

Executive Summary – Enforcement Matter – Case No. 50620
Odfjell Terminals (Houston) Inc.
RN100218411
Docket No. 2015-0827-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Odfjell Terminals, 12211 Port Road, Seabrook, Harris County

Type of Operation:

Bulk organic liquids storage terminal plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: October 30, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$34,485

Amount Deferred for Expedited Settlement: \$6,897

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$13,794

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$13,794

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: April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: February 6, 2015 through February 12, 2015

Date(s) of NOE(s): May 8, 2015

Executive Summary – Enforcement Matter – Case No. 50620
Odfjell Terminals (Houston) Inc.
RN100218411
Docket No. 2015-0827-AIR-E

Violation Information

1. Failed to comply with the annual allowable carbon monoxide ("CO") emissions rate for the Breathing Flare, Emissions Point Numbers ("EPN") FL-2. Specifically, the Respondent exceeded the annual allowable CO emissions rate of 5.44 tons per year, based on a 12-month rolling period, for the 12-month periods ending on January 2013 through February 2014, August 2014, and October 2014 through December 2014, resulting in the unauthorized release of approximately 1,840 pounds of CO [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O3027, Special Terms and Conditions ("STC") No. 17, and New Source Review ("NSR") Permit No. 8865, Special Conditions No. 1].
2. Failed to report all instances of deviations. Specifically, the deviation report for the reporting period from October 13, 2013 through April 12, 2014 did not include a deviation for failing to comply with the annual allowable CO emissions rate for the Breathing Flare, EPN FL-2 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3027, General Terms and Conditions].
3. Failed to maintain records containing the information and data sufficient to demonstrate compliance with NSR Permit No. 8865. Specifically, accurate records to demonstrate compliance with the maximum allowable emissions rates for EPNs TRL 1, 2, 2a, 3 through 9, 14, 18, and 19 were not being maintained [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(E), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O3027, STC No. 17, and NSR Permit No. 8865, General Conditions No. 7].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On July 1, 2015, revised the emissions calculations to utilize the correct vapor pressure to ensure that accurate records to demonstrate compliance with the maximum allowable emissions rates for EPNs TRL 1, 2, 2a, 3 through 9, 14, 18, and 19 established by NSR Permit No. 8865;
- b. On July 10, 2015, installed additional restriction orifices on the vent gas and assist gas systems on the Breathing Flare, EPN FL-2; and
- c. On July 20, 2015, submitted a revised deviation report for the October 13, 2013 through April 12, 2014 reporting period to include the deviation for failing to comply with the annual allowable CO emissions rate for the Breathing Flare, EPN FL-2.

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Technical Requirements:

The Order will require the Respondent to implement and complete a 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: Jessica Schildwachter, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-2617; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456
TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565
Respondent: John H. Scott, Jr., Director of U.S. Operations, Odfjell Terminals (Houston) Inc., 12211 Port Road, Seabrook, Texas 77586
Respondent's Attorney: N/A

Attachment A

Docket Number: 2015-0827-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Odfjell Terminals (Houston) Inc.
Penalty Amount:	Twenty-Seven Thousand Five Hundred Eighty-Eight Dollars (\$27,588)
SEP Offset Amount:	Thirteen Thousand Seven Hundred Ninety-Four Dollars (\$13,794)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Houston-Galveston Area Council-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.

Odfjell Terminals (Houston) Inc.
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.

Odfjell Terminals (Houston) Inc.
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:

Odfjell Terminals (Houston) Inc.
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 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	11-May-2015	Screening	1-Jun-2015	EPA Due	4-Nov-2015
	PCW	23-Jul-2015				

RESPONDENT/FACILITY INFORMATION	
Respondent	Odfjell Terminals (Houston) Inc.
Reg. Ent. Ref. No.	RN100218411
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	50620	No. of Violations	3
Docket No.	2015-0827-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Jessica Schildwachter
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$30,250
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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	24.0% Enhancement	Subtotals 2, 3, & 7	\$7,260
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Notes: Enhancement for two NOVs with dissimilar violations and one order with a denial of liability.

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	-\$3,025
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$675	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$6,750	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$34,485
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount \$34,485

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$34,485
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DEFERRAL	20.0% Reduction	Adjustment	-\$6,897
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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.

PAYABLE PENALTY	\$27,588
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Screening Date 1-Jun-2015

Docket No. 2015-0827-AIR-E

PCW

Respondent Odfjell Terminals (Houston) Inc.

Policy Revision 4 (April 2014)

Case ID No. 50620

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100218411

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

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>)	0	0%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	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>)	0	0%
	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>)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 24%

>> **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 two NOVs with dissimilar violations and one order with a denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 24%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 24%

Screening Date 1-Jun-2015

Docket No. 2015-0827-AIR-E

PCW

Respondent Odfjell Terminals (Houston) Inc.

Policy Revision 4 (April 2014)

Case ID No. 50620

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100218411

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit ("FOP") No. O3027, Special Terms and Conditions ("STC") No. 17, and New Source Review ("NSR") Permit No. 8865, Special Conditions No. 1

Violation Description Failed to comply with the annual allowable carbon monoxide ("CO") emissions rate for the Breathing Flare, Emissions Point Number ("EPN") FL-2. Specifically, the Respondent exceeded the annual allowable CO emissions rate of 5.44 tons per year, based on a 12-month rolling period, for the 12-month periods ending on January 2013 through February 2014, August 2014, and October 2014 through December 2014, resulting in the unauthorized release of approximately 1,840 pounds of CO.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual			X	15.0%
	Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes Human health or the environment has been exposed to insignificant amounts of pollutants that 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 7 547 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$26,250

Seven quarterly events are recommended for the periods of non-compliance from January 1, 2013 through February 28, 2014, August 31, 2014, and October 1, 2014 through December 31, 2014.

Good Faith Efforts to Comply

10.0% Reduction \$2,625

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

Notes The Respondent completed corrective measures on July 10, 2015, after the May 8, 2015 NOE.

Violation Subtotal \$23,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$630

Violation Final Penalty Total \$29,925

This violation Final Assessed Penalty (adjusted for limits) \$29,925

Economic Benefit Worksheet

Respondent Odfjell Terminals (Houston) Inc.
Case ID No. 50620
Reg. Ent. Reference No. RN100218411
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	1-Jan-2013	10-Jul-2015	2.52	\$630	n/a	\$630

Notes for DELAYED costs

Estimated cost to install additional restriction orifices on the vent gas and assist gas systems on the Breathing Flare, EPN FL-2. The Date Required is the first date of non-compliance and 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				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$5,000

TOTAL \$630

Screening Date 1-Jun-2015

Docket No. 2015-0827-AIR-E

PCW

Respondent Odfjell Terminals (Houston) Inc.

Policy Revision 4 (April 2014)

Case ID No. 50620

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100218411

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b), and FOP No. O3027, General Terms and Conditions

Violation Description

Failed to report all instances of deviations. Specifically, the deviation report for the reporting period from October 13, 2013 through April 12, 2014 did not include a deviation for failing to comply with the annual allowable CO emissions rate for the Breathing Flare, EPN FL-2.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1.0%

Matrix Notes

Less than 30% of the rule requirement was not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

385 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$250

One single event is recommended for one incomplete report.

Good Faith Efforts to Comply

10.0%

Reduction \$25

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

Notes

The Respondent completed corrective measures on July 20, 2015, after the May 8, 2015 NOE.

Violation Subtotal \$225

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$15

Violation Final Penalty Total \$285

This violation Final Assessed Penalty (adjusted for limits) \$285

Economic Benefit Worksheet

Respondent: Odfjell Terminals (Houston) Inc.
Case ID No.: 50620
Reg. Ent. Reference No.: RN100218411
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
<small>No commas or \$</small>							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	12-May-2014	20-Jul-2015	1.19	\$15	n/a	\$15

Notes for DELAYED costs

Estimated cost to submit a revised deviation report for the October 13, 2013 through April 12, 2014 reporting period to include the deviation for failing to comply with the annual allowable CO emissions rate for the Breathing Flare, EPN FL-2. The Date Required is the date the deviation report was due. 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				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$15

Screening Date 1-Jun-2015

Docket No. 2015-0827-AIR-E

PCW

Respondent Odfjell Terminals (Houston) Inc.

Policy Revision 4 (April 2014)

Case ID No. 50620

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100218411

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(E), 116.115(c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. O3027, STC No. 17, and NSR Permit No. 8865, General Conditions No. 7

Violation Description

Failed to maintain records containing the information and data sufficient to demonstrate compliance with NSR Permit No. 8865. Specifically, accurate records to demonstrate compliance with the maximum allowable emissions rates for EPNs TRL 1, 2, 2a, 3 through 9, 14, 18, and 19 were not being maintained.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

115 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$3,750

One single event is recommended for the incomplete set of records.

Good Faith Efforts to Comply

10.0%

Reduction \$375

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

Notes

The Respondent completed corrective measures on July 1, 2015, after the May 8, 2015 NOE.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$30

Violation Final Penalty Total \$4,275

This violation Final Assessed Penalty (adjusted for limits) \$4,275

Economic Benefit Worksheet

Respondent Odfjell Terminals (Houston) Inc.
Case ID No. 50620
Reg. Ent. Reference No. RN100218411
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

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	\$1,500	6-Feb-2015	1-Jul-2015	0.40	\$30	n/a	\$30
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to revise the emissions calculations to utilize the correct vapor pressure to ensure that accurate records to demonstrate compliance with the maximum allowable emissions rates for EPNs TRL 1, 2, 2a, 3 through 9, 14, 18, and 19 established by NSR Permit No. 8865. The Date Required is the investigation date. 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				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

\$1,500

TOTAL

\$30

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



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN603233974, RN100218411, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator:	CN603233974, Odfjell Terminals (Houston) Inc.	Classification:	SATISFACTORY	Rating:	0.58
Regulated Entity:	RN100218411, ODFJELL TERMINALS	Classification:	SATISFACTORY	Rating:	0.58
Complexity Points:	24	Repeat Violator:	NO		
CH Group:	14 - Other				
Location:	12211 PORT ROAD, SEABROOK, TX 77586-1624, HARRIS COUNTY				
TCEQ Region:	REGION 12 - HOUSTON				

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG1006U
POLLUTION PREVENTION PLANNING ID NUMBER
P00070
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 33983
INDUSTRIAL AND HAZARDOUS WASTE OTS REQUEST
36707
INDUSTRIAL AND HAZARDOUS WASTE OTS REQUEST
37889
WASTEWATER PERMIT WQ0002547000
AIR NEW SOURCE PERMITS REGISTRATION 72184
AIR NEW SOURCE PERMITS REGISTRATION 26083
AIR NEW SOURCE PERMITS REGISTRATION 30968
AIR NEW SOURCE PERMITS REGISTRATION 31082
AIR NEW SOURCE PERMITS AFS NUM 4820100370
AIR NEW SOURCE PERMITS REGISTRATION 112129
PETROLEUM STORAGE TANK REGISTRATION
REGISTRATION 60262
VOLUNTARY CLEANUP PROGRAM ID NUMBER 2255
STORMWATER PERMIT TXR15VV33

AIR OPERATING PERMITS PERMIT 3027
INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD102684370
INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXP490351463
INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXP490352273
INDUSTRIAL AND HAZARDOUS WASTE OTS REQUEST
37945
WASTEWATER EPA ID TX0089192
AIR NEW SOURCE PERMITS PERMIT 8865
AIR NEW SOURCE PERMITS REGISTRATION 29436
AIR NEW SOURCE PERMITS REGISTRATION 30969
AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG1006U
AIR NEW SOURCE PERMITS REGISTRATION 98261
AIR NEW SOURCE PERMITS REGISTRATION 112311
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION
1012008
AIR EMISSIONS INVENTORY ACCOUNT NUMBER
HG1006U

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

Date Compliance History Report Prepared: June 01, 2015

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: June 01, 2010 to June 01, 2015

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

Name: Jessica Schildwachter

Phone: (512) 239-2617

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: 09/22/2014 ADMINORDER 2014-0497-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: Special Term and Condition 20 OP
Description: Failure to submit a Permit Compliance Certification (PCC) no later than 30 days after the end of the PCC period. (Category A8c3)

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	June 04, 2010	(847366)
Item 2	July 09, 2010	(861805)
Item 3	September 13, 2010	(868225)
Item 4	November 02, 2010	(889159)
Item 5	December 07, 2010	(897535)
Item 6	December 22, 2010	(884764)
Item 7	February 10, 2011	(910341)
Item 8	March 08, 2011	(917553)
Item 9	April 14, 2011	(917554)
Item 10	April 15, 2011	(928665)
Item 11	May 09, 2011	(939263)
Item 12	June 06, 2011	(946669)
Item 13	July 14, 2011	(953928)
Item 14	August 05, 2011	(960521)
Item 15	August 11, 2011	(933300)
Item 16	September 13, 2011	(966580)
Item 17	October 17, 2011	(972591)
Item 18	November 17, 2011	(978735)
Item 19	December 14, 2011	(985572)
Item 20	January 17, 2012	(991852)
Item 21	January 24, 2012	(981071)
Item 22	February 14, 2012	(999216)
Item 23	March 13, 2012	(1004724)
Item 24	April 09, 2012	(1011297)
Item 25	May 14, 2012	(1017662)
Item 26	June 14, 2012	(1025456)
Item 27	July 17, 2012	(1032795)
Item 28	August 16, 2012	(1039227)
Item 29	September 11, 2012	(1048176)
Item 30	October 04, 2012	(1067260)
Item 31	November 15, 2012	(1067261)
Item 32	December 11, 2012	(1067262)
Item 33	January 18, 2013	(1081652)
Item 34	February 19, 2013	(1081651)
Item 35	February 20, 2013	(1050878)
Item 36	March 15, 2013	(1090616)
Item 37	April 16, 2013	(1096965)
Item 38	May 20, 2013	(1107933)
Item 39	June 20, 2013	(1111560)
Item 40	July 19, 2013	(1118469)
Item 41	August 19, 2013	(1126253)
Item 42	September 18, 2013	(1130804)

Item 43	October 17, 2013	(1136568)
Item 44	November 20, 2013	(1141956)
Item 45	December 17, 2013	(1148414)
Item 46	January 09, 2014	(1154490)
Item 47	February 20, 2014	(1161812)
Item 48	March 19, 2014	(1168437)
Item 49	April 10, 2014	(1175600)
Item 50	May 21, 2014	(1181806)
Item 51	June 19, 2014	(1188699)
Item 52	July 18, 2014	(1200490)
Item 53	August 20, 2014	(1200491)
Item 54	September 18, 2014	(1207055)
Item 55	October 20, 2014	(1213464)
Item 56	November 07, 2014	(1192272)
Item 57	November 20, 2014	(1219720)
Item 58	December 19, 2014	(1225508)
Item 59	January 19, 2015	(1232518)
Item 60	February 11, 2015	(1243519)
Item 61	March 19, 2015	(1249888)

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

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

- 1 Date: 06/30/2014 (1178714) CN603233974
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)
Description: Odfjell failed to update their Notice of Registration (NOR).
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 335, SubChapter A 335.10(a)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT B 262.20(a)(1)
Description: Odfjell failed to apply the correct generator's address to manifest 005343334JJK, 007525429JJK, 007532796JJK, and 004179128FLE and apply EPA hazardous waste codes to WS0018001H on manifest 007532796JJK.
- 2 Date: 03/05/2015 (1229810) CN603233974
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)
Description: Odfjell failed to update their Notice of Registration (NOR).
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 335, SubChapter A 335.10(a)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT B 262.20(a)(1)
Description: Odfjell failed to apply the correct generator's address to manifest 005343334JJK, 007525429JJK, 007532796JJK, and 004179128FLE and apply EPA hazardous waste codes to WS0018001H on manifest 007532796JJK.

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
ODFJELL TERMINALS
(HOUSTON) INC.
RN100218411**

§
§
§
§
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§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2015-0827-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 Odfjell Terminals (Houston) Inc. ("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 bulk organic liquids storage terminal plant located at 12211 Port Road in Seabrook, 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 May 13, 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 Thirty-Four Thousand Four Hundred Eighty-Five Dollars (\$34,485) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirteen

Thousand Seven Hundred Ninety-Four Dollars (\$13,794) of the administrative penalty and Six Thousand Eight Hundred Ninety-Seven Dollars (\$6,897) 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. Thirteen Thousand Seven Hundred Ninety-Four Dollars (\$13,794) 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 July 1, 2015, revised the emissions calculations to utilize the correct vapor pressure to ensure that accurate records to demonstrate compliance with the maximum allowable emissions rates for Emissions Point Numbers ("EPNs") TRL 1, 2, 2a, 3 through 9, 14, 18, and 19 established by New Source Review ("NSR") Permit No. 8865;
 - b. On July 10, 2015, installed additional restriction orifices on the vent gas and assist gas systems on the Breathing Flare, EPN FL-2; and
 - c. On July 20, 2015, submitted a revised deviation report for the October 13, 2013 through April 12, 2014 reporting period to include the deviation for failing to comply with the annual allowable carbon monoxide ("CO") emissions rate for the Breathing Flare, EPN FL-2.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

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

1. Failed to comply with the annual allowable CO emissions rate for the Breathing Flare, EPN FL-2, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O3027, Special Terms and Conditions ("STC") No. 17, and NSR Permit No. 8865, Special Conditions No. 1, as documented during an investigation conducted from February 6, 2015 through February 12, 2015. Specifically, the Respondent exceeded the annual allowable CO emissions rate of 5.44 tons per year, based on a 12-month rolling period, for the 12-month periods ending on January 2013 through February 2014, August 2014, and October 2014 through December 2014, resulting in the unauthorized release of approximately 1,840 pounds of CO.
2. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3027, General Terms and Conditions, as documented during an investigation conducted from February 6, 2015 through February 12, 2015. Specifically, the deviation report for the reporting period from October 13, 2013 through April 12, 2014 did not include a deviation for failing to comply with the annual allowable CO emissions rate for the Breathing Flare, EPN FL-2.
3. Failed to maintain records containing the information and data sufficient to demonstrate compliance with NSR Permit No. 8865, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(E), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O3027, STC No. 17, and NSR Permit No. 8865, General Conditions No. 7, as documented during an investigation conducted from February 6, 2015 through February 12, 2015. Specifically, accurate records to demonstrate compliance with the maximum allowable emissions rates for EPNs TRL 1, 2, 2a, 3 through 9, 14, 18, and 19 were not being maintained.

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: Odfjell Terminals (Houston) Inc., Docket No. 2015-0827-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, Thirteen Thousand Seven Hundred Ninety-Four Dollars (\$13,794) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The 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. Pursuant to TEX. GOV'T CODE § 2001.144, the effective date of this Order is the date it is signed by the Commission or the Executive Director. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

1/7/16

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.



Signature

9/25/15

Date

John H. Scott, Jr

Name (Printed or typed)
Authorized Representative of
Odfjell Terminals (Houston) Inc.

Director US Operations

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: 2015-0827-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Odfjell Terminals (Houston) Inc.
Penalty Amount:	Twenty-Seven Thousand Five Hundred Eighty-Eight Dollars (\$27,588)
SEP Offset Amount:	Thirteen Thousand Seven Hundred Ninety-Four Dollars (\$13,794)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Houston-Galveston Area Council-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.

Odfjell Terminals (Houston) Inc.
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.

Odfjell Terminals (Houston) Inc.
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:

Odfjell Terminals (Houston) Inc.
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.