

Executive Summary – Enforcement Matter – Case No. 51772

INEOS USA LLC

RN100229905

Docket No. 2016-0104-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

INEOS Polyethylene North America La Porte Plant, 1230 Independence Parkway South,
La Porte, Harris County

Type of Operation:

Chemical manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: July 8, 2016

Comments Received: No

Penalty Information

Total Penalty Assessed: \$45,000

Amount Deferred for Expedited Settlement: \$9,000

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$36,000

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: June 5, 2015

Date(s) of NOE(s): December 4, 2015

**Executive Summary – Enforcement Matter – Case No. 51772
INEOS USA LLC
RN100229905
Docket No. 2016-0104-AIR-E**

Violation Information

Failed to repair leaking components by the end of the next process unit shutdown. Specifically, two components, Tag Nos. 120700 and 123502, were discovered leaking on October 28, 2010 and October 17, 2012, respectively, and were not repaired during the next unit shutdown ending March 7, 2013, resulting in the unauthorized release of approximately 5.24 tons of volatile organic compounds. Also, two components, Tag Nos. 99533 and 20477, were discovered leaking on August 10, 2009 and September 13, 2010, respectively, and were not repaired during the next unit shutdown ending May 14, 2013, resulting in the unauthorized release of approximately 1.56 tons of volatile organic compounds [30 TEX. ADMIN. CODE §§ 101.20(1), 115.782(c)(1)(B)(iv), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.482-9(a), New Source Review Permit No. 49823, Special Conditions No. 2, Federal Operating Permit No. O1439, Special Terms and Conditions Nos. 1.A. and 11, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

By April 30, 2016, the Respondent repaired Tag Nos. 99533 and 20477 during the April 2016 turnaround.

Technical Requirements:

The Order will require the Respondent to:

- a. Within 180 days, machine the flange faces and replace the gaskets on the two exchanger head flanges, Tag Nos. 120700 and/or 123502, to demonstrate that the components were repaired or replace Tag Nos. 120700 and/or 123502; and
- b. Within 195 days, submit written certification to demonstrate compliance with 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

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INEOS USA LLC

RN100229905

Docket No. 2016-0104-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: David Carney, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-2583; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

TCEQ SEP Coordinator: N/A

Respondent: Robert Bradshaw, Site Manager, INEOS USA LLC, 1230 Independence Parkway South, La Porte, Texas 77571

Respondent's Attorney: Matt Kuryla, Baker Botts LLP, 910 Louisiana, Suite 3525, Houston, Texas 77002



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	7-Dec-2015	Screening	22-Jan-2016	EPA Due	
	PCW	13-May-2016				

RESPONDENT/FACILITY INFORMATION

Respondent	INEOS USA LLC		
Reg. Ent. Ref. No.	RN100229905		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	51772	No. of Violations	1
Docket No.	2016-0104-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	David Carney
		EC's Team	Enforcement Team 4

Admin. Penalty \$ Limit Minimum Maximum

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: Enhancement for one NOV with same/similar violations, three NOVs with dissimilar violations, three agreed orders containing a denial of liability, and one court order containing a denial of liability.

Culpability Enhancement **Subtotal 4**

Notes: The Respondent does not meet the culpability criteria.

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

Economic Benefit Enhancement* **Subtotal 6**

Total EB Amounts
Estimated Cost of Compliance *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:

Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 22-Jan-2016

Docket No. 2016-0104-AIR-E

PCW

Respondent INEOS USA LLC

Policy Revision 4 (April 2014)

Case ID No. 51772

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100229905

Media [Statute] Air

Enf. Coordinator David Carney

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>)	1	5%
	Other written NOVs	3	6%
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>)	1	30%
	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)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with same/similar violations, three NOVs with dissimilar violations, three agreed orders containing a denial of liability, and one court order containing a denial of liability.

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

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100%

Screening Date 22-Jan-2016

Docket No. 2016-0104-AIR-E

PCW

Respondent INEOS USA LLC

Policy Revision 4 (April 2014)

Case ID No. 51772

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100229905

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1), 115.782(c)(1)(B)(iv), 116.115(c), and 122.143(4), 40 Code of Federal Regulations § 60.482-9(a), New Source Review Permit No. 49823, Special Conditions No. 2, Federal Operating Permit No. O1439, Special Terms and Conditions Nos. 1.A. and 11, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to repair leaking components by the end of the next process unit shutdown. Specifically, two components, Tag Nos. 120700 and 123502, were discovered leaking on October 28, 2010 and October 17, 2012, respectively, and were not repaired during the next unit shutdown ending March 7, 2013, resulting in the unauthorized release of approximately 5.24 tons of volatile organic compounds ("VOC"). Also, two components, Tag Nos. 99533 and 20477, were discovered leaking on August 10, 2009 and September 13, 2010, respectively, and were not repaired during the next unit shutdown ending May 14, 2013, resulting in the unauthorized release of approximately 1.56 tons of VOC.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), and Percent (15.0%). An 'X' is marked in the Actual/Moderate cell.

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, and 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 6 1051 Number of violation days

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

Violation Base Penalty \$22,500

Six semiannual events are recommended from the March 7, 2013 initial date of non-compliance to the January 22, 2016 screening date.

Good Faith Efforts to Comply

Table for Good Faith Efforts: 0.0% reduction, columns for Before NOE/NOV and NOE/NOV to EDPRP/Settlement Offer, rows for Extraordinary, Ordinary, N/A (marked with X).

Reduction \$0

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

Violation Subtotal \$22,500

Economic Benefit (EB) for this violation

Estimated EB Amount \$4,194

Statutory Limit Test

Violation Final Penalty Total \$45,000

This violation Final Assessed Penalty (adjusted for limits) \$45,000

Economic Benefit Worksheet

Respondent INEOS USA LLC
Case ID No. 51772
Reg. Ent. Reference No. RN100229905
Media Air
Violation No. 1

Percent Interest 5.0
Years of Depreciation 15

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

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$10,000	14-May-2013	30-Apr-2016	2.96	\$99	\$1,976	\$2,075
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)	\$10,000	7-Mar-2013	1-Jun-2017	4.24	\$2,119	n/a	\$2,119

Notes for DELAYED costs

Estimated delayed costs to repair or replace Tag Nos. 99533, 20477, 120700, and 123502 during the next shutdown scheduled for the process area. The Dates Required are the initial dates of non-compliance and the Final Dates are the date of compliance and the estimated date of compliance.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$20,000

TOTAL

\$4,194



Compliance History Report

PUBLISHED Compliance History Report for CN602817884, RN100229905, Rating Year 2015 which includes Compliance History (CH) components from September 1, 2010, through August 31, 2015.

Customer, Respondent, or Owner/Operator:	CN602817884, INEOS USA LLC	Classification:	SATISFACTORY	Rating:	5.32
Regulated Entity:	RN100229905, INEOS Polyethylene North America La Porte Plant	Classification:	SATISFACTORY	Rating:	2.75
Complexity Points:	26	Repeat Violator:	NO		
CH Group:	05 - Chemical Manufacturing				
Location:	1230 INDEPENDENCE PARKWAY SOUTH, LA PORTE, TEXAS 77571-9811, HARRIS COUNTY				
TCEQ Region:	REGION 12 - HOUSTON				

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0665E
AIR OPERATING PERMITS PERMIT 3758
POLLUTION PREVENTION PLANNING ID NUMBER P00633

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD980625958

WASTEWATER EPA ID TX0006033

AIR NEW SOURCE PERMITS PERMIT 18968

AIR NEW SOURCE PERMITS REGISTRATION 33637

AIR NEW SOURCE PERMITS REGISTRATION 42369

AIR NEW SOURCE PERMITS AFS NUM 4820100004

AIR NEW SOURCE PERMITS REGISTRATION 84619

AIR NEW SOURCE PERMITS REGISTRATION 87828

AIR NEW SOURCE PERMITS REGISTRATION 95296

AIR NEW SOURCE PERMITS PERMIT 106824

AIR NEW SOURCE PERMITS REGISTRATION 109122

AIR NEW SOURCE PERMITS REGISTRATION 111004

AIR NEW SOURCE PERMITS REGISTRATION 111012

AIR NEW SOURCE PERMITS REGISTRATION 110997

PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1011097

STORMWATER PERMIT TXR150012058

AIR OPERATING PERMITS PERMIT 1439

AIR OPERATING PERMITS ACCOUNT NUMBER HG0665E

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30704

WASTEWATER PERMIT WQ0000544000

AIR NEW SOURCE PERMITS PERMIT 49823

AIR NEW SOURCE PERMITS REGISTRATION 28146

AIR NEW SOURCE PERMITS REGISTRATION 41293

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG0665E

AIR NEW SOURCE PERMITS REGISTRATION 90452

AIR NEW SOURCE PERMITS REGISTRATION 89308

AIR NEW SOURCE PERMITS REGISTRATION 91942

AIR NEW SOURCE PERMITS REGISTRATION 101642

AIR NEW SOURCE PERMITS REGISTRATION 131495

AIR NEW SOURCE PERMITS REGISTRATION 110990

AIR NEW SOURCE PERMITS REGISTRATION 117510

AIR NEW SOURCE PERMITS REGISTRATION 110971

PETROLEUM STORAGE TANK REGISTRATION REGISTRATION 57482

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG0665E

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

Date Compliance History Report Prepared: January 22, 2016

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 22, 2011 to January 22, 2016

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

Name: David Carney

Phone: (512) 239-2583

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: 08/27/2011 ADMINORDER 2011-0406-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Permit No. 49823, Special Condition 2 PERMIT
Permit No. 49829, Spec Cond 3B PERMIT
Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,155.98 pounds ("lbs") of isobutene, 973.73 lbs of ethylene, 46.33 lbs of hexane, 35.72 lbs of propane, and 21.08 lbs of butenes from the Polyethylene Flare ("PE Flare") during an avoidable emissions event (Incident No. 146459) that began on October 21, 2010 and lasted for one hour and 22 minutes.
- 2 Effective Date: 06/08/2012 ADMINORDER 2011-2221-IWD-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(1)
30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: Eff. Lim. & Mon. Req. No. 1, Outfall 005 PERMIT
Other Requirements No. 4 PERMIT
Description: Failure to comply with permit effluent limits as documented by a TCEQ record review of self-reported data.
Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
30 TAC Chapter 305, SubChapter F 305.125(17)
Rqmt Prov: Mon. & Rep. Req. No. 1 PERMIT
Other Requirements No. 6 PERMIT
Description: Failure to timely submit the annual DMR for Outfall No. 001 for the monitoring period ending August 31, 2010.
- 3 Effective Date: 06/17/2012 ADMINORDER 2011-2264-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter B 117.335(a)(4)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Terms and Conditions 1A OP
Description: Failure to conduct stack testing for heaters PE-H11, PE-H16, and PE-H19 by March 31, 2007. (Category A8 (c)(1)(G) - HPV Violation)
- 4 Effective Date: 01/16/2013 COURTOORDER (Final Judgement-Agreed Order With Denial)
Classification: Moderate
Citation: 2A TWC Chapter 7, SubChapter A 7.101
2D TWC Chapter 26, SubChapter A 26.121(a)(1)
Description: Defendant violated the Water Code Sections 7.101 and 26.121(a)(1), by causing, suffering, allowing, or permitting the discharