

**Executive Summary – Enforcement Matter – Case No. 50207**  
**The Lubrizol Corporation**  
**RN101058410**  
**Docket No. 2015-0372-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:**

Lubricant and additive 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:** July 24, 2015

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$81,341

**Amount Deferred for Expedited Settlement:** \$16,267

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$32,537

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Supplemental Environmental Project ("SEP") Conditional Offset:** \$32,537

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

**Executive Summary – Enforcement Matter – Case No. 50207**  
**The Lubrizol Corporation**  
**RN101058410**  
**Docket No. 2015-0372-AIR-E**

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** January 29, 2015 through February 2, 2015

**Date(s) of NOE(s):** February 27, 2015

***Violation Information***

Failed to perform annual calibrations of the flow, temperature, and pressure monitors for two flares, Emission Point Numbers (“EPN”) X-100 and X-402. Specifically, annual calibrations were not conducted on the flow, temperature, and pressure monitors for EPN X-100 during calendar years 2011 through 2013 and for EPN X-402 during calendar years 2009 through 2014 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review (“NSR”) Permit No. 1093, Special Conditions (“SC”) No. 14D, NSR Permit No. 7264, SC No. 16D (previously SC No. 15D), and Federal Operating Permit No. 01582, Special Terms and Conditions (“STC”) No. 12 (previously STC No. 9)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures:

- a. By December 8, 2014, performed the annual calibration of the flow, temperature, and pressure monitors for EPN X-100 for calendar year 2014; and
- b. On March 30, 2015, submitted permit alteration applications for NSR Permit No. 1093 and NSR Permit No. 7264 to change the required calibration frequency for the flow, temperature, and pressure monitors for EPNs X-100 and X-402.

**Technical Requirements:**

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).
2. The Order will also require the Respondent to:
  - a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit alteration applications submitted on March 30, 2015 within 30 days of such requests, or by any deadline specified in writing; and

**Executive Summary – Enforcement Matter – Case No. 50207**  
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**RN101058410**  
**Docket No. 2015-0372-AIR-E**

b. Within 180 days, submit written certification that either the permit alterations to change the required calibration frequency for the flow, temperature, and pressure monitors for EPNs X-100 and X-402 have been obtained or that unauthorized operation of EPNs X-100 and X-402 has ceased until such time that appropriate authorization is obtained.

***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:** Tanya Travis, General Manager, The Lubrizol Corporation, 12801 Bay Area Boulevard, Pasadena, Texas 77507  
**Respondent's Attorney:** N/A



**Attachment A**

**Docket Number: 2015-0372-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>The Lubrizol Corporation</b>
<b>Penalty Amount:</b>	<b>Sixty-Five Thousand Seventy-Four Dollars (\$65,074)</b>
<b>SEP Offset Amount:</b>	<b>Thirty-Two Thousand Five Hundred Thirty-Seven Dollars (\$32,537)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Houston-Galveston Area Council-AERCO ("AERCO")</b>
<b>Project Name:</b>	<b><i>Clean Vehicles Partnership Project</i></b>
<b><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</b>	

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.

The Lubrizol 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:

The Lubrizol 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. Recognition**

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

TCEQ

<b>DATES</b>	<b>Assigned</b>	3-Mar-2015	<b>Screening</b>	9-Mar-2015	<b>EPA Due</b>	
	<b>PCW</b>	10-Apr-2015				

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

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	50207	<b>No. of Violations</b>	1
<b>Docket No.</b>	2015-0372-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Rachel Bekowies
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	<b>\$6,000</b>
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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.

<b>Compliance History</b>	72.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$4,320</b>
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<b>Notes</b>	Enhancement for three NOV's with same/similar violations, one NOV with dissimilar violations, and three orders containing a denial of liability. Reduction for one Notice of Intent to conduct an audit and two Disclosures of Violations.		
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<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	<b>\$0</b>
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<b>Notes</b>	The Respondent does not meet the culpability criteria.		
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<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	<b>\$0</b>
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<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	<b>\$0</b>
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Total EB Amounts	\$4,519	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$11,500	

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	<b>\$10,320</b>
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	15.9%	<b>Adjustment</b>	<b>\$1,644</b>
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Reduces or enhances the Final Subtotal by the indicated percentage.

<b>Notes</b>	Recommended enhancement to capture the avoided cost of compliance associated with the violation.		
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<b>Final Penalty Amount</b>	<b>\$11,964</b>
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	<b>\$11,964</b>
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	<b>-\$2,392</b>
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

<b>Notes</b>	Deferral offered for expedited settlement.		
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<b>PAYABLE PENALTY</b>	<b>\$9,572</b>
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Screening Date 9-Mar-2015

Docket No. 2015-0372-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 2 (September 2002)

Case ID No. 50207

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN101058410

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> )	3	15%
	Other written NOVs	1	2%
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 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> )	1	-1%
	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)** 72%

>> **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 three NOVs with same/similar violations, one NOV with dissimilar violations, and three orders containing a denial of liability. Reduction for one Notice of Intent to conduct an audit and two Disclosures of Violations.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 72%

Screening Date 9-Mar-2015

Docket No. 2015-0372-AIR-E

PCW

Respondent The Lubrizol Corporation

Policy Revision 2 (September 2002)

Case ID No. 50207

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN101058410

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), New Source Review ("NSR") Permit No. 7264, Special Conditions ("SC") No. 16D (previously SC No. 15D), and Federal Operating Permit No. O1582, Special Terms and Conditions ("STC") No. 12 (previously STC No. 9)

Violation Description Failed to perform annual calibrations of the flow, temperature, and pressure monitors for one flare, Emission Point Number ("EPN") X-402. Specifically, annual calibrations were not conducted on the flow, temperature, and pressure monitors for EPN X-402 during calendar years 2009 and 2010.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential			X	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

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

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 6 Number of violation days 365

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

Violation Base Penalty \$6,000

Six single events are recommended for each annual calibration that was not performed.

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 \$6,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$4,519

Violation Final Penalty Total \$11,964

This violation Final Assessed Penalty (adjusted for limits) \$11,964

## Economic Benefit Worksheet

**Respondent** The Lubrizol Corporation  
**Case ID No.** 50207  
**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	\$10,000	31-Dec-2009	30-Sep-2015	5.75	\$2,875	n/a	\$2,875
Other (as needed)				0.00	\$0	n/a	\$0

**Notes for DELAYED costs**

Estimated cost to submit and obtain permit alterations for NSR Permit No. 1093 and NSR Permit No. 7264 to change the required calibration frequency for the flow, temperature, and pressure monitors for EPNs X-100 and X-402. The Date Required is the date the first annual calibration was due. The 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]	\$1,500	31-Dec-2009	31-Dec-2010	1.92	\$144	\$1,500	\$1,644
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

Avoided cost for not calibrating the flow, temperature, and pressure monitors on an annual basis (\$250 per calibration x six missed calibrations for EPN X-402). The Date Required is the date the annual calibration for 2009 for EPN X-402 should have been performed by. The Final Date is the date the annual calibration for 2010 for EPN X-402 should have been performed by.

Approx. Cost of Compliance

\$11,500

**TOTAL**

\$4,519



# Penalty Calculation Worksheet (PCW)

TCEQ

<b>DATES</b>	<b>Assigned</b>	3-Mar-2015	<b>Screening</b>	9-Mar-2015	<b>EPA Due</b>	
	<b>PCW</b>	10-Apr-2015				

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

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	50207	<b>No. of Violations</b>	1
<b>Docket No.</b>	2015-0372-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Rachel Bekowies
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	<b>\$36,750</b>
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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.

<b>Compliance History</b>	72.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$26,460</b>
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**Notes**  
 Enhancement for three NOV's with same/similar violations, one NOV with dissimilar violations, and three orders containing a denial of liability. Reduction for one Notice of Intent to conduct an audit and two Disclosures of Violations.

