ii) and 63.1026(b)(1), and FOP No. O1582, ST & C No. 1A

Violation Description

Failed to conduct LDAR monitoring for 13 pumps.

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. Estimated emissions of 35 pounds of volatile organic compounds for the month not monitored were calculated utilizing the Facility/Compound Specific Fugitive Emission Factors in the "Air Permits Technical Guidance for Chemical Sources: Equipment Leak Fugitives."

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

31 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 for the month of December 2011.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Reduction	
	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 \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$149

Violation Final Penalty Total \$6,222

This violation Final Assessed Penalty (adjusted for limits) \$6,222

Economic Benefit Worksheet

Respondent The Lubrizol Corporation
Case ID No. 47501
Reg. Ent. Reference No. RN101058410
Media Air
Violation No. 10

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$1,000	2-Apr-2013	1-Apr-2014	1.00	\$50	n/a	\$50
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to implement measures to ensure that the pumps are monitored monthly. Date Required is the investigation date. Final Date is the estimated compliance date.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$94	1-Dec-2011	31-Dec-2011	1.00	\$5	\$94	\$99
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Estimated avoided cost by not monitoring 13 components (\$0.60 per component per month). Date required is the monitoring due date. Final Date is last day of month when monitoring is due.

Approx. Cost of Compliance

\$1,094

TOTAL

\$149

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 CN600269617, RN101058410, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN600269617, The Lubrizol Corporation **Classification:** SATISFACTORY **Rating:** 6.90

Regulated Entity: RN101058410, LUBRIZOL BAYPORT PLANT **Classification:** SATISFACTORY **Rating:** 3.91

Complexity Points: 27 **Repeat Violator:** NO

CH Group: 05 - Chemical Manufacturing

Location: 12801 BAY AREA BLVD PASADENA, TX 77507-1324, HARRIS COUNTY

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0460B
POLLUTION PREVENTION PLANNING ID NUMBER P00402

STORMWATER EPA ID TX0091227

AIR NEW SOURCE PERMITS PERMIT 1093

AIR NEW SOURCE PERMITS PERMIT 7264

AIR NEW SOURCE PERMITS REGISTRATION 48651

AIR NEW SOURCE PERMITS AFS NUM 4820100304

AIR NEW SOURCE PERMITS REGISTRATION 77540

AIR NEW SOURCE PERMITS REGISTRATION 83572

AIR NEW SOURCE PERMITS REGISTRATION 109067

AIR NEW SOURCE PERMITS REGISTRATION 103908

AIR NEW SOURCE PERMITS REGISTRATION 102476

AIR NEW SOURCE PERMITS REGISTRATION 114742

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG0460B

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30325

AIR OPERATING PERMITS PERMIT 1582
STORMWATER PERMIT WQ0002594000

AIR NEW SOURCE PERMITS PERMIT 1685

AIR NEW SOURCE PERMITS PERMIT 6221

AIR NEW SOURCE PERMITS PERMIT 7730

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG0460B

AIR NEW SOURCE PERMITS REGISTRATION 77731

AIR NEW SOURCE PERMITS REGISTRATION 78674

AIR NEW SOURCE PERMITS PERMIT 84752

AIR NEW SOURCE PERMITS REGISTRATION 97875

AIR NEW SOURCE PERMITS REGISTRATION 101652

AIR NEW SOURCE PERMITS REGISTRATION 112398

AIR NEW SOURCE PERMITS REGISTRATION 112395

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD000642348

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: November 26, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: November 26, 2008 to November 26, 2013

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

Name: Rajesh Acharya **Phone:** (512) 239-0577

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: 07/09/2009 ADMINORDER 2008-1904-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: NSR Permit No. 6221, SC 2.B. PERMIT
Special Condition #1 PERMIT

Description: Failed to prevent unauthorized emissions and to maintain a constant pilot flame on the flare.

Classification: Minor

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: Failed to report an emissions event report for Incident No. 111804 within 24 hours after discovery of the event, and to submit a final report within 14 days after the end of the event.

