

Executive Summary – Enforcement Matter – Case No. 49278

BASF Corporation

RN100218049

Docket No. 2014-1304-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

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

Type of Operation:

Chemical manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: January 30, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$132,638

Amount Deferred for Expedited Settlement: \$26,527

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$53,056

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$53,055

Name of SEP: Houston-Galveston Area Council - AERCO (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 April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: July 10, 2014 through July 29, 2014

Date(s) of NOE(s): August 19, 2014

Executive Summary – Enforcement Matter – Case No. 49278

BASF Corporation

RN100218049

Docket No. 2014-1304-AIR-E

Violation Information

1. Failed to conduct Leak Detection and Repair (“LDAR”) monitoring on 1,389 components. Specifically, the Respondent failed to conduct monthly LDAR monitoring on two pumps in light liquid service during the period of July 1, 2009 through September 30, 2013 and failed to conduct quarterly LDAR monitoring on 1,118 connectors in light liquid service, 110 connectors in gas/vapor service, one pressure relief valve in light liquid service, one pressure relief valve in gas/vapor service, 133 general valves in light liquid service, and 24 general valves in gas/vapor service during the period of July 1, 2009 through September 30, 2013 [30 TEX. ADMIN. CODE §§ 101.20(1), 115.354(2)(C), 115.781(b)(3), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.482-2(a)(1), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review (“NSR”) Permit No. 8074A, Special Conditions (“SC”) No. 10F, and Federal Operating Permit (“FOP”) No. O1928, Special Terms and Conditions (“STC”) Nos. 1(A) and 11].

2. Failed to comply with the maximum allowable emission rates (“MAER”) for FL-200 Flare (OXO) Intermittent, Emission Point Number (“EPN”) 5-2-02. Specifically, the Respondent exceeded the volatile organic compounds (“VOC”) MAER of 6.13 tons per year (“tpy”) based on a rolling 12-month period for the 12-month periods ending from April 2013 through September 2013, the carbon monoxide (“CO”) MAER of 4.34 tpy based on a rolling 12-month period for the 12-month periods ending from May 2013 through August 2013, and the nitrogen oxides (“NOx”) MAER of 0.67 tpy based on a rolling 12-month period for the 12-month periods ending from June 2013 through July 2013 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), NSR Permit No. 8074A, SC No. 1, and FOP No. O1928, STC No. 11].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On June 26, 2013, replaced the pressure transmitter that failed and caused the exceedances of the NOx annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02;

- b. On July 16, 2013, installed a new type of valve positioner that is considered to be more reliable than the valve positioner that failed and caused the exceedances of the CO annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02;

- c. On August 1, 2013, returned to compliance with the NOx annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02;

Executive Summary – Enforcement Matter – Case No. 49278

BASF Corporation

RN100218049

Docket No. 2014-1304-AIR-E

d. On September 1, 2013, returned to compliance with the CO annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02;

e. On October 1, 2013, returned to compliance with the VOC annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02;

f. By October 9, 2013, tagged and began monitoring the 1,389 components that had not been monitored during the period of July 1, 2009 through September 30, 2013;

g. By October 28, 2013, updated procedures to provide more guidance on running the Pressure Swing Absorption Unit and the OXO Unit at reduced rates to avoid a unit shutdown and flaring similar to the flaring that caused the exceedances of the VOC annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02; and

h. By October 31, 2013, conducted training on LDAR monitoring procedures for operations personnel.

Technical Requirements:

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

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Rachel Bekowies, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-2608; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

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

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

Respondent's Attorney: N/A

Attachment A
Docket Number: 2014-1304-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	BASF Corporation
Penalty Amount:	One Hundred Six Thousand One Hundred Eleven Dollars (\$106,111)
SEP Offset Amount:	Fifty-Three Thousand Fifty-Five Dollars (\$53,055)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Houston-Galveston Area Council-AERCO ("AERCO")
Project Name:	<i>Clean Vehicles Partnership Project</i>
Location of SEP: Angelina, Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Matagorda, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Trinity, Tyler, Walker, Waller, and Wharton Counties	

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

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Houston-Galveston Area Council-AERCO** for the *Clean Vehicles Partnership Project*. 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 to replace old, higher emission buses that do not meet 2010 Environmental Protection Agency ("EPA") emissions standards ("Old Buses") with new, lower emission buses that meet the most recent EPA emissions standards ("New Buses") or to retrofit or convert Old Buses with emissions reducing equipment. The Third-Party Administrator shall allocate the SEP Offset Amount to public entities such as school districts, local governments, and public transit authorities ("SEP Administrators") that apply for replacement, retrofit, or conversion of buses.

BASF Corporation
Agreed Order - Attachment A

The SEP Offset Amount may also be used for retrofit or conversion technology that brings an Old Bus up to current EPA emissions standards. New Buses may be alternative-fueled. The SEP Offset Amount may be used for up to 100% of the replacement, conversion, or retrofit cost. The SEP Offset Amount will be used only for purchase of New Buses or conversion or retrofit equipment and contract labor for installation of equipment. The SEP Offset Amount will not be used for financing such a purchase through a lease-purchase or similar agreement.

Retrofitting means reducing exhaust emissions to current standards by installing devices that are verified or certified by the EPA or the California Air Resources Board as proven retrofit technologies. Converting means replacing an engine system with an alternative fuel engine system to bring the Old Bus within the current EPA emissions standards. Buses to be replaced, retrofitted, or converted must be in regular use (driven at least five hundred miles per year for at least the past two years) by the SEP Administrator and must not already be scheduled for replacement in the following twenty-four months. All replaced buses must be fully decommissioned. The Third-Party Administrator shall provide proof of decommissioning to TCEQ for each replaced vehicle by submitting a copy of the TCEQ SEP Vehicle Replacement Disposition Form. The SEP will be done 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 the Respondent 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 directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a 2010 ultra-low emission model, passengers' exposure to nitrogen oxides may be reduced by 98 percent; volatile organic compounds by 93 percent; carbon dioxide by 83 percent; and particulate matter by 99 percent. In addition, by encouraging less bus idling, this SEP contributes to public awareness of air pollution and air quality.