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

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	<b>\$0</b>
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<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	<b>\$0</b>
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Total EB Amounts \$6,277  
 Estimated Cost of Compliance \$6,000  
 \*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	<b>\$63,210</b>
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	9.8%	<b>Adjustment</b>	<b>\$6,167</b>
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Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**  
 Recommended enhancement to capture the avoided cost of compliance associated with the violation.

<b>Final Penalty Amount</b>	<b>\$69,377</b>
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	<b>\$69,377</b>
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	<b>-\$13,875</b>
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

**Notes**  
 Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	<b>\$55,502</b>
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**Screening Date** 9-Mar-2015

**Docket No.** 2015-0372-AIR-E

**PCW**

**Respondent** The Lubrizol Corporation

Policy Revision 4 (April 2014)

**Case ID No.** 50207

PCW Revision March 26, 2014

**Reg. Ent. Reference No.** RN101058410

**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> )	3	15%
	Other written NOVs	1	2%
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 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> )	1	-1%
	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)** 72%

>> **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 three NOVs with same/similar violations, one NOV with dissimilar violations, and three orders containing a denial of liability. Reduction for one Notice of Intent to conduct an audit and two Disclosures of Violations.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 72%

>> **Final Compliance History Adjustment**

**Final Adjustment Percentage \*capped at 100%** 72%

**Screening Date** 9-Mar-2015  
**Respondent** The Lubrizol Corporation  
**Case ID No.** 50207  
**Reg. Ent. Reference No.** RN101058410  
**Media [Statute]** Air  
**Enf. Coordinator** Rachel Bekowies

**Docket No.** 2015-0372-AIR-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Violation Number**

**Rule Cite(s)** 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), New Source Review ("NSR") Permit No. 1093, Special Conditions ("SC") No. 14D, NSR Permit No. 7264, SC No. 16D (previously SC No. 15D), and Federal Operating Permit No. O1582, Special Terms and Conditions ("STC") No. 12 (previously STC No. 9)

**Violation Description** Failed to perform annual calibrations of the flow, temperature, and pressure monitors for two flares, Emission Point Numbers ("EPNs") X-100 and X-402. Specifically, annual calibrations were not conducted on the flow, temperature, and pressure monitors for EPN X-100 during calendar years 2011 through 2013 and for EPN X-402 during calendar years 2011 through 2014.

**Base Penalty**

**>> Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="7.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text" value="x"/>	<input type="text"/>	

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>

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

**Adjustment**

**Violation Events**

Number of Violation Events   Number of violation days

mark only one with an x

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input type="text" value="x"/>

**Violation Base Penalty**

Twenty-one single events, nine for EPN X-100 and twelve for EPN X-402, are recommended for each annual calibration that was not performed.

**Good Faith Efforts to Comply**

Reduction

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input type="text" value="x"/>	(mark with x)

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

**Violation Subtotal**

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount**

**Violation Final Penalty Total**

**This violation Final Assessed Penalty (adjusted for limits)**

## Economic Benefit Worksheet

**Respondent** The Lubrizol Corporation  
**Case ID No.** 50207  
**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	Overtime Costs	EB Amount
No commas or \$							

### Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Overtime 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				0.00	\$0	n/a	\$0
Other (as needed)	\$750	31-Dec-2011	8-Dec-2014	2.94	\$110	n/a	\$110

Notes for DELAYED costs

Estimated cost to perform the annual calibration of the flow, temperature, and pressure monitors for EPN X-100. The Date Required is the date the annual calibration was due. The Final Date is the date the calibration was completed. See also the economic benefit for Violation No. 1 of PCW Revision No. 2.

### 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	Overtime 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]	\$2,250	31-Dec-2011	31-Dec-2013	2.92	\$329	\$2,250	\$2,579
Other (as needed)	\$3,000	31-Dec-2011	31-Dec-2014	3.92	\$588	\$3,000	\$3,588

Notes for AVOIDED costs

Avoided cost for not calibrating the flow, temperature, and pressure monitors on an annual basis (\$250 per calibration x nine missed calibrations for EPN X-100 and \$250 per calibration x twelve missed calibrations for EPN X-402). The December 31, 2011 Date Required is the date the annual calibrations for 2011 for EPNs X-100 and X-402 should have been performed by. The December 31, 2013 Final Date is the date the annual calibration for 2013 for EPN X-100 should have been performed by. The December 31, 2014 Final Date is the date the annual calibration for 2014 for EPN X-402 should have been performed by.

Approx. Cost of Compliance

\$6,000

**TOTAL**

\$6,277

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# Compliance History Report

**PUBLISHED** Compliance History Report for CN600269617, RN101058410, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

**Customer, Respondent, or Owner/Operator:** CN600269617, The Lubrizol Corporation **Classification:** SATISFACTORY **Rating:** 8.23

**Regulated Entity:** RN101058410, LUBRIZOL BAYPORT PLANT **Classification:** SATISFACTORY **Rating:** 3.38

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

**CH Group:** 05 - Chemical Manufacturing

**Location:** 12801 BAY AREA BOULEVARD NEAR PASADENA, TEXAS 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 101652  
**AIR NEW SOURCE PERMITS** REGISTRATION 112398  
**AIR NEW SOURCE PERMITS** REGISTRATION 122089  
**AIR NEW SOURCE PERMITS** REGISTRATION 118793  
**AIR NEW SOURCE PERMITS** REGISTRATION 123904  
**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 103908  
**AIR NEW SOURCE PERMITS** REGISTRATION 102476  
**AIR NEW SOURCE PERMITS** REGISTRATION 125934  
**AIR NEW SOURCE PERMITS** REGISTRATION 114742  
**AIR NEW SOURCE PERMITS** REGISTRATION 129134  
**AIR NEW SOURCE PERMITS** REGISTRATION 112395  
**INDUSTRIAL AND HAZARDOUS WASTE** EPA ID TXD000642348

**Compliance History Period:** September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

**Date Compliance History Report Prepared:** March 09, 2015

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** March 09, 2010 to March 09, 2015

### 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: 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.
- 2      Effective Date: 02/06/2015                      ADMINORDER 2013-1608-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter H 101.400(a)(1)  
            30 TAC Chapter 101, SubChapter H 101.400(a)(2)  
            30 TAC Chapter 101, SubChapter H 101.400(a)(3)  
            30 TAC Chapter 122, SubChapter B 122.143(4)  
            5C THSC Chapter 382 382.085(b)  
Rqmt Prov:ST&C 1I OP  
Description: 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. O1582, Special Terms and Conditions ("ST & C") No. 1I  
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)  
Rqmt Prov:SC 8 PERMIT  
            ST&C 12 OP  
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, in violation of 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. 1685, Special Conditions No. 8. Category C4  
Classification: Major  
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)  
            5C THSC Chapter 382 382.0518(a)  
            5C THSC Chapter 382 382.085(b)  
Description: Failure to permit the Effluent System (EPN: EFFLUENT) and the PAINTSHOP (EPN: PAINT) located at the facility. Category A8(c)(1)(A)  
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)  
Rqmt Prov:SC 14 PERMIT  
            ST&C 12 OP  
Description: Failure to maintain a temperature of 70 degrees or below on Tank 216 (EPN: A-216). Category C4  
Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
            30 TAC Chapter 113, SubChapter C 113.520  
            30 TAC Chapter 122, SubChapter B 122.143(4)  
            40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1023(a)(1)(ii)  
            40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1026(b)(1)  
Rqmt Prov:ST&C 1A OP  
Description: 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 .  
Category B1  
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:SC 10C PERMIT

ST&C 12 OP

Description: 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. O1582, ST & C No. 12, and NSR Permit No. 6221, SC Nos. 10.B. and 10.C. Category C4

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)

Rqmt Prov:SC 12B PERMIT  
ST&C 12 OP

Description: Failed to calibrate the ammonia scrubber's flow meter as per manufacturers'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. O1582, ST & C 12, and NSR Permit No. 6221, SC No. 12B. Category C4

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.121  
30 TAC Chapter 122, SubChapter C 122.210(a)  
5C THSC Chapter 382 382.054  
5C THSC Chapter 382 382.085(b)

Description: 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). Category B3

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.115b(d)(3)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:ST&C 1A OP

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,

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.115b(c)(1)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:ST&C 1A OP

Description: 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. Category B3

Classification: Minor

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

Rqmt Prov:General Terms and Conditions (GT&C) OP

Description: Failed to report all instances of deviations, Category C3

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	March 15, 2010	(834548)
Item 2	May 07, 2010	(834549)
Item 3	May 24, 2010	(834550)
Item 4	June 18, 2010	(847397)
Item 5	August 19, 2010	(868268)
Item 6	August 31, 2010	(875178)
Item 7	September 20, 2010	(844083)
Item 8	October 21, 2010	(882788)
Item 9	December 22, 2010	(828091)

Item 10	January 18, 2011	(903462)
Item 11	January 20, 2011	(870722)
Item 12	February 10, 2011	(910371)
Item 13	March 17, 2011	(917595)
Item 14	April 12, 2011	(928728)
Item 15	May 12, 2011	(939300)
Item 16	June 09, 2011	(946702)
Item 17	June 14, 2011	(932898)
Item 18	July 12, 2011	(953963)
Item 19	July 25, 2011	(905854)
Item 20	September 09, 2011	(960556)
Item 21	September 12, 2011	(966611)
Item 22	October 17, 2011	(972625)
Item 23	October 26, 2011	(860368)
Item 24	November 22, 2011	(978769)
Item 25	December 12, 2011	(985604)
Item 26	December 15, 2011	(974769)
Item 27	January 04, 2012	(952339)
Item 28	January 16, 2012	(991924)
Item 29	February 13, 2012	(999252)
Item 30	March 12, 2012	(1004761)
Item 31	April 11, 2012	(1011342)
Item 32	May 14, 2012	(1017705)
Item 33	June 12, 2012	(1025496)
Item 34	June 29, 2012	(976112)
Item 35	July 12, 2012	(1032831)
Item 36	July 25, 2012	(1019329)
Item 37	August 09, 2012	(1039265)
Item 38	September 11, 2012	(1048216)
Item 39	October 08, 2012	(1067441)
Item 40	November 15, 2012	(1067442)
Item 41	December 17, 2012	(1067443)
Item 42	January 14, 2013	(1081734)
Item 43	February 11, 2013	(1081733)
Item 44	March 18, 2013	(1090650)
Item 45	April 15, 2013	(1097005)
Item 46	May 13, 2013	(1107970)
Item 47	June 12, 2013	(1111603)
Item 48	July 17, 2013	(1118506)
Item 49	August 13, 2013	(1126291)
Item 50	September 12, 2013	(1130841)
Item 51	October 14, 2013	(1136607)
Item 52	November 14, 2013	(1141994)
Item 53	December 11, 2013	(1148452)
Item 54	January 13, 2014	(1154529)
Item 55	February 17, 2014	(1161850)
Item 56	March 25, 2014	(1168475)
Item 57	April 17, 2014	(1175639)
Item 58	May 20, 2014	(1181843)
Item 59	June 13, 2014	(1171910)
Item 60	June 19, 2014	(1188736)
Item 61	July 16, 2014	(1200539)
Item 62	August 14, 2014	(1200540)
Item 63	September 17, 2014	(1207097)
Item 64	October 17, 2014	(1213502)
Item 65	November 19, 2014	(1219758)
Item 66	December 15, 2014	(1225546)

**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: 03/14/2014 (1134805) CN600269617  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 122, SubChapter B 122.132(e)(3)

Description: 5C THSC Chapter 382 382.085(b)  
Failure to include two generators (EGBP1 and EGBP2) and one diesel engine (SWBPUMP) in the Title V permit.

Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
NSR 1685, SC 12 PERMIT  
O1582, ST&C 12 OP

Description: Failure to monitor 737 connectors annually

Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
NSR 7264, SC 14 PERMIT  
O1582, ST&C 12 OP

Description: Failure to maintain oxygen concentration at greater than 3.86% for the Incinerator X-401

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
NSR 6221, SC 4 PERMIT  
O1582, ST&C 12 OP

Description: Failure to prevent releases directly to atmosphere from a pressure relief valve

Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 117, SubChapter B 117.345(f)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
O1582, ST&C 1A OP

Description: Failure to keep records for generators and diesel engines

Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(4)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
O1582, ST&C 1A OP

Description: Failure to document authorizations under Permits by Rule (PBR) for two emergency internal combustion engines (EGBP1 and EGBP2) and one diesel non-emergency engine (SWPUMP)

Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
NSR 1685, SC 10 PERMIT  
O1582, ST&C 12 OP

Description: Failure to sample the scrubbing liquid of the S-A219 caustic scrubber prior to tank filling operations

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1026(b)(1)  
5C THSC Chapter 382 382.085(b)  
O1582, ST&C 1A OP

Description: Failure to monitor 23 pumps in April 2013

Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1028(c)(1)  
5C THSC Chapter 382 382.085(b)  
O1582, ST&C 1A OP

Description: Failure to monitor 12 agitators in April 2013

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 117, SubChapter G 117.8140(b)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
O1582, ST&C 1A OP

Description: Failure to perform diesel engine quarterly emission testing on Engine SWPUMP

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
O1582, ST&C 1A OP  
Description: Failure to conduct daily visible emission observations for Flare X-100

2 Date: 08/26/2014 (1192033) CN600269617  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)  
30 TAC Chapter 335, SubChapter E 335.112(a)(8)  
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(1)(i)  
40 CFR Chapter 265, SubChapter I, PT 265, SubPT I 265.174  
Description: 30 Texas Administrative Code (TAC) 335.69(a)(1) referencing 335.112(a)(8) and  
40 Code of Federal Regulations (CFR) 262.34 (a)(1)(i) referencing 265.174 -  
Inspections  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)  
30 TAC Chapter 335, SubChapter E 335.112(a)(9)  
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(1)(ii)  
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.195(a)  
Description: 30 Texas Administrative Code (TAC) 335.69(a)(1) referencing 335.112(a)(9) and  
40 Code of Federal Regulations (CFR) 262.34 (a)(1)(ii) referencing 265.195 -  
Inspections

3 Date: 11/24/2014 (1195890) CN600269617  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THSC Chapter 382 382.085(b)  
Special Condition No. 1 PERMIT  
Description: Operator error - Failure to prevent unauthorized emissions associated with a spill  
from Tank C-506.  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(f)  
5C THSC Chapter 382 382.085(b)  
Description: Failure to provide additional information regarding the emissions event to the  
TCEQ within the time established in the request (Category C3).

4 Date: 02/27/2015 (1210916) CN600269617  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
GC 8 PERMIT  
STC 12 OP  
Description: Failed to comply with the carbon monoxide and oxides of nitrogen emissions  
limits for a boiler (B18).  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
STC 1A OP  
Description: Failed to record daily visible emissions observations for a flare (C1).

#### 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: Moderate  
Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)  
30 TAC Chapter 115, SubChapter H 115.782(b)  
30 TAC Chapter 116, SubChapter B 116.116

Rqmt Prov: PERMIT GC 1

Description: Failed to conduct monitoring of components after discovered leaking during AVO inspections and subsequently repaired.

Viol. Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(1)  
Rqmt Prov: PERMIT NSR Permit General Condition 1

Description: Failed to accurately represent component counts and associated emissions in the permit application.

Viol. Classification: Minor  
Citation: 30 TAC Chapter 106, SubChapter A 106.8

Description: Failed to comply with recordkeeping requirements for claimed permits by rule.

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.

Viol. Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Description: Failed to monitor replaced valves in 28 MD service within 15 or 30 days of being placed back into VOC service.

Viol. Classification: Minor  
Citation: 30 TAC Chapter 106, SubChapter P 106.371  
30 TAC Chapter 116, SubChapter B 116.116

Description: Failed to maintain PBR 106.371 permitted emission rate from Cooling Tower 901, EPN CT-901.

Viol. Classification: Major  
Citation: 30 TAC Chapter 106, SubChapter W 106.511  
30 TAC Chapter 106, SubChapter W 106.512  
30 TAC Chapter 116, SubChapter B 116.111(a)(2)(F)

Description: Failed to have permit authorization for engines.

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

**Sites Outside of Texas:**

N/A



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## *Addendum to Compliance History Federal Enforcement Actions*

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**Reg Entity Name:** **LUBRIZOL BAYPORT PLANT**

**Reg Entity Add:** 12801 BAY AREA BOULEVARD

**Reg Entity City:** PASADENA

**Reg Entity No:** RN101058410

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**Customer Name:** The Lubrizol Corporation

**Customer No:** CN600269617

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**EPA Case No:** **06-2013-3341**

**Order Issue Date (yyyymmdd):** 20130709

**Case Result:** Final Order With Penalty

**Statute:** CAA

**Sect of Statute:** 112

**Classification:** Moderate

**Program:** National Emission Stand **Citation:**

**Violation Type:**

**Cite Sect:**

**Cite Part:**

**Enforcement Action:** Administrative Penalty Order With or Without Inj

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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. 2015-0372-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 a lubricant and additive manufacturing plant at 12801 Bay Area Boulevard near 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 March 4, 2015.
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-One Thousand Three Hundred Forty-One Dollars (\$81,341) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirty-Two Thousand Five Hundred Thirty-Seven Dollars (\$32,537) of the administrative penalty and Sixteen

Thousand Two Hundred Sixty-Seven Dollars (\$16,267) 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-Two Thousand Five Hundred Thirty-Seven Dollars (\$32,537) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
  - a. By December 8, 2014, performed the annual calibration of the flow, temperature, and pressure monitors for Emission Point Number ("EPN") X-100 for calendar year 2014; and
  - b. On March 30, 2015, submitted permit alteration applications for New Source Review ("NSR") Permit No. 1093 and NSR Permit No. 7264 to change the required calibration frequency for the flow, temperature, and pressure monitors for EPNs X-100 and X-402.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to perform annual calibrations of the flow, temperature, and pressure monitors for two flares, EPNs X-100 and X-402, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), NSR Permit No. 1093, Special Conditions ("SC") No. 14D, NSR Permit No. 7264, SC No. 16D (previously SC No. 15D), and Federal Operating Permit No. O1582, Special Terms and Conditions ("STC") No. 12 (previously STC No. 9), as documented during a record review conducted from January 29, 2015 through February 2, 2015. Specifically, annual calibrations were not conducted on the flow, temperature, and pressure monitors for EPN X-100 during calendar years 2011 through 2013 and for EPN X-402 during calendar years 2009 through 2014.

## 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. 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. 2015-0372-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-Two Thousand Five Hundred Thirty-Seven Dollars (\$32,537) 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. It is further ordered that the Respondent shall undertake the following technical requirements:
  - a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit alteration applications submitted on

March 30, 2015 within 30 days of such requests, or by any deadline specified in writing; and

- b. Within 180 days after the effective date of this Agreed Order, submit written certification that either the permit alterations to change the required calibration frequency for the flow, temperature, and pressure monitors for EPNs X-100 and X-402 have been obtained or that unauthorized operation of EPNs X-100 and X-402 has ceased until such time that appropriate authorization is obtained. The written certification must include photographs, receipts, and/or other records to demonstrate compliance, 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

*Pema Monica*  
For the Executive Director

11/3/15  
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.

*Tanya M. Travis*  
Signature

6-17-15  
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: 2015-0372-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

<b>Respondent:</b>	<b>The Lubrizol Corporation</b>
<b>Penalty Amount:</b>	<b>Sixty-Five Thousand Seventy-Four Dollars (\$65,074)</b>
<b>SEP Offset Amount:</b>	<b>Thirty-Two Thousand Five Hundred Thirty-Seven Dollars (\$32,537)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Houston-Galveston Area Council-AERCO ("AERCO")</b>
<b>Project Name:</b>	<b><i>Clean Vehicles Partnership Project</i></b>
<b>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</b>	

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.

The Lubrizol 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.

The Lubrizol Corporation  
Agreed Order - Attachment A

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:

The Lubrizol 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. Recognition**

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.