2 Effective Date: 03/08/2010 ADMINORDER 2009-0711-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(15)
30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(C)
30 TAC Chapter 122, SubChapter B 122.165(a)(7)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: (OP O-01582), General Conditions OP

Description: Failed to submit a timely and properly certified semi-annual deviation report, as documented during an investigation conducted on August 12, 2008. Specifically, the Respondent submitted a non-certified semi-annual deviation report for the period March 12, 2007 to September 11, 2007 on October 12, 2007.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(6)(ii)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT FFFF 63.2450(e)(2)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: S.C. 15A PERMIT

Description: Failed to comply with the net heating value requirements for flares, as documented during an investigation conducted on June 18, 2009. Specifically, during stack tests performed on January 15, 2008 and May 1, 2008, the net heating value for Flare X-402 was 248.4 Btu/scf and 223.3 Btu/scf, respectively, and the required net heating value is 300 Btu/scf.

3 Effective Date: 06/07/2012 ADMINORDER 2011-1637-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(1)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O1582, GTC OP

Description: Failed to submit the Permit Compliance Certification ("PCC") within 30 days from the end of the certification period. Specifically, the Respondent did not submit the PCC for the October 1, 2009 through March 31, 2010 reporting period.

See addendum for information regarding federal actions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	December 18, 2008	(731202)
Item 2	January 20, 2009	(754463)
Item 3	February 05, 2009	(754462)
Item 4	March 13, 2009	(771727)
Item 5	April 16, 2009	(771728)
Item 6	May 14, 2009	(771729)

Item 7	June 17, 2009	(815267)
Item 8	July 15, 2009	(815268)
Item 9	August 17, 2009	(815269)
Item 10	September 22, 2009	(815270)
Item 11	October 13, 2009	(815271)
Item 12	October 14, 2009	(768024)
Item 13	October 23, 2009	(760510)
Item 14	November 18, 2009	(759158)
Item 15	December 28, 2009	(815273)
Item 16	January 21, 2010	(815274)
Item 17	February 10, 2010	(790114)
Item 18	February 22, 2010	(815266)
Item 19	March 15, 2010	(834548)
Item 20	May 07, 2010	(834549)
Item 21	May 24, 2010	(834550)
Item 22	June 18, 2010	(847397)
Item 23	August 19, 2010	(868268)
Item 24	August 31, 2010	(875178)
Item 25	September 20, 2010	(844083)
Item 26	October 21, 2010	(882788)
Item 27	December 22, 2010	(828091)
Item 28	January 18, 2011	(903462)
Item 29	January 20, 2011	(870722)
Item 30	February 10, 2011	(910371)
Item 31	March 17, 2011	(917595)
Item 32	April 12, 2011	(928728)
Item 33	May 12, 2011	(939300)
Item 34	June 09, 2011	(946702)
Item 35	June 14, 2011	(932898)
Item 36	July 12, 2011	(953963)
Item 37	July 25, 2011	(905854)
Item 38	September 09, 2011	(960556)
Item 39	September 12, 2011	(966611)
Item 40	October 17, 2011	(972625)
Item 41	October 26, 2011	(860368)
Item 42	November 22, 2011	(978769)
Item 43	December 12, 2011	(985604)
Item 44	December 15, 2011	(974769)
Item 45	January 04, 2012	(952339)
Item 46	January 16, 2012	(991924)
Item 47	February 13, 2012	(999252)
Item 48	March 12, 2012	(1004761)
Item 49	April 11, 2012	(1011342)
Item 50	May 14, 2012	(1017705)
Item 51	June 12, 2012	(1025496)
Item 52	June 29, 2012	(976112)
Item 53	July 12, 2012	(1032831)
Item 54	July 25, 2012	(1019329)
Item 55	August 09, 2012	(1039265)
Item 56	September 11, 2012	(1048216)
Item 57	October 08, 2012	(1067441)
Item 58	November 15, 2012	(1067442)
Item 59	December 17, 2012	(1067443)
Item 60	January 14, 2013	(1081734)
Item 61	February 11, 2013	(1081733)
Item 62	March 18, 2013	(1090650)
Item 63	April 15, 2013	(1097005)
Item 64	May 13, 2013	(1107970)
Item 65	June 12, 2013	(1111603)

Item 66 July 17, 2013 (1118506)
Item 67 August 13, 2013 (1126291)
Item 68 September 12, 2013 (1130841)

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: 08/02/2013 (1050718) CN600269617
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 10 PERMIT
ST&C 12 OP
Description: Failure to sample and analyze scrubber (S-A219) solution. Category B1

F. Environmental audits:

Notice of Intent Date: 07/30/2009 (765560)

Disclosure Date: 06/17/2010

Viol. Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.116

Rqmt Prov: PERMIT NSR 1093

PERMIT NSR 6221

PERMIT NSR 7264

Description: Failure to correctly represent natural gas usage in the permit application. emission point number X-100, X-500, X-401.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

Rqmt Prov: PERMIT NSR 1093

PERMIT NSR 6221

PERMIT NSR 7264

Description: Failure to comply with permitted emission limitations for combustion products (includes but not limited to carbon monoxide, nitrogen oxide and VOCs). Emission point number X-100, X-500, X-401, X-502.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

Rqmt Prov: PERMIT NSR 1093

PERMIT NSR 1685

PERMIT NSR 19002

Description: Failure to comply with emission limitation for particulate matter less than 10 micrometers (PM10). Emission point X-201.

Notice of Intent Date: 02/04/2010 (826447)

Disclosure Date: 08/10/2010

Viol. Classification: Minor

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

Description: Failed to maintain and keep fugitive emission leak and repair records from low vapor pressure compounds that require AVO inspections or repair.

Notice of Intent Date: 06/06/2013 (1099221)

No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
THE LUBRIZOL CORPORATION
RN101058410**

**§ BEFORE THE
§ TEXAS COMMISSION ON
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2013-1608-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 The Lubrizol 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 together stipulate that:

1. The Respondent owns and operates an industrial organic chemicals plant at 12801 Bay Area Boulevard in Pasadena, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The 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 notice of the violations alleged in Section II ("Allegations") on or about August 7, 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 Eighty-Eight Thousand Nine Hundred Seventy-Seven Dollars (\$88,977) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirty-Five Thousand Five Hundred Ninety-One Dollars (\$35,591) of the administrative penalty and

Seventeen Thousand Seven Hundred Ninety-Five Dollars (\$17,795) 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. Thirty-Five Thousand Five Hundred Ninety-One Dollars (\$35,591) 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 implemented the following corrective measures at the Plant:
 - a. On November 1, 2012, began sampling the Cooling Tower CT-601 water for total dissolved solids and conductivity;
 - b. On April 22, 2013, submitted a permit amendment application for Federal Operating Permit ("FOP") No. O1582 to add Leak Detection and Repair ("LDAR") fugitives;
 - c. On May 2, 2013, recalibrated the ammonia scrubber flow meter as per manufacturer's specifications;
 - d. On July 24, 2013, received a permit alteration for New Source Review ("NSR") Permit No. 1685 to allow an additional temperature gauge to be used to monitor and maintain tank temperature; and
 - e. On May 31, 2012, implemented a management program to assist in tracking and maintaining the vent stream to Flare X-202 to 720 hours on a rolling 12-month basis.
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 submit a completed Highly-Reactive Volatile Organic Compound ("HRVOC") Emissions Cap and Trade Annual Compliance Report, in violation of 30 TEX. ADMIN. CODE §§ 101.400(a)(1), (a)(2), and (a)(3) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. 01582, Special Terms and Conditions ("ST & C") No. 1I, as documented during an investigation conducted on April 2, 2013 through April 9, 2013. Specifically, Flare X-500 was not included on the report for the 2011 control period.
2. Failed to limit the vent stream to Flare X-202 to no more than 720 hours per year on a rolling 12-month basis, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 01582, ST & C No. 12, and NSR Permit No. 1685, Special Conditions No. 8, as documented during an investigation conducted on April 2, 2013 through April 9, 2013. Specifically, the vent gas stream was routed to the flare for 885.9 hours from March 2011 to February 2012, for 815.8 hours from April 2011 to March 2012, and for 806.4 hours from May 2011 to April 2012.
3. Failed to obtain authorization to construct and operate a source of air emissions, in violation of 30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.085(b) and 382.0518(a), as documented during an investigation conducted on April 2, 2013 through April 9, 2013. Specifically, the Respondent failed to obtain a permit for the Effluent System, Emission Point Number ("EPN") EFFLUENT, and the Paintshop, EPN PAINT.
4. Failed to limit the temperature to 70 degrees Fahrenheit or below for Tank 216, EPN A-216, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. 01582, ST & C No. 12, and NSR Permit No. 1685, SC No. 14, as documented during an investigation conducted on April 2, 2013 through April 9, 2013. Specifically, the temperature was above 70 degrees Fahrenheit on March 22-23, 2012, March 23-24, 2012, and March 25-29, 2012.
5. Failed to begin sampling the cooling tower water within 30 days of the issuance of the permit, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 01582, ST & C No. 12, and NSR Permit No. 6221, SC Nos. 10.B. and 10.C., as documented during an investigation conducted on April 2, 2013 through April 9, 2013. Specifically, the Respondent did not sample the Cooling Tower CT-601 water for total dissolved solids and conductivity by January 26, 2012.
6. Failed to calibrate the ammonia scrubber's flow meter as per manufacturer's specifications or at least annually, whichever is more frequent, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. 01582, ST & C 12, and NSR Permit No. 6221, SC No. 12B, as documented during an investigation conducted on April 2, 2013 through April 9, 2013. Specifically, during the period from October 1, 2011 through September 30, 2012, the Respondent failed to calibrate the ammonia scrubbers, EPN B-570, flow meter.

