

Executive Summary – Enforcement Matter – Case No. 52051
Shell Chemical LP
RN100209832
Docket No. 2016-0406-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Shell Technology Center Houston, 3333 Highway 6 South, Houston, Harris County

Type of Operation:

Research and development center

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: July 8, 2016

Comments Received: No

Penalty Information

Total Penalty Assessed: \$7,688

Amount Deferred for Expedited Settlement: \$1,537

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$6,151

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$0

Name of SEP: N/A

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: December 30, 2015 through January 11, 2016

Date(s) of NOE(s): February 29, 2016

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Shell Chemical LP
RN100209832
Docket No. 2016-0406-AIR-E

Violation Information

1. Failed to submit a deviation report, including all instances of deviation, no later than 30 days after the end of the reporting period. Specifically, the deviation report for the July 21, 2014 through January 20, 2015 reporting period was due by February 19, 2015, but was not submitted until February 20, 2015 and did not include a deviation for failing to submit an initial notification within 24 hours of discovery for a reportable emissions event that occurred on January 17, 2015 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A) and (C), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O1604, General Terms and Conditions].
2. Failed to maintain a net heating value of 200 British thermal units per standard cubic foot ("Btu/scf") or greater for the 60A-Flare, Unit ID S-4. Specifically, the net heating value of the flare fell below 200 Btu/scf on May 24, 2015 for eight hours [30 TEX. ADMIN. CODE §§ 101.20(1), 106.476, 106.492(2)(A), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CODE OF FEDERAL REGULATIONS § 60.18(c)(3)(ii), and FOP No. O1604, Special Terms and Conditions No. 1.A].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. On August 18, 2015, submitted a revised deviation report for the July 21, 2014 to January 20, 2015 reporting period to include a deviation for failing to submit an initial notification within 24 hours of discovery for a reportable emissions event that occurred on January 17, 2015; and
- b. By August 18, 2015, revised the standard operating procedures for maintaining the net heating value for the 60-A Flare, Unit ID S-4, when there is a power failure.

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, implement measures to ensure deviation reports are submitted in a timely manner and are complete; and
- b. Within 45 days, submit written certification to demonstrate compliance with a.

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Shell Chemical LP
RN100209832
Docket No. 2016-0406-AIR-E

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Rajesh Acharya, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-0577; Michael Parrish, Enforcement Division,
MC 219, (512) 239-2548
TCEQ SEP Coordinator: N/A
Respondent: Beth Collier, HSE Specialist, Shell Chemical LP, 3333 Highway 6 South,
Houston, Texas 77071
Kelly R. Showalter, Site Manager, Shell Technology Center Houston, 3333 Highway 6
South, Houston, Texas 77071
Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

TCEQ

DATES	Assigned	7-Mar-2016	Screening	17-Mar-2016	EPA Due	
	PCW	17-Mar-2016				

RESPONDENT/FACILITY INFORMATION			
Respondent	Shell Chemical LP		
Reg. Ent. Ref. No.	RN100209832		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	52051	No. of Violations	2
Docket No.	2016-0406-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rajesh Acharya
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

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

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	\$145
Estimated Cost of Compliance	\$3,250

*Capped at the Total EB \$ Amount

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

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment **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 17-Mar-2016

Docket No. 2016-0406-AIR-E

PCW

Respondent Shell Chemical LP

Policy Revision 4 (April 2014)

Case ID No. 52051

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100209832

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	3	15%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	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%
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) 15%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for three NOVs with same/similar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 15%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 15%

Screening Date 17-Mar-2016
Respondent Shell Chemical LP
Case ID No. 52051
Reg. Ent. Reference No. RN100209832
Media [Statute] Air
Enf. Coordinator Rajesh Acharya
Violation Number 1

Docket No. 2016-0406-AIR-E

PCW

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

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A) and (C), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit ("FOP") No. O1604, General Terms and Conditions

Violation Description Failed to submit a deviation report, including all instances of deviation, no later than 30 days after the end of the reporting period. Specifically, the deviation report for the July 21, 2014 through January 20, 2015 reporting period was due by February 19, 2015, but was not submitted until February 20, 2015 and did not include a deviation for failing to submit an initial notification within 24 hours of discovery for a reportable emissions event that occurred on January 17, 2015.

Base Penalty \$25,000

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0.0%
	Potential				

>> **Programmatic Matrix**

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
		X			15.0%
100% of the rule requirement was not met.					