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 check payable to **Houston-Galveston Area Council-AERCO SEP** and shall mail the contribution with a copy of the Agreed Order to:

Houston-Galveston Area Council-AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount 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:

BASF Corporation
Agreed Order - Attachment A

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 and/or project, 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 Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

DATES	Assigned	25-Aug-2014	Screening	5-Sep-2014	EPA Due	16-May-2015
	PCW	10-Sep-2014				

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

CASE INFORMATION			
Enf./Case ID No.	49278	No. of Violations	1
Docket No.	2014-1304-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rachel Bekowies
		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	\$22,500
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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	126.0% Enhancement	Subtotals 2, 3, & 7 \$28,350

Notes
 Enhancement for six NOV's with same/similar violations, two NOV's with dissimilar violations, four orders with a denial of liability, and one order without a denial of liability. Reduction for five Notices of Intent to conduct an audit and four Disclosures of Violations.

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

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$5,625
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
Total EB Amounts	\$8,275	*Capped at the Total EB \$ Amount	
Estimated Cost of Compliance	\$4,412		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$45,225
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OTHER FACTORS AS JUSTICE MAY REQUIRE	17.8%	Adjustment	\$8,058
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Notes
 Enhancement to capture the avoided costs of compliance associated with Violation No. 1.

Final Penalty Amount	\$53,283
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$53,283
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DEFERRAL	20.0% Reduction	Adjustment	-\$10,656
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Notes
 Deferral offered for expedited settlement.

PAYABLE PENALTY	\$42,627
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Screening Date 5-Sep-2014

Docket No. 2014-1304-AIR-E

PCW

Respondent BASF Corporation

Policy Revision 2 (September 2002)

Case ID No. 49278

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100218049

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

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>)	6	30%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	4	80%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments 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>)	5	-5%
	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>)	4	-8%

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) 126%

>> 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 six NOVs with same/similar violations, two NOVs with dissimilar violations, four orders with a denial of liability, and one order without a denial of liability. Reduction for five Notices of Intent to conduct an audit and four Disclosures of Violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 126%

Screening Date 5-Sep-2014

Docket No. 2014-1304-AIR-E

PCW

Respondent BASF Corporation

Policy Revision 2 (September 2002)

Case ID No. 49278

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100218049

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1), 115.354(2)(C), 115.781(b)(3), 116.115(c), and 122.143(4), 40 Code of Federal Regulations § 60.482-2(a)(1), Tex. Health & Safety Code § 382.085(b), New Source Review Permit No. 8074A, Special Conditions No. 10F, and Federal Operating Permit No. O1928, Special Terms and Conditions Nos. 1(A) and 11

Violation Description Failed to conduct Leak Detection and Repair ("LDAR") monitoring on 1,389 components. Specifically, the Respondent failed to conduct monthly LDAR monitoring on two pumps in light liquid service during the period of July 1, 2009 through August 31, 2011 and failed to conduct quarterly LDAR monitoring on 1,118 connectors in light liquid service, 110 connectors in gas/vapor service, one pressure relief valve in light liquid service, one pressure relief valve in gas/vapor service, 133 general valves in light liquid service, and 24 general valves in gas/vapor service during the period of July 1, 2009 through September 30, 2011.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), and Percent (25%).

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, and Percent (0%).

Matrix Notes

Estimated emissions of 734.83 pounds of volatile organic compounds were calculated for the period monitoring was not conducted using the Fugitive Emission Factors specified by Environmental Protection Agency ("EPA") Document EPA-453/R-95-017. 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 9 Number of violation days 821

Table for event frequency: daily, weekly, monthly, quarterly (marked with x), semiannual, annual, single event.

Violation Base Penalty \$22,500

Nine quarterly events are recommended for the July 1, 2009 through September 30, 2011 period that LDAR monitoring was not conducted.

Good Faith Efforts to Comply

25.0%

Reduction \$5,625

Table for Good Faith Efforts: Extraordinary, Ordinary (marked with x), N/A.

Notes The Respondent completed corrective actions by October 31, 2013, prior to the August 19, 2014 Notice of Enforcement.

Violation Subtotal \$16,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$8,275

Violation Final Penalty Total \$53,283

This violation Final Assessed Penalty (adjusted for limits) \$53,283

Economic Benefit Worksheet

Respondent BASF Corporation
Case ID No. 49278
Reg. Ent. Reference No. RN100218049
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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	\$1,000	1-Jul-2009	31-Oct-2013	4.34	\$217	n/a	\$217
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 conduct training on LDAR monitoring procedures for operations personnel. The Date Required is the last date that monthly LDAR monitoring for July 2009 could have been conducted on the pumps. The Final Date is the 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	\$15	1-Jul-2009	31-Aug-2011	2.17	\$2	\$33	\$35
Inspection/Reporting/Sampling	\$3,397	1-Jul-2009	30-Sep-2011	2.25	\$382	\$7,641	\$8,023
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 by not conducting monthly LDAR monitoring for two pumps (\$15 per year for 2 components) and by not conducting quarterly LDAR monitoring for 1,228 connectors, two pressure relief valves, and 157 general valves (\$3,397 per year for 1,387 components). The July 1, 2009 Date Required is the first date that monthly LDAR monitoring could have been conducted on the pumps. The July 1, 2009 Date Required is the first date that quarterly LDAR monitoring could have been conducted on the valves and connectors. The August 31, 2011 Final Date is the last date that monthly LDAR monitoring could have been conducted on the pumps. The September 30, 2011 Final Date is the last date that quarterly LDAR monitoring could have been conducted on the valves and connectors.

Approx. Cost of Compliance

\$4,412

TOTAL

\$8,275



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	25-Aug-2014	Screening	5-Sep-2014	EPA Due	16-May-2015
	PCW	10-Sep-2014				

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

CASE INFORMATION			
Enf./Case ID No.	49278	No. of Violations	2
Docket No.	2014-1304-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rachel Bekowies
		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** **\$41,250**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$41,250**

Notes: Enhancement for six NOVs with same/similar violations, two NOVs with dissimilar violations, four orders with a denial of liability, and one order without a denial of liability. Reduction for five Notices of Intent to conduct an audit and four 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** **-\$10,312**

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

Total EB Amounts \$8,517
Estimated Cost of Compliance \$96,378
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$72,188**

OTHER FACTORS AS JUSTICE MAY REQUIRE **9.9%** **Adjustment** **\$7,167**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to capture the avoided costs of compliance associated with Violation No. 1.

Final Penalty Amount **\$79,355**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$79,355**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$15,871**

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 **\$63,484**

Screening Date 5-Sep-2014

Docket No. 2014-1304-AIR-E

PCW

Respondent BASF Corporation

Policy Revision 4 (April 2014)

Case ID No. 49278

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100218049

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

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>)	6	30%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	4	80%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments 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>)	5	-5%
	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>)	4	-8%

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) 126%

>> 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 six NOVs with same/similar violations, two NOVs with dissimilar violations, four orders with a denial of liability, and one order without a denial of liability. Reduction for five Notices of Intent to conduct an audit and four Disclosures of Violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 126%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 5-Sep-2014

Docket No. 2014-1304-AIR-E

PCW

Respondent BASF Corporation

Policy Revision 4 (April 2014)

Case ID No. 49278

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100218049

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(1), 115.354(2)(C), 115.781(b)(3), 116.115(c), and 122.143(4), 40 Code of Federal Regulations § 60.482-2(a)(1), Tex. Health & Safety Code § 382.085(b), New Source Review ("NSR") Permit No. 8074A, Special Conditions ("SC") No. 10F, and Federal Operating Permit ("FOP") No. O1928, Special Terms and Conditions ("STC") Nos. 1(A) and 11

Violation Description

Failed to conduct Leak Detection and Repair ("LDAR") monitoring on 1,389 components. Specifically, the Respondent failed to conduct monthly LDAR monitoring on two pumps in light liquid service during the period of September 1, 2011 through September 30, 2013 and failed to conduct quarterly LDAR monitoring on 1,118 connectors in light liquid service, 110 connectors in gas/vapor service, one pressure relief valve in light liquid service, one pressure relief valve in gas/vapor service, 133 general valves in light liquid service, and 24 general valves in gas/vapor service during the period of October 1, 2011 through September 30, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

		Harm		
Release		Major	Moderate	Minor
Actual				X
Potential				

Percent 15.0%

>> Programmatic Matrix

		Major	Moderate	Minor
Falsification				

Percent 0.0%

Matrix Notes

Estimated emissions of 839.06 pounds of volatile organic compounds ("VOC") were calculated for the period monitoring was not conducted using the Fugitive Emission Factors specified by Environmental Protection Agency ("EPA") Document EPA-453/R-95-017. 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 9 Number of violation days 760

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$33,750

Nine quarterly events are recommended for the September 1, 2011 through September 30, 2013 period that LDAR monitoring was not conducted.

Good Faith Efforts to Comply

25.0%

Reduction \$8,437

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

Notes

The Respondent completed corrective actions by October 31, 2013, prior to the August 19, 2014 Notice of Enforcement ("NOE").

Violation Subtotal \$25,313

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$7,167

Violation Final Penalty Total \$64,927

This violation Final Assessed Penalty (adjusted for limits) \$64,927

Economic Benefit Worksheet

Respondent BASF Corporation
Case ID No. 49278
Reg. Ent. Reference No. RN100218049
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The Economic Benefit for delayed costs for this violation is included in Violation No. 1 of PCW Revision No. 2.

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	\$15	1-Sep-2011	30-Sep-2013	2.08	\$2	\$31	\$33
Inspection/Reporting/Sampling	\$3,397	1-Oct-2011	30-Sep-2013	2.00	\$340	\$6,794	\$7,134
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 by not conducting monthly LDAR monitoring for two pumps (\$15 per year for 2 components) and by not conducting quarterly LDAR monitoring for 1,228 connectors, two pressure relief valves, and 157 general valves (\$3,397 per year for 1,387 components). The September 1, 2011 Date Required is the first date that monthly LDAR monitoring could have been conducted on the pumps. The October 1, 2011 Date Required is the first date that quarterly LDAR monitoring could have been conducted on the valves and connectors. The September 30, 2013 Final Date is the last date that monthly LDAR monitoring could have been conducted on the pumps. The September 30, 2013 Final Date is the last date that quarterly LDAR monitoring could have been conducted on the valves and connectors.

Approx. Cost of Compliance

\$3,412

TOTAL

\$7,167

Screening Date 5-Sep-2014

Docket No. 2014-1304-AIR-E

PCW

Respondent BASF Corporation

Policy Revision 4 (April 2014)

Case ID No. 49278

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100218049

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), NSR Permit No. 8074A, SC No. 1, and FOP No. O1928, STC No. 11

Violation Description

Failed to comply with the maximum allowable emission rates ("MAERs") for FL-200 Flare (OXO) Intermittent, Emission Point Number ("EPN") 5-2-02. Specifically, the Respondent exceeded the VOC MAER of 6.13 tons per year ("tpy") based on a rolling 12-month period for the 12-month periods ending from April 2013 through September 2013, the carbon monoxide ("CO") MAER of 4.34 tpy based on a rolling 12-month period for the 12-month periods ending from May 2013 through August 2013, and the nitrogen oxides ("NOx") MAER of 0.67 tpy based on a rolling 12-month period for the 12-month periods ending from June 2013 through July 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	15.0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

0.587 ton of unauthorized VOC, 0.33 ton of unauthorized CO, and 0.05 ton of unauthorized NOx were released during the period of non-compliance. Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2 181 Number of violation days

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

Violation Base Penalty \$7,500

Two quarterly events are recommended for the MAER exceedances that began on April 30, 2013 and ended by October 1, 2013.

Good Faith Efforts to Comply

25.0% Reduction \$1,875

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

Notes The Respondent completed corrective actions by October 28, 2013, prior to the August 19, 2014 NOE.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,350

Violation Final Penalty Total \$14,428

This violation Final Assessed Penalty (adjusted for limits) \$14,428

Economic Benefit Worksheet

Respondent BASF Corporation
Case ID No. 49278
Reg. Ent. Reference No. RN100218049
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	\$1,993	1-Jun-2013	26-Jun-2013	0.07	\$0	\$9	\$10
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$89,973	1-May-2013	16-Jul-2013	0.21	\$62	\$1,249	\$1,311
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,000	1-Apr-2013	28-Oct-2013	0.58	\$29	n/a	\$29

Notes for DELAYED costs

Actual costs to replace the pressure transmitter that failed and caused the exceedances of the NOx annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02, and to install a new type of valve positioner that is considered more reliable than the valve positioner that failed and caused the exceedances of the CO annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02. Estimated cost to update procedures to provide more guidance on running the Pressure Swing Absorption Unit and the OXO Unit at reduced rates to avoid a unit shutdown and flaring similar to the flaring that caused the exceedances of the VOC annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02. The June 1, 2013 Date Required is the first day of the month in which the NOx MAER was exceeded, the May 1, 2013 Date Required is the first day of the month in which the CO MAER was exceeded, and the April 1, 2013 Date Required is the first day of the month in which the VOC MAER was exceeded. The June 26, 2013 Final Date is the date the pressure transmitter was replaced, the July 16, 2013 Final Date is the date the new type of valve positioner was installed, and the October 28, 2013 Final Date is the date procedures were updated by.

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	\$92,966	TOTAL	\$1,350
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The TCEQ is committed to accessibility.

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



Compliance History Report

PUBLISHED Compliance History Report for CN600124895, RN100218049, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

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

Classification: SATISFACTORY

Rating: 5.32

Regulated Entity: RN100218049, BASF FREEPORT SITE

Classification: SATISFACTORY

Rating: 3.04

Complexity Points: 58

Repeat Violator: NO

CH Group: 05 - Chemical Manufacturing

Location: 602 COPPER ROAD NEAR FREEPORT, IN BRAZORIA COUNTY, TEXAS 77541-3001

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER BL00210
AIR OPERATING PERMITS PERMIT 1925
AIR OPERATING PERMITS PERMIT 1927
AIR OPERATING PERMITS PERMIT 2158
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 0200501
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30024
WASTEWATER PERMIT WQ0003977000
AIR NEW SOURCE PERMITS REGISTRATION 10310
AIR NEW SOURCE PERMITS REGISTRATION 10388
AIR NEW SOURCE PERMITS REGISTRATION 10554
AIR NEW SOURCE PERMITS REGISTRATION 10634
AIR NEW SOURCE PERMITS REGISTRATION 11080
AIR NEW SOURCE PERMITS REGISTRATION 11286
AIR NEW SOURCE PERMITS PERMIT 7595A
AIR NEW SOURCE PERMITS PERMIT 735B
AIR NEW SOURCE PERMITS REGISTRATION 1390A
AIR NEW SOURCE PERMITS PERMIT 1733A
AIR NEW SOURCE PERMITS REGISTRATION 1392A
AIR NEW SOURCE PERMITS PERMIT 6773A
AIR NEW SOURCE PERMITS PERMIT 9513A
AIR NEW SOURCE PERMITS PERMIT 9603A
AIR NEW SOURCE PERMITS REGISTRATION 12957A
AIR NEW SOURCE PERMITS REGISTRATION 12277A
AIR NEW SOURCE PERMITS PERMIT 735C
AIR NEW SOURCE PERMITS PERMIT 40799
AIR NEW SOURCE PERMITS PERMIT 55239
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX641
AIR NEW SOURCE PERMITS AFS NUM 4803900017
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX641M1
AIR NEW SOURCE PERMITS REGISTRATION 54190
AIR NEW SOURCE PERMITS REGISTRATION 56520
AIR NEW SOURCE PERMITS REGISTRATION 77324
AIR NEW SOURCE PERMITS REGISTRATION 80499
AIR NEW SOURCE PERMITS REGISTRATION 82606
AIR NEW SOURCE PERMITS REGISTRATION 85333
AIR NEW SOURCE PERMITS REGISTRATION 85188
AIR NEW SOURCE PERMITS REGISTRATION 91495
AIR NEW SOURCE PERMITS REGISTRATION 91693
AIR NEW SOURCE PERMITS REGISTRATION 96347
AIR NEW SOURCE PERMITS REGISTRATION 96514

AIR OPERATING PERMITS PERMIT 1536
AIR OPERATING PERMITS PERMIT 1926
AIR OPERATING PERMITS PERMIT 1928
AIR OPERATING PERMITS PERMIT 2907
INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD008081697
INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50128
WASTEWATER EPA ID TX0008788
AIR NEW SOURCE PERMITS REGISTRATION 10373
AIR NEW SOURCE PERMITS REGISTRATION 10437
AIR NEW SOURCE PERMITS REGISTRATION 10578
AIR NEW SOURCE PERMITS REGISTRATION 10641
AIR NEW SOURCE PERMITS REGISTRATION 11081
AIR NEW SOURCE PERMITS PERMIT 7596A
AIR NEW SOURCE PERMITS PERMIT 7223A
AIR NEW SOURCE PERMITS PERMIT 1396A
AIR NEW SOURCE PERMITS PERMIT 1395A
AIR NEW SOURCE PERMITS REGISTRATION 1391A
AIR NEW SOURCE PERMITS PERMIT 1445A
AIR NEW SOURCE PERMITS PERMIT 8074A
AIR NEW SOURCE PERMITS PERMIT 9494A
AIR NEW SOURCE PERMITS REGISTRATION 12952A
AIR NEW SOURCE PERMITS REGISTRATION 13481A
AIR NEW SOURCE PERMITS ACCOUNT NUMBER BL00210
AIR NEW SOURCE PERMITS PERMIT 19886
AIR NEW SOURCE PERMITS REGISTRATION 42856
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX959
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX193M1
AIR NEW SOURCE PERMITS REGISTRATION 56742
AIR NEW SOURCE PERMITS REGISTRATION 90607
AIR NEW SOURCE PERMITS REGISTRATION 72728
AIR NEW SOURCE PERMITS REGISTRATION 74947
AIR NEW SOURCE PERMITS REGISTRATION 79305
AIR NEW SOURCE PERMITS REGISTRATION 83062
AIR NEW SOURCE PERMITS REGISTRATION 85277
AIR NEW SOURCE PERMITS REGISTRATION 87592
AIR NEW SOURCE PERMITS REGISTRATION 87472
AIR NEW SOURCE PERMITS EPA PERMIT N126
AIR NEW SOURCE PERMITS REGISTRATION 94421
AIR NEW SOURCE PERMITS REGISTRATION 99604
AIR NEW SOURCE PERMITS REGISTRATION 98935

AIR NEW SOURCE PERMITS REGISTRATION 99651
AIR NEW SOURCE PERMITS REGISTRATION 98432
AIR NEW SOURCE PERMITS REGISTRATION 101310
AIR NEW SOURCE PERMITS REGISTRATION 100691
AIR NEW SOURCE PERMITS REGISTRATION 99541
AIR NEW SOURCE PERMITS REGISTRATION 102031
AIR NEW SOURCE PERMITS REGISTRATION 102484
AIR NEW SOURCE PERMITS REGISTRATION 122934
AIR NEW SOURCE PERMITS REGISTRATION 118159
AIR NEW SOURCE PERMITS REGISTRATION 120903
AIR NEW SOURCE PERMITS REGISTRATION 106570
AIR NEW SOURCE PERMITS REGISTRATION 109791
AIR NEW SOURCE PERMITS PERMIT 118239
AIR NEW SOURCE PERMITS REGISTRATION 110771
AIR NEW SOURCE PERMITS REGISTRATION 108789
AIR NEW SOURCE PERMITS REGISTRATION 117777
AIR NEW SOURCE PERMITS REGISTRATION 122304
AIR NEW SOURCE PERMITS EPA PERMIT N200
AIR NEW SOURCE PERMITS REGISTRATION 121877
AIR NEW SOURCE PERMITS REGISTRATION 120524
AIR NEW SOURCE PERMITS REGISTRATION 116079
AIR NEW SOURCE PERMITS REGISTRATION 117121
AIR NEW SOURCE PERMITS REGISTRATION 112554
AIR NEW SOURCE PERMITS REGISTRATION 110772
UNDERGROUND INJECTION CONTROL PERMIT WDW051
UNDERGROUND INJECTION CONTROL PERMIT WDW408
WATER LICENSING LICENSE 0200501

AIR EMISSIONS INVENTORY ACCOUNT NUMBER BL00210

AIR NEW SOURCE PERMITS REGISTRATION 100057
AIR NEW SOURCE PERMITS REGISTRATION 101418
AIR NEW SOURCE PERMITS REGISTRATION 99497
AIR NEW SOURCE PERMITS REGISTRATION 97946
AIR NEW SOURCE PERMITS REGISTRATION 102885
AIR NEW SOURCE PERMITS REGISTRATION 104186
AIR NEW SOURCE PERMITS REGISTRATION 111385
AIR NEW SOURCE PERMITS REGISTRATION 115569
AIR NEW SOURCE PERMITS REGISTRATION 122896
AIR NEW SOURCE PERMITS REGISTRATION 111168
AIR NEW SOURCE PERMITS REGISTRATION 110767
AIR NEW SOURCE PERMITS REGISTRATION 113198
AIR NEW SOURCE PERMITS REGISTRATION 122336
AIR NEW SOURCE PERMITS REGISTRATION 110944
AIR NEW SOURCE PERMITS REGISTRATION 122468
AIR NEW SOURCE PERMITS REGISTRATION 117222
AIR NEW SOURCE PERMITS REGISTRATION 122980
AIR NEW SOURCE PERMITS REGISTRATION 109675
AIR NEW SOURCE PERMITS REGISTRATION 120293
AIR NEW SOURCE PERMITS REGISTRATION 110775
AIR NEW SOURCE PERMITS REGISTRATION 119170
AIR NEW SOURCE PERMITS REGISTRATION 110776
AIR NEW SOURCE PERMITS REGISTRATION 115891
AIR NEW SOURCE PERMITS REGISTRATION 119364
UNDERGROUND INJECTION CONTROL PERMIT WDW099
UNDERGROUND INJECTION CONTROL PERMIT WDW409
IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION
(SWR) 30024
POLLUTION PREVENTION PLANNING ID NUMBER
P00069

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

Date Compliance History Report Prepared: August 28, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: August 28, 2009 to August 28, 2014

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

Name: Rachel Bekowies

Phone: (512) 239-2608

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: 09/21/2009 ADMINORDER 2009-0572-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:TCEQ Permit No. 1733A, SC #1 PERMIT
Description: BASF failed to prevent an unauthorized benzene release.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

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

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

- 2 Effective Date: 05/09/2010 ADMINORDER 2009-1277-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:TCEQ Permit No. 1733A, SC #1 PERMIT
Description: BASF failed to prevent unauthorized emissions due to a faulty connection wire.
- 3 Effective Date: 10/13/2012 ADMINORDER 2012-0454-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Special Condition 1 PERMIT
Description: Failure to prevent unauthorized emissions during an emissions event that occurred on September 26, 2011 to September 27, 2012. (Category A8)
- 4 Effective Date: 08/03/2013 ADMINORDER 2013-0169-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:NSR Permit 1733A PERMIT
Title V Permit 1926 PERMIT
Description: Failure to prevent scrubber bypasses from the SOx scrubbers (EPNs 7-1-73 and 14-1-76) during nitrogen purges in Capro 1 and Capro 2
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 116, SubChapter B 116.116(b)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Special Condition 1 PERMIT
ST&C SC-11 OP
Description: Failure to keep NOx emission limits of R-170 (based on compliance test results for NOx of 0.229 lbs/hr) within permit limits (0.030 lbs/hr). [A.8.c.1.H]
- 5 Effective Date: 09/12/2013 ADMINORDER 2013-0266-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Special Condition 1 PERMIT
Description: Failure to comply with the MAER for VOCs from catalytic incinerator R-170 while operating the catalyst bed installed in October 2011. [Subcategory A8]

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	September 16, 2009	(805155)
Item 2	October 20, 2009	(805156)
Item 3	November 17, 2009	(805157)
Item 4	November 20, 2009	(777067)
Item 5	November 23, 2009	(778532)
Item 6	December 02, 2009	(779779)
Item 7	December 09, 2009	(767467)
Item 8	December 14, 2009	(781749)

Item 9	December 15, 2009	(779778)
Item 10	December 16, 2009	(805158)
Item 11	January 18, 2010	(805159)
Item 12	January 25, 2010	(767441)
Item 13	February 10, 2010	(790636)
Item 14	February 24, 2010	(790231)
Item 15	February 26, 2010	(789504)
Item 16	March 16, 2010	(831064)
Item 17	March 30, 2010	(785685)
Item 18	April 19, 2010	(831065)
Item 19	April 28, 2010	(799266)
Item 20	April 29, 2010	(799681)
Item 21	May 10, 2010	(800121)
Item 22	May 18, 2010	(801891)
Item 23	June 11, 2010	(802782)
Item 24	June 17, 2010	(824720)
Item 25	June 22, 2010	(826103)
Item 26	June 28, 2010	(826069)
Item 27	July 08, 2010	(828078)
Item 28	July 14, 2010	(828310)
Item 29	August 11, 2010	(866895)
Item 30	September 09, 2010	(842663)
Item 31	September 14, 2010	(850059)
Item 32	October 12, 2010	(850105)
Item 33	October 18, 2010	(873965)
Item 34	October 19, 2010	(881562)
Item 35	November 12, 2010	(869998)
Item 36	November 16, 2010	(866126)
Item 37	November 17, 2010	(866129)
Item 38	November 19, 2010	(858002)
Item 39	November 23, 2010	(873735)
Item 40	December 01, 2010	(871808)
Item 41	December 11, 2010	(896308)
Item 42	December 15, 2010	(858007)
Item 43	January 12, 2011	(902364)
Item 44	February 03, 2011	(891587)
Item 45	February 17, 2011	(909149)
Item 46	February 28, 2011	(892231)
Item 47	March 15, 2011	(916400)
Item 48	April 06, 2011	(907287)
Item 49	April 14, 2011	(924931)
Item 50	May 17, 2011	(915816)
Item 51	May 20, 2011	(938086)
Item 52	May 27, 2011	(899340)
Item 53	June 20, 2011	(945458)
Item 54	June 30, 2011	(934459)
Item 55	July 13, 2011	(934140)
Item 56	August 09, 2011	(937530)
Item 57	August 11, 2011	(922157)
Item 58	August 15, 2011	(959369)
Item 59	August 31, 2011	(951779)
Item 60	September 19, 2011	(971441)
Item 61	September 28, 2011	(955564)
Item 62	October 26, 2011	(948627)
Item 63	November 17, 2011	(977597)
Item 64	December 19, 2011	(984365)
Item 65	December 21, 2011	(964640)
Item 66	January 11, 2012	(990664)
Item 67	January 27, 2012	(970566)
Item 68	February 10, 2012	(987103)

Item 69	February 14, 2012	(983589)
Item 70	February 15, 2012	(984038)
Item 71	February 16, 2012	(998028)
Item 72	March 19, 2012	(1003553)
Item 73	April 17, 2012	(1010119)
Item 74	May 01, 2012	(964306)
Item 75	May 16, 2012	(1002867)
Item 76	May 18, 2012	(1016509)
Item 77	June 18, 2012	(1024232)
Item 78	July 16, 2012	(1031624)
Item 79	August 06, 2012	(1021959)
Item 80	August 10, 2012	(1023188)
Item 81	August 14, 2012	(1022062)
Item 82	August 15, 2012	(1038001)
Item 83	September 17, 2012	(1046739)
Item 84	October 08, 2012	(1028726)
Item 85	October 12, 2012	(1030572)
Item 86	October 15, 2012	(1029491)
Item 87	October 16, 2012	(1061075)
Item 88	October 22, 2012	(1030573)
Item 89	October 23, 2012	(1029207)
Item 90	October 30, 2012	(1042286)
Item 91	November 15, 2012	(1061076)
Item 92	December 17, 2012	(1061077)
Item 93	December 19, 2012	(1030781)
Item 94	February 19, 2013	(1079088)
Item 95	February 21, 2013	(1057408)
Item 96	March 13, 2013	(1089368)
Item 97	March 19, 2013	(1073957)
Item 98	April 15, 2013	(1095760)
Item 99	May 15, 2013	(1087803)
Item 100	June 17, 2013	(1110360)
Item 101	June 18, 2013	(1094384)
Item 102	July 08, 2013	(1100585)
Item 103	July 11, 2013	(1092642)
Item 104	July 15, 2013	(1117245)
Item 105	July 31, 2013	(1105060)
Item 106	August 13, 2013	(1125003)
Item 107	August 22, 2013	(1113917)
Item 108	September 20, 2013	(1120832)
Item 109	October 07, 2013	(1116454)
Item 110	October 20, 2013	(1135332)
Item 111	October 21, 2013	(1104308)
Item 112	October 28, 2013	(1115704)
Item 113	November 14, 2013	(1140730)
Item 114	November 22, 2013	(1116248)
Item 115	December 13, 2013	(1147189)
Item 116	December 19, 2013	(1129195)
Item 117	January 16, 2014	(1153258)
Item 118	February 18, 2014	(1160593)
Item 119	March 14, 2014	(1152306)
Item 120	March 17, 2014	(1151999)
Item 121	March 18, 2014	(1167238)
Item 122	April 14, 2014	(1152669)
Item 123	April 17, 2014	(1174371)
Item 124	April 25, 2014	(1158520)
Item 125	May 12, 2014	(1164685)
Item 126	May 14, 2014	(1180558)
Item 127	May 23, 2014	(1163801)
Item 128	May 29, 2014	(1164930)

5C THSC Chapter 382 382.085(b)

FOP Special Term & Condition 11 OP
NSR Special Condition 11 PA

Description: Failure to maintain the thermal oxidizer exit temperature at or above 1200 degrees Fahrenheit and the exhaust oxygen concentration level at or above 3%. (Category C4)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.354(11)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(2)(i)
5C THSC Chapter 382 382.085(b)
FOP, Special Term & Condition 11 OP
FOP, Special Term & Condition 1A OP

Description: Failed to monitor LDAR components in VOC service within 30 days. (Category C1)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(a)(1)
5C THSC Chapter 382 382.085(b)
FOP Special Term & Condition 11 OP
NSR Special Condition 16F PA

Description: Failed to monitor 4,088 LDAR components in VOC service. (Category B1)

4 Date: 04/03/2014 (1134746) CN600124895

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)
5C THSC Chapter 382 382.085(b)
FOP O-01927 Special Term & Condition 1 OP
FOP O-01927 Special Term & Condition 12 OP
NSR Permit 9513A Special Condition 19E PERMIT
NSR Permit 9603A Special Condition 4E PERMIT

Description: Failure to prevent open-ended lines. (CATEGORY B1 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP O-01927 Special Term & Condition 2F OP

Description: Failure to record final non-reportable event information within required timeframe. (CATEGORY C3 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.354(11)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP O-01927 Special Term & Condition 1A OP

Description: Failure to monitor components within 30 days of service (CATEGORY C1 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)(B)
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)
FOP O-01297 Special Term & Condition 1A OP
FOP O-01927 Special Term & Condition 12 OP
NSR Permit 7595A Special Condition 11G PERMIT
NSR Permit 9494A Special Condition 4G PERMIT
NSR Permit 9513A Special Condition 19G PERMIT

Description: Failure to monitor components. (CATEGORY B1 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Description: Failure to report all instances of deviations. (CATEGORY C3 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.354(4)
30 TAC Chapter 115, SubChapter H 115.781(e)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP O-01927 Special Term & Condition 12 OP
FOP O-01927 Special Term & Condition 1A OP

NSR Permit 7595A Special Condition 11 PERMIT

Description: Failure to monitor rupture disc or relief device storage tank D-808. (CATEGORY C1 Violation)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT EEE 63.1219(a)(5)(i)
 5C THSC Chapter 382 382.085(b)
 FOP O-01927 Special Term & Condition 1 OP
 FOP O-01927 Special Term & Condition OP
 NSR Permit 9513A Special Condition 4 PERMIT
 Description: Failure to maintain CO concentration within permitted limit for Acrylic Acid Incinerator IN-701. (CATEGORY C4 Violation)

5 Date: 04/04/2014 (1151759) CN600124895
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(4)
 Description: Failure to maintain all water storage facilities in a watertight condition.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(4)
 Description: Failure to maintain all water storage facilities in a watertight condition.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)(3)(D)(ii)
 Description: Failure to maintain and record the results of these inspections for at least five years.

6 Date: 05/05/2014 (1152648) CN600124895
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)
 5C THSC Chapter 382 382.085(b)
 7223A (NSR) Special Condition 9(E) PERMIT
 O-2158 (FOP) ST&C 10 & STC 1A OP
 Description: Failure to seal open-ended lines on November 15, 2012; January 4, 2013; and August 19, 2013 on Unit ID: 5-9-FUG. (Category C10)

7 Date: 08/19/2014 (1183703)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THSC Chapter 382 382.085(b)
 Special Condition 1 PERMIT
 Description: Failure to meet the demonstration criteria for an affirmative defense for the unauthorized emissions during an emissions event. [Subcategory B13]

8 Date: 08/19/2014 (1172349) CN600124895
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)
 5C THSC Chapter 382 382.085(b)
 Special Condition 4A PERMIT
 ST&C 11 OP
 ST&C 1A OP
 Description: Failure of flare FL-200 to maintain the minimum heating value. Sub-category: C4.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
 5C THSC Chapter 382 382.085(b)
 Special Condition 10 (E)(1) OP
 ST&C 11 OP
 ST&C 1A OP
 Description: Failure to seal or plug an open ended line. Sub-category: C10.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter H 115.781(b)
 30 TAC Chapter 122, SubChapter B 122.143(4)

Description: Failure to perform Leak Detection and Repair (LDAR) monitoring of T-130 sight glass. Sub-category: C1.

F. Environmental audits:

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

Disclosure Date: 10/27/2010

Viol. Classification: Moderate

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

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

Viol. Classification: Moderate

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

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

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

Disclosure Date: 09/17/2012

Viol. Classification: Moderate

Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT FFFF 63.2480(a)

Rqmt Prov: PERMIT NSR Permit No. 55239 & N126, SC 3(F)&(G)

Description: Failed to conduct monitoring - fugitive emissions monitoring of equipment leaks of VOC and HAP. 573 components associated with the SAP unit were not tagged and monitored.

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

Disclosure Date: 03/28/2013

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.480(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT FFFF 63.2480(a)

Rqmt Prov: PERMIT SC 16

Description: Fugitive emissions monitoring of equipment leaks of VOC and HAP. Failure to monitor and tag components of Cyclohexanone 1 unit and Caprolactam 1 unit. Specifically, 4005 components associated with the Cyclohexanone 1 unit and 57 components associated with the Caprolactam 1 unit were not tagged and monitored.

Viol. Classification: Moderate

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

Description: Missed second consecutive month of monitoring of valves associated with the Cyclohexanone 1 unit and Caprolactam 1 unit.

Notice of Intent Date: 06/04/2013 (1099460)

Disclosure Date: 11/04/2013

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354(1)(B)
30 TAC Chapter 115, SubChapter D 115.354(1)(C)
30 TAC Chapter 115, SubChapter D 115.354(2)(A)
30 TAC Chapter 115, SubChapter D 115.354(2)(B)
30 TAC Chapter 115, SubChapter D 115.354(2)(C)
30 TAC Chapter 115, SubChapter D 115.354(2)(D)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.480(a)

Rqmt Prov: PERMIT NSR Permit No. 1733A, SC 16

Description: Failed to conduct fugitive VOC and HAP emissions monitoring of equipment leaks. 4617 and 129 components associated with the Cyclohexanone 2 unit and 698 components associated with the Caprolactam 2 unit were not tagged and monitored.

Notice of Intent Date: 07/21/2014 (1191389)
No DOV Associated

G. Type of environmental management systems (EMSs):
N/A

H. Voluntary on-site compliance assessment dates:
N/A

I. Participation in a voluntary pollution reduction program:

J. Early compliance:
N/A

Sites Outside of Texas:
N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
BASF CORPORATION
RN100218049**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2014-1304-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 BASF Corporation ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a chemical manufacturing plant at 602 Copper Road near Freeport, in Brazoria County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. 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 24, 2014.
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 One Hundred Thirty-Two Thousand Six Hundred Thirty-Eight Dollars (\$132,638) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Fifty-Three Thousand Fifty-Six Dollars (\$53,056) of the administrative penalty and Twenty-Six

Thousand Five Hundred Twenty-Seven Dollars (\$26,527) 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. Fifty-Three Thousand Fifty-Five Dollars (\$53,055) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On June 26, 2013, replaced the pressure transmitter that failed and caused the exceedances of the nitrogen oxides ("NOx") annual maximum allowable emission rate ("MAER") based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, Emission Point Number ("EPN") 5-2-02;
 - b. On July 16, 2013, installed a new type of valve positioner that is considered to be more reliable than the valve positioner that failed and caused the exceedances of the carbon monoxide ("CO") annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02;
 - c. On August 1, 2013, returned to compliance with the NOx annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02;
 - d. On September 1, 2013, returned to compliance with the CO annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02;
 - e. On October 1, 2013, returned to compliance with the volatile organic compounds ("VOC") annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02;
 - f. By October 9, 2013, tagged and began monitoring the 1,389 components that had not been monitored during the period of July 1, 2009 through September 30, 2013;
 - g. By October 28, 2013, updated procedures to provide more guidance on running the Pressure Swing Absorption Unit and the OXO Unit at reduced rates to avoid a unit shutdown and flaring similar to the flaring that caused the exceedances of the VOC annual MAER based on a rolling 12-month period for FL-200 Flare (OXO) Intermittent, EPN 5-2-02; and

- h. By October 31, 2013, conducted training on Leak Detection and Repair ("LDAR") monitoring procedures for operations personnel.
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 conduct LDAR monitoring on 1,389 components, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 115.354(2)(C), 115.781(b)(3), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.482-2(a)(1), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review ("NSR") Permit No. 8074A, Special Conditions ("SC") No. 10F, and Federal Operating Permit ("FOP") No. O1928, Special Terms and Conditions ("STC") Nos. 1(A) and 11, as documented during a record review conducted from July 10, 2014 through July 29, 2014. Specifically, the Respondent failed to conduct monthly LDAR monitoring on two pumps in light liquid service during the period of July 1, 2009 through September 30, 2013 and failed to conduct quarterly LDAR monitoring on 1,118 connectors in light liquid service, 110 connectors in gas/vapor service, one pressure relief valve in light liquid service, one pressure relief valve in gas/vapor service, 133 general valves in light liquid service, and 24 general valves in gas/vapor service during the period of July 1, 2009 through September 30, 2013.
2. Failed to comply with the MAERs for FL-200 Flare (OXO) Intermittent, EPN 5-2-02, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), NSR Permit No. 8074A, SC No. 1, and FOP No. O1928, STC No. 11, as documented during a record review conducted from July 10, 2014 through July 29, 2014. Specifically, the Respondent exceeded the VOC MAER of 6.13 tons per year ("tpy") based on a rolling 12-month period for the 12-month periods ending from April 2013 through September 2013, the CO MAER of 4.34 tpy based on a rolling 12-month period for the 12-month periods ending from May 2013 through August 2013, and the NOx MAER of 0.67 tpy based on a rolling 12-month period for the 12-month periods ending from June 2013 through July 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: BASF Corporation, Docket No. 2014-1304-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, Fifty-Three Thousand Fifty-Five Dollars (\$53,055) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the assessed administrative penalty shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the

Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

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

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Ramon Marquez
For the Executive Director

6/24/15
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.

port Christopher P. Witte
Signature

December 15th, 2014
Date

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

Sr. Vice President
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: 2014-1304-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	BASF Corporation
Penalty Amount:	One Hundred Six Thousand One Hundred Eleven Dollars (\$106,111)
SEP Offset Amount:	Fifty-Three Thousand Fifty-Five Dollars (\$53,055)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Houston-Galveston Area Council-AERCO ("AERCO")
Project Name:	<i>Clean Vehicles Partnership Project</i>
<u>Location of SEP:</u> Angelina, Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Matagorda, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Trinity, Tyler, Walker, Waller, and Wharton Counties	

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

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Houston-Galveston Area Council-AERCO** for the *Clean Vehicles Partnership Project*. 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 to replace old, higher emission buses that do not meet 2010 Environmental Protection Agency ("EPA") emissions standards ("Old Buses") with new, lower emission buses that meet the most recent EPA emissions standards ("New Buses") or to retrofit or convert Old Buses with emissions reducing equipment. The Third-Party Administrator shall allocate the SEP Offset Amount to public entities such as school districts, local governments, and public transit authorities ("SEP Administrators") that apply for replacement, retrofit, or conversion of buses.

BASF Corporation
Agreed Order - Attachment A

The SEP Offset Amount may also be used for retrofit or conversion technology that brings an Old Bus up to current EPA emissions standards. New Buses may be alternative-fueled. The SEP Offset Amount may be used for up to 100% of the replacement, conversion, or retrofit cost. The SEP Offset Amount will be used only for purchase of New Buses or conversion or retrofit equipment and contract labor for installation of equipment. The SEP Offset Amount will not be used for financing such a purchase through a lease-purchase or similar agreement.

Retrofitting means reducing exhaust emissions to current standards by installing devices that are verified or certified by the EPA or the California Air Resources Board as proven retrofit technologies. Converting means replacing an engine system with an alternative fuel engine system to bring the Old Bus within the current EPA emissions standards. Buses to be replaced, retrofitted, or converted must be in regular use (driven at least five hundred miles per year for at least the past two years) by the SEP Administrator and must not already be scheduled for replacement in the following twenty-four months. All replaced buses must be fully decommissioned. The Third-Party Administrator shall provide proof of decommissioning to TCEQ for each replaced vehicle by submitting a copy of the TCEQ SEP Vehicle Replacement Disposition Form. The SEP will be done 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 the Respondent 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 directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a 2010 ultra-low emission model, passengers' exposure to nitrogen oxides may be reduced by 98 percent; volatile organic compounds by 93 percent; carbon dioxide by 83 percent; and particulate matter by 99 percent. In addition, by encouraging less bus idling, this SEP contributes to public awareness of air pollution and air quality.

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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 check payable to **Houston-Galveston Area Council-AERCO SEP** and shall mail the contribution with a copy of the Agreed Order to:

Houston-Galveston Area Council-AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount 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:

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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 and/or project, 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 Attachment A and in the attached 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.