7. Failed to include all fugitives components and permits in FOP No. O1582, in violation of 30 TEX. ADMIN. CODE §§ 122.210(a) and 122.121 and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b), as documented during an investigation conducted on April 2, 2013 through April 9, 2013. Specifically, the Respondent did not include LDAR fugitives components (pumps, valves, connectors, agitators, compressors and connectors) nor NSR Permit Nos. 103908, 48651, 77731, 78674 and 97875 in the FOP.
8. Failed to include Tank Nos. 402, 408, 201, 216, 502, and 516 in the semi-annual pilot flame outage report dated January 27, 2012, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CODE OF FEDERAL REGULATIONS ("CFR") § 60.115b(d)(3), and FOP No. O1582, ST & C No. 1A, as documented during an investigation conducted on April 2, 2013 through April 9, 2013.
9. Failed to provide an operating plan for storage vessels, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CFR § 60.115b(c)(1), and FOP No. O1582, ST & C No. 1A, as documented during an investigation conducted on April 2, 2013 through April 9, 2013. Specifically, the Respondent failed to include Tank Nos. 402, 408, 201, 216, 502, 516, and 451 in the operating plan.
10. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O1582, General Terms and Conditions, as documented during an investigation conducted on April 2, 2013 through April 9, 2013. Specifically, the Respondent failed to include 13 deviations in the deviation reports for the reporting period of October 1, 2011 through September 31, 2012.
11. Failed to to conduct LDAR monitoring for 13 pumps, in violation of 30 TEX. ADMIN. CODE §§ 101.20(2), 113.520, and 122.143(4), 40 CFR §§ 63.1023(a)(1)(ii) and 63.1026(b)(1), and FOP No. O1582, ST & C No. 1A, as documented during an investigation conducted on April 2, 2013 through April 9, 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: The Lubrizol Corporation, Docket No. 2013-1608-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, Thirty-Five Thousand Five Hundred Ninety-One Dollars (\$35,591) 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. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 90 days after the effective date of this Agreed Order:
 - i. Submit a corrected Form ECT-1H, HRVOC Emissions Cap and Trade Annual Compliance Report, to include Flare X-500;
 - ii. Submit the corrected semi-annual pilot flame outage report to include Tank Nos. 402, 408, 201, 216, 502, and 516;
 - iii. Submit a revised operating plan to include Tank Nos. 402, 408, 201, 216, 502, 516, and 451;
 - iv. Implement policies or procedures to ensure that all instances of deviations are included in deviation reports and the deviation reports are submitted in a timely manner; and
 - v. Implement measures to ensure that the pumps are monitored monthly, in accordance with 40 CFR § 63.1026(a)(1).
- b. Within 90 days after the effective date of this Agreed Order, submit an administratively complete Form PI-7 or NSR permit amendment application for the Effluent System and Paintshop, in accordance with 30 TEX. ADMIN. CODE § 116.110(a) to :