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events

 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	

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

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$127

Violation Final Penalty Total \$4,313

This violation Final Assessed Penalty (adjusted for limits) \$4,313

Economic Benefit Worksheet

Respondent Shell Chemical LP
Case ID No. 52051
Reg. Ent. Reference No. RN100209832
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$1,500	19-Feb-2015	1-Oct-2016	1.62	\$121	n/a	\$121
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	19-Feb-2015	18-Aug-2015	0.49	\$6	n/a	\$6

Notes for DELAYED costs

Estimated cost to implement measures to ensure deviation reports are submitted in a timely manner and are complete (\$1,500) and to submit a revised deviation report for the July 21, 2014 to January 20, 2015 reporting period to include a deviation for failing to submit an initial notification within 24 hours of discovery for a reportable emissions event that occurred on January 17, 2015 (\$250). Date Required is the date the deviation report was due. Final Dates are the estimated date of compliance and compliance date.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,750

TOTAL

\$127

Screening Date 17-Mar-2016

Docket No. 2016-0406-AIR-E

PCW

Respondent Shell Chemical LP

Policy Revision 4 (April 2014)

Case ID No. 52051

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100209832

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(1), 106.476, 106.492(2)(A), and 122.143(4), Tex. Health & Safety Code § 382.085(b), 40 Code of Federal Regulations § 60.18(c)(3)(ii), and FOP No. O1604, Special Terms and Conditions No. 1.A.

Violation Description

Failed to maintain a net heating value of 200 British thermal units per standard cubic foot ("Btu/scf") or greater for the 60A-Flare, Unit ID S-4. Specifically, the net heating value of the flare fell below 200 Btu/scf on May 24, 2015 for eight hours.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants 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 1

1 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended for the instance of non-compliance that occurred on May 24, 2015.

Good Faith Efforts to Comply

25.0%

Reduction \$937

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

Extraordinary	
Ordinary	X
N/A	

Notes

The Respondent came into compliance by August 18, 2015, before the Notice of Enforcement dated February 29, 2016.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$18

Violation Final Penalty Total \$3,376

This violation Final Assessed Penalty (adjusted for limits) \$3,376

Economic Benefit Worksheet

Respondent Shell Chemical LP
Case ID No. 52051
Reg. Ent. Reference No. RN100209832
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
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$1,500	24-May-2015	18-Aug-2015	0.24	\$18	n/a	\$18
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 standard operating procedures for maintaining the net heating value for the 60-A Flare, Unit ID S-4, when there is a power failure. Date Required is the date of non-compliance. Final Date is the compliance date.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$1,500	TOTAL	\$18
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TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN601405145, RN100209832, Rating Year 2015 which includes Compliance History (CH) components from September 1, 2010, through August 31, 2015.

Customer, Respondent, or Owner/Operator: CN601405145, Shell Chemical LP **Classification:** SATISFACTORY **Rating:** 7.62
Regulated Entity: RN100209832, SHELL TECHNOLOGY CENTER HOUSTON **Classification:** SATISFACTORY **Rating:** 0.63
Complexity Points: 29 **Repeat Violator:** NO
CH Group: 14 - Other
Location: 3333 HIGHWAY 6 S HOUSTON, TX 77082-3101, HARRIS COUNTY
TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0657D

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXR000017236

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 31304

WASTEWATER EPA ID TX0052761

AIR NEW SOURCE PERMITS REGISTRATION 10890

AIR NEW SOURCE PERMITS REGISTRATION 50309

AIR NEW SOURCE PERMITS PERMIT 1190

AIR NEW SOURCE PERMITS REGISTRATION 91674

AIR NEW SOURCE PERMITS REGISTRATION 51455

AIR NEW SOURCE PERMITS REGISTRATION 133463

IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 31304

STORMWATER PERMIT TXR05AX09

POLLUTION PREVENTION PLANNING ID NUMBER P00618

Compliance History Period: September 01, 2010 to August 31, 2015

Rating Year: 2015

Rating Date: 09/01/2015

Date Compliance History Report Prepared: March 09, 2016

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: March 09, 2011 to March 09, 2016

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

Name: Rajesh Acharya

Phone: (512) 239-0577

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

N/A

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 23, 2011	(916897)
Item 2	April 24, 2011	(926737)
Item 3	May 25, 2011	(938613)
Item 4	June 25, 2011	(945981)
Item 5	July 24, 2011	(953243)
Item 6	August 25, 2011	(959881)
Item 7	September 25, 2011	(965922)
Item 8	October 25, 2011	(971964)
Item 9	November 24, 2011	(978129)
Item 10	December 22, 2011	(984900)
Item 11	January 24, 2012	(991188)
Item 12	February 09, 2012	(983659)
Item 13	February 24, 2012	(998555)
Item 14	March 23, 2012	(1004085)
Item 15	April 25, 2012	(1010650)
Item 16	July 25, 2012	(1020037)
Item 17	August 31, 2012	(1032146)
Item 18	October 23, 2012	(1029458)

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: 04/28/2015 (1229546) CN601405145
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter D 106.124(5)
 30 TAC Chapter 116, SubChapter B 116.110(a)(4)
 5C THSC Chapter 382 382.085(b)
Description: Failure to meet the demonstration criteria for an affirmative defense for
 unauthorized emissions during an emissions event. (Category B13)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
 5C THSC Chapter 382 382.085(b)
Description: Failure to include the required information of the reportable emission event in the
 final report. (Category C3)
- 2 Date: 05/08/2015 (1247202) CN601405145
Self Report? NO 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)
 Special Term and Condition 1A OP
Description: Failure to comply with the operating restrictions for stationary diesel engines.
 (Category C1)
Self Report? YES Classification: Moderate
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)
 General Terms and Conditions OP
Description: Failure to report all instances of deviations. (Category B3)
- 3 Date: 02/29/2016 (1295472) CN601405145
Self Report? NO Classification: Moderate
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)

Description: Special Term and Condition 1A OP
Failure to operate emergency engines outside of the hours of 6 AM to noon.
(Category C1)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Term and Condition 2F OP

Description: Failure to notify the region within 24 hours after discovery of an emission event.
(B3)

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
SHELL CHEMICAL LP
RN100209832

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2016-0406-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 Shell Chemical LP (the "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 research and development center located at 3333 Highway 6 South in Houston, Harris County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$7,688 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$6,151 of the penalty and \$1,537 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.
5. 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). 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.

6. 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 Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant:
 - a. On August 18, 2015, submitted a revised deviation report for the July 21, 2014 to January 20, 2015 reporting period to include a deviation for failing to submit an initial notification within 24 hours of discovery for a reportable emissions event that occurred on January 17, 2015; and
 - b. By August 18, 2015, revised the standard operating procedures for maintaining the net heating value for the 60-A Flare, Unit ID S-4, when there is a power failure.

II. ALLEGATIONS

During a record review conducted from December 30, 2015 through January 11, 2016, an investigator documented that the Respondent:

1. Failed to submit a deviation report, including all instances of deviation, no later than 30 days after the end of the reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A) and (C), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. 01604, General Terms and Conditions. Specifically, the deviation report for the July 21, 2014 through January 20, 2015 reporting period was due by February 19, 2015, but was not submitted until February 20, 2015 and did not include a deviation for failing to submit an initial notification within 24 hours of discovery for a reportable emissions event that occurred on January 17, 2015.
2. Failed to maintain a net heating value of 200 British thermal units per standard cubic foot ("Btu/scf") or greater for the 60A-Flare, Unit ID S-4, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 106.476, 106.492(2)(A), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CODE OF FEDERAL REGULATIONS § 60.18(c)(3)(ii), and FOP No. 01604, Special Terms and Conditions No. 1.A. Specifically, the net heating value of the flare fell below 200 Btu/scf on May 24, 2015 for eight hours.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this 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. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Shell Chemical LP, Docket No. 2016-0406-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 undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Order, implement measures to ensure deviation reports are submitted in a timely manner and are complete; and
 - b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be signed by the Respondent and shall include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Street, Suite H
Houston, Texas 77023-1486

3. All relief not expressly granted in this Order is denied.
4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this 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 Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this 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. Extension requests shall be sent to the Order Compliance Team at the address listed above.
7. This 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 Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this 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 Order shall constitute an original signature for all purposes and may be used, filed, substituted, or

issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

9. 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

Ramona Marcia Jr

For the Executive Director

8/19/16

Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, 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.

Gregory B. Shwartz

Signature

6/9/16

Date

Name (Printed or typed)
Authorized Representative of
Shell Chemical LP

Title

Instructions: Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Order.

If mailing address has changed, please check this box and provide the new address below: