

**Executive Summary – Enforcement Matter – Case No. 51779**

**Targa Downstream LLC**

**RN100222900**

**Docket No. 2016-0130-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Mont Belvieu Complex, 10319 Highway 146, Mont Belvieu, Chambers County

**Type of Operation:**

Natural gas fractionating plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** May 13, 2016

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$10,125

**Amount Deferred for Expedited Settlement:** \$2,025

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

**Total Paid to General Revenue:** \$4,050

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

Payment Plan: N/A

**Supplemental Environmental Project ("SEP") Conditional Offset:** \$4,050

Name of SEP: Anahuac Independent School District (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:** July 15, 2015

**Date(s) of NOE(s):** January 15, 2016

**Executive Summary – Enforcement Matter – Case No. 51779**  
**Targa Downstream LLC**  
**RN100222900**  
**Docket No. 2016-0130-AIR-E**

***Violation Information***

Failed to prevent unauthorized emissions. Specifically, the Respondent released 4,106 pounds of propylene from the Terminal Process Fugitives, Emissions Point Number FUG-TERM2, during an emissions event (Incident No. 213878) that began on May 11, 2015 and lasted for one hour and 44 minutes. The emissions event occurred when a tubing connection disconnected from the bottom of a high pressure shutdown switch servicing a propylene pipeline metering junction station due to the fitting not being properly swaged during installation. Since the emissions event could have been avoided through better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 22088, Special Conditions No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures at the Plant to prevent recurrence of emissions events due to similar causes as Incident No. 213878:

- a. On May 11, 2015, replaced the compression fitting and inspected all compression fittings and instrument tubing on the skid;
- b. On June 24, 2015, clarified proper installation instructions for the compression fittings and instrument tubing and retrained technicians on proper installation; and
- c. On July 9, 2015, updated the project completion checklist to include a secondary visual and physical quality check of at least ten percent of the compression fittings on instrument tubing prior to project acceptance.

**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

**Executive Summary – Enforcement Matter – Case No. 51779**  
**Targa Downstream LLC**  
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***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Carol McGrath, Enforcement Division, Enforcement Team 4, MC R-13, (210) 403-4063; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

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

**Respondent:** Francis Foret, Senior Vice President of Operations, Targa Downstream LLC, P. O. Box 10, Mont Belvieu, Texas 77580

Bryan Crismon, Director of Operations, Targa Downstream LLC, P. O. Box 10, Mont Belvieu, Texas 77580

**Respondent's Attorney:** N/A



## Attachment A

Docket Number: 2016-0130-AIR-E

### SUPPLEMENTAL ENVIRONMENTAL PROJECT

<b>Respondent:</b>	<b>Targa Downstream LLC</b>
<b>Penalty Amount:</b>	<b>Eight Thousand One Hundred Dollars (\$8,100)</b>
<b>SEP Offset Amount:</b>	<b>Four Thousand Fifty Dollars (\$4,050)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Anahuac Independent School District</b>
<b>Project Name:</b>	<b><i>Clean School Bus Project</i></b>
<b>Location of SEP:</b>	<b>Texas Air Quality Control Region 216, Houston - Galveston</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 **Anahuac Independent School District** for the *Clean School Bus 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 purchase a lower-emission school bus that is model year 2010 or newer (“Replacement Bus”) to replace a bus that is model year 1995 (“Older Bus”), thus removing the Older Bus from the roads. The Third-Party Administrator shall ensure that the Replacement Bus has an engine that meets 2010 EPA Standards. The Third-Party Administrator certifies that the Older Bus is currently in use, driven on a regular route on a weekly basis for at least the past two years. The Third-Party Administrator shall own and operate the Replacement Bus for at least five years following the date of purchase. 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

The SEP will benefit air quality by reducing harmful exhaust emissions from an older school bus. Older school bus engines emit larger amounts of nitrogen oxides and particulate matter, as well as other harmful pollutants such as volatile organic compounds and carbon monoxide than new buses. These pollutants contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma, especially in children. The Project will reduce these emissions by replacing a model year 1995 school bus with a new, lower-emission bus.

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 **Anahuac Independent School District SEP** and shall mail the contribution with a copy of the Agreed Order to:

Anahuac Independent School District  
Attention: Rosie Womack, Business Manager  
P.O. Box 638  
Anahuac, Texas 77514

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the 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:

Targa Downstream LLC  
Agreed Order - Attachment A

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

**4. Failure to Fully Perform**

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

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

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

**5. Publicity**

Any public statements concerning this SEP 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 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)

TCEQ

<b>DATES</b>	<b>Assigned</b>	20-Jan-2016	<b>Screening</b>	26-Jan-2016	<b>EPA Due</b>	
	<b>PCW</b>	4-Mar-2016				

<b>RESPONDENT/FACILITY INFORMATION</b>			
<b>Respondent</b>	Targa Downstream LLC		
<b>Reg. Ent. Ref. No.</b>	RN100222900		
<b>Facility/Site Region</b>	12-Houston	<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>		<b>No. of Violations</b>	1
<b>Enf./Case ID No.</b>	51779	<b>Order Type</b>	1660
<b>Docket No.</b>	2016-0130-AIR-E	<b>Government/Non-Profit</b>	No
<b>Media Program(s)</b>	Air	<b>Enf. Coordinator</b>	Carol McGrath
<b>Multi-Media</b>		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

**Compliance History**  Adjustment **Subtotals 2, 3, & 7**

Notes

**Culpability**   Enhancement **Subtotal 4**

Notes

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  Enhancement\* **Subtotal 6**

Total EB Amounts  \*Capped at the Total EB \$ Amount  
 Estimated Cost of Compliance

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  Adjustment

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction Adjustment

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

**PAYABLE PENALTY**

Screening Date 26-Jan-2016

Docket No. 2016-0130-AIR-E

PCW

Respondent Targa Downstream LLC

Policy Revision 4 (April 2014)

Case ID No. 51779

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Carol McGrath

**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	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of 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%

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)** 60%

>> **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 orders with denial of liability.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 60%

>> **Final Compliance History Adjustment**

**Final Adjustment Percentage \*capped at 100%** 60%

Screening Date 26-Jan-2016

Docket No. 2016-0130-AIR-E

PCW

Respondent Targa Downstream LLC

Policy Revision 4 (April 2014)

Case ID No. 51779

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Carol McGrath

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), New Source Review Permit No. 22088, Special Conditions No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 4,106 pounds of propylene from the Terminal Process Fugitives, Emissions Point Number FUG-TERM2, during an avoidable emissions event (Incident No. 213878) that began on May 11, 2015 and lasted for one hour and 44 minutes. The emissions event occurred when a tubing connection disconnected from the bottom of a high pressure shutdown switch servicing a propylene pipeline metering junction station due to the fitting not being properly swaged during installation. Since the emissions event could have been avoided through better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		X		30.0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

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

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1 Number of violation days 1

daily	
weekly	
monthly	X
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$1,875

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes

The Respondent completed corrective action on July 9, 2015 prior to the January 15, 2016 Notice of Enforcement.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$26

Violation Final Penalty Total \$10,125

This violation Final Assessed Penalty (adjusted for limits) \$10,125

# Economic Benefit Worksheet

**Respondent** Targa Downstream LLC  
**Case ID No.** 51779  
**Reg. Ent. Reference No.** RN100222900  
**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	\$5,000	11-May-2015	11-May-2015	0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,000	11-May-2015	9-Jul-2015	0.16	\$8	n/a	\$8
Training/Sampling	\$2,000	11-May-2015	24-Jun-2015	0.12	\$12	n/a	\$12
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,000	11-May-2015	24-Jun-2015	0.12	\$6	n/a	\$6

Notes for DELAYED costs

Estimated cost to replace the compression fitting, inspect all compression fittings and instrument tubing on the skid, clarify proper installation instructions for compression fittings and instrument tubing, retrain technicians on proper installation and update the project completion checklist to include a secondary visual and physical quality check of at least ten percent of the compression fittings on instrument tubing prior to project acceptance to prevent recurrence of emissions events due to similar causes as Incident No. 213878. The Date Required is the date of the emissions event and the Final Dates are the dates 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