Air Permits Division, MC 162
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- c. Within 90 days after the effective date of this Agreed Order, submit an administratively complete FOP application for the Plant to include all permit numbers, as described by 30 TEX. ADMIN. CODE § 122.134, or demonstrate the Plant meets the requirement of permit application shield, in accordance with 30 TEX. ADMIN. CODE § 122.134 to:

Air Permits Division, MC 163
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- d. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the Form PI-7 registration or NSR permit amendment application and FOP application within 30 days after the date of such requests, or by any other deadline specified in writing;
- e. Within 120 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provision Nos. 3.a., 3.b., and 3.c. as described in Ordering Provision No. 3.h.;
- f. Within 450 days after the effective date of this Agreed Order, submit written certification that either authorization to operate the sources of air emissions has been obtained or that operation has ceased until such time that appropriate authorization has been obtained, as described in Ordering Provision No. 3.h.;
- g. If an administratively complete FOP application for the Plant is submitted, within 810 days after the effective date of this Agreed Order, submit written certification that FOP No. O1582 has been amended to incorporate NSR Permit Nos. 103908, 48651, 77731, 78674 and 97875, as described in Ordering Provision No. 3.h.; and
- h. Submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 3.a., 3.b., 3.c., 3.f., and 3.g. 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. 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.
8. 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.

9. 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

Pam Mower
For the Executive Director

10/31/14
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.

Tanya M. Travis
Signature

5-20-14
Date

TANYA M. TRAVIS
Name (Printed or typed)
Authorized Representative of
The Lubrizol Corporation

GENERAL MANAGER
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: 2013-1608-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	The Lubrizol Corporation
Penalty Amount:	Seventy-One Thousand One Hundred Eighty-Two Dollars (\$71,182)
SEP Offset Amount:	Thirty-Five Thousand Five Hundred Ninety-One Dollars (\$35,591)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Houston Regional Monitoring Corporation
Project Name:	<i>Houston Area Air Monitoring Project</i>
Location of SEP:	Harris County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Houston Regional Monitoring Corporation** for the *Houston Area Air Monitoring Project* SEP. 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 operate a network of ambient air monitoring stations that continuously measure and record concentrations of ambient air pollutants. This network includes the Houston Regional Monitor (“HRM”) 617 Wallisville Road site, the HRM 615 Lynchburg Ferry site, and the HRM 3 Haden Road site. The Third-Party Administrator shall use the SEP Offset Amount to report data from these three existing sites in the Houston Regional Monitoring Corporation ambient air quality monitoring network in the Houston-Galveston Air Quality Control Region No. 216. The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will provide TCEQ with near real-time access to high quality, short time resolution volatile organic compound, nitrogen oxide, ozone, and meteorological data sets that can be used to evaluate and track air pollution emission events as they occur, conduct source attribution studies, and to assess potential ambient community exposure to a limited number of hazardous air pollutants. Data from the monitors can be used with data from other monitors to provide critical information that can be used to evaluate the effectiveness of current and proposed emission control strategies aimed at achieving compliance with the 8-hr ozone National Ambient Air Quality Standards. It also provides a key source of information that is essential to furthering our overall understanding of those emission sources that contribute to ambient community exposure to toxic air contaminants. Because the information is available in near real-time, it can be used to provide both agency staff and industry personnel with time critical information to investigate emission events in a timely fashion. Another key benefit is the ability to measure the change in the ambient air concentration of the individual target species and quantify control measure effectiveness. Data from these monitors will be publicly accessible through the TCEQ's website and will be used in evaluating air quality in the area, in ozone forecasts, and ozone warnings. Thus, the public will directly benefit by having access to the data and the forecasting and notification tools which can be used for public awareness.

c. Minimum Expenditure

The 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, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the contribution payable to **Houston Regional Monitoring Corporation SEP** and shall mail the contribution with a copy of the Agreed Order to:

The Lubrizol Corporation
Agreed Order - Attachment A

Houston Regional Monitoring Corporation
c/o Christopher B. Amandes
Morgan, Lewis, & Bockius, LLP
1000 Louisiana, Suite 4000
Houston, Texas 77002

3. Records and Reporting

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

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

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

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

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

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