\$9,000

**TOTAL**

\$26



# Compliance History Report

**TCEQ PUBLISHED** Compliance History Report for CN603592940, RN100222900, Rating Year 2015 which includes Compliance  
**Customer, Respondent, or Owner/Operator:** CN603592940, Targa Downstream LLC **Classification:** SATISFACTORY **Rating:** 4.80

**Regulated Entity:** RN100222900, MONT BELVIEU COMPLEX **Classification:** SATISFACTORY **Rating:** 7.19

**Complexity Points:** 20 **Repeat Violator:** NO

**CH Group:** 03 - Oil and Gas Extraction

**Location:** 10319 HIGHWAY 146, MONT BELVIEU, CHAMBERS COUNTY, TX 77580

**TCEQ Region:** REGION 12 - HOUSTON

## ID Number(s):

<b>POLLUTION PREVENTION PLANNING ID NUMBER</b> P03569	<b>AIR NEW SOURCE PERMITS PERMIT</b> 5452
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 12790	<b>AIR NEW SOURCE PERMITS ACCOUNT NUMBER</b> CI0022A
<b>AIR NEW SOURCE PERMITS PERMIT</b> 18929	<b>AIR NEW SOURCE PERMITS PERMIT</b> 22088
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 75496	<b>AIR NEW SOURCE PERMITS AFS NUM</b> 4807100010
<b>AIR NEW SOURCE PERMITS PERMIT</b> 56431	<b>AIR NEW SOURCE PERMITS PERMIT</b> 56435
<b>AIR NEW SOURCE PERMITS EPA PERMIT</b> PSDTX696M1	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 81866
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 82049	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 82076
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 84814	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 91519
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 89284	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 94872
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 94786	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 98061
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 97147	<b>AIR NEW SOURCE PERMITS PERMIT</b> 101616
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 101895	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 129536
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 109750	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 120000
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 109040	<b>AIR NEW SOURCE PERMITS EPA PERMIT</b> PSDTX817
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 110145	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 107237
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 106129	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 131418
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 119145	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 112896
<b>AIR NEW SOURCE PERMITS EPA PERMIT</b> N214	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 109927
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 113495	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 119978
<b>AIR NEW SOURCE PERMITS EPA PERMIT</b> GHGPSDTX26	<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 118675
<b>AIR NEW SOURCE PERMITS REGISTRATION</b> 109309	<b>AIR OPERATING PERMITS ACCOUNT NUMBER</b> CI0022A
<b>AIR OPERATING PERMITS PERMIT</b> 612	<b>AIR OPERATING PERMITS PERMIT</b> 615
<b>INDUSTRIAL AND HAZARDOUS WASTE EPA ID</b> TXD980625974	<b>INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE</b> REGISTRATION # (SWR) 31048
<b>AIR EMISSIONS INVENTORY ACCOUNT NUMBER</b> CI0022A	<b>AIR EMISSIONS INVENTORY ACCOUNT NUMBER</b> CI0021C

**Compliance History Period:** September 01, 2010 to August 31, 2015 **Rating Year:** 2015 **Rating Date:** 09/01/2015

**Date Compliance History Report Prepared:** January 21, 2016

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** January 21, 2011 to January 21, 2016

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

**Name:** Carol McGrath

**Phone:** (210) 403-4063

## 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: 02/24/2013 ADMINORDER 2012-0654-AIR-E (1660 Order-Agreed Order With Denial)
- Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: General Terms and Conditions OP  
Special Term and Condition 3(B)(iv)(3) OP  
Description: Failed to maintain records of quarterly visible emissions observations from stationary vents for emissions units. Specifically, records of quarterly visible emissions observations were not being maintained for engines FE-1, FE-3, G-1, G-2, G-3, G-5, and G-6.  
Classification: Moderate  
Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)  
5C THSC Chapter 382 382.085(b)  
Description: Failed to conduct LDAR monitoring on 10,863 components in VOC service. Specifically, the Respondent did not conduct quarterly LDAR monitoring on 8,325 valves and 2,538 pressure relief valves that are two inches or less prior to March 2010.  
Classification: Minor  
Citation: 30 TAC Chapter 115, SubChapter D 115.356(2)(E)(iv)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: Special Term and Condition 1(A) OP  
Description: Failed to maintain records of the date leaking components were repaired. Specifically, from August 13, 2007 to August 2, 2010, compressors COMP2, COMP3, COMP5, 5-C1, 16-C1, 16-C2, and pump P7-7 were placed on delay of repair, but no records of repairs were made before they passed quarterly monitoring.  
Classification: Minor  
Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: Special Condition 3.E. PERMIT  
Special Condition 9.E. PERMIT  
Special Term and Condition 1(A) OP  
Special Term and Condition 8 OP  
Description: Failed to equip each open-ended line or valve with a cap, blind flange, plug, or a second valve. Specifically, 16 open-ended lines and/or valves in regular VOC service were documented during the period of September 12, 2009 through August 28, 2010.  
Classification: Minor  
Citation: 30 TAC Chapter 117, SubChapter B 117.310(f)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: Special Term and Condition 1(A) OP  
Description: Failed to restrict the operation of stationary diesel or dual-fuel engines for testing and maintenance to between the hours of 12:00 p.m. and 5:59 a.m. Specifically, the Respondent conducted a weekly test on engine FE-1 from 7:35 a.m. to 8:05 a.m. and engine FE-3 from 8:00 a.m. to 8:40 a.m. on December 21, 2009, and a bi-weekly test on engine G-3 from 7:35 a.m. to 8:05 a.m. and engine G-6 from 8:10 a.m. to 8:40 a.m. on February 3, 2011.  
Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.142(b)(2)(B)  
5C THSC Chapter 382 382.085(b)  
Description: Failed to include applicable requirements of 30 TEX. ADMIN. CODE ch. 115, Subchapter D, Division 3 for Emission Point Numbers 1-5 in FOP No. 0615. Also, failed to specify that FUG-R-LOAD1 and FUG-R-LOAD2 are in the FUG-LOAD group.  
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 OP  
Description: Failed to report all instances of deviations. Specifically, the semi-annual deviation reports for the reporting periods from August 27, 2009 through February 26, 2010 and February 27, 2010 through August 26, 2010 did not include six deviations.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
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: Special Condition 1 PERMIT  
ST&C 17 OP

Description: Failed to comply with the maximum allowable hourly emissions rates.

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: Special Condition 6 PERMIT  
ST&C 17 OP

Description: Failed to meet the minimum required VOC destruction removal efficiency of 99.5% for EPN RTO-1 and 99% for EPN RTO-2.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(1)  
5C THSC Chapter 382 382.085(b)

Description: Failed to comply with the representations with regard to construction plans in a permit application.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
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: Special Conditions No. 1 PERMIT  
Special Terms and Conditions No. 17 OP

Description: Failed to comply with annual emissions rates.

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: Special Condition 1 PERMIT  
Special Conditions No. 1 PERMIT  
Special Terms and Conditions No. 17 OP

Description: Failed to prevent unauthorized emissions.

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: Special Conditions No. 6 PERMIT  
ST&C 17 OP

Description: Failed to conduct stack testing within 60 days of achieving the maximum operating rate.

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 30, 2011	(878153)
Item 2	January 11, 2012	(970402)
Item 3	March 22, 2012	(971040)
Item 4	February 08, 2013	(1056878)
Item 5	April 12, 2013	(1075596)
Item 6	August 27, 2013	(1073218)
Item 7	January 20, 2015	(1217385)
Item 8	February 20, 2015	(1192952)
Item 9	October 26, 2015	(1260403)

**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.

N/A

**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**

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## ***Addendum to Compliance History Federal Enforcement Actions***

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***Reg Entity Name:*** MONT BELVIEU FRACTIONATOR

***Reg Entity Add:*** 10119 HWY. 146 N.

***Reg Entity City:*** MONT BELVIEU

***Reg Entity No:*** RN100222900

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***EPA Case No:*** 06-2011-3302

***Order Issue Date (yyyymmdd):*** 20101028

***Case Result:*** Final Order No Penalty

***Statute:*** CAA

***Sect of Statute:*** 502

***Classification:*** Minor

***Program:*** State Permit Programs

***Citation:***

***Violation Type:***

***Cite Sect:***

***Cite Part:***

***Enforcement Action:*** Administrative Compliance Orders

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
TARGA DOWNSTREAM LLC  
RN100222900**

§  
§  
§  
§  
§

**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

**AGREED ORDER  
DOCKET NO. 2016-0130-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 Targa Downstream LLC ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas fractionating plant located at 10319 Highway 146 in Mont Belvieu, Chambers 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 January 20, 2016.
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 Ten Thousand One Hundred Twenty-Five Dollars (\$10,125) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Four Thousand Fifty Dollars (\$4,050) of the administrative penalty and Two Thousand Twenty-Five Dollars (\$2,025)

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. Four Thousand Fifty Dollars (\$4,050) 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 to prevent recurrence of emissions events due to similar causes as Incident No. 213878:
  - a. On May 11, 2015, replaced the compression fitting and inspected all compression fittings and instrument tubing on the skid;
  - b. On June 24, 2015, clarified proper installation instructions for the compression fittings and instrument tubing and retrained technicians on proper installation; and
  - c. On July 9, 2015, updated the project completion checklist to include a secondary visual and physical quality check of at least ten percent of the compression fittings on instrument tubing prior to project acceptance.
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 prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), New Source Review Permit No. 22088, Special Conditions No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 15, 2015. Specifically, the Respondent released 4,106 pounds of propylene from the Terminal Process Fugitives, Emissions Point Number FUG-TERM2, during an emissions event (Incident No. 213878) that began on May 11, 2015 and lasted for one hour and 44 minutes. The emissions event occurred when a tubing connection disconnected from the bottom of a high pressure shutdown switch servicing a propylene pipeline metering junction station due to the fitting not being properly swaged during installation. Since the emissions event could have been avoided through better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

## 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: Targa Downstream LLC, Docket No. 2016-0130-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, Four Thousand Fifty Dollars (\$4,050) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. The effective date of this Order is the date it is signed by the Commission. 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

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
For the Executive Director

8/8/16  
\_\_\_\_\_  
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

4/1/2016  
\_\_\_\_\_  
Date

FRANCIS FORET  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Targa Downstream LLC

SENIOR VICE PRESIDENT 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: 2016-0130-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Targa Downstream LLC</b>
<b>Penalty Amount:</b>	<b>Eight Thousand One Hundred Dollars (\$8,100)</b>
<b>SEP Offset Amount:</b>	<b>Four Thousand Fifty Dollars (\$4,050)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Anahuac Independent School District</b>
<b>Project Name:</b>	<b><i>Clean School Bus Project</i></b>
<b>Location of SEP:</b>	<b>Texas Air Quality Control Region 216, Houston - Galveston</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 **Anahuac Independent School District** for the *Clean School Bus 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 purchase a lower-emission school bus that is model year 2010 or newer (“Replacement Bus”) to replace a bus that is model year 1995 (“Older Bus”), thus removing the Older Bus from the roads. The Third-Party Administrator shall ensure that the Replacement Bus has an engine that meets 2010 EPA Standards. The Third-Party Administrator certifies that the Older Bus is currently in use, driven on a regular route on a weekly basis for at least the past two years. The Third-Party Administrator shall own and operate the Replacement Bus for at least five years following the date of purchase. 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

The SEP will benefit air quality by reducing harmful exhaust emissions from an older school bus. Older school bus engines emit larger amounts of nitrogen oxides and particulate matter, as well as other harmful pollutants such as volatile organic compounds and carbon monoxide than new buses. These pollutants contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma, especially in children. The Project will reduce these emissions by replacing a model year 1995 school bus with a new, lower-emission bus.

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 **Anahuac Independent School District SEP** and shall mail the contribution with a copy of the Agreed Order to:

Anahuac Independent School District  
Attention: Rosie Womack, Business Manager  
P.O. Box 638  
Anahuac, Texas 77514

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the 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:

Targa Downstream LLC  
Agreed Order - Attachment A

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

**4. Failure to Fully Perform**

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

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

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

**5. Publicity**

Any public statements concerning this SEP 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.

Targa Downstream LLC  
Agreed Order - Attachment A

**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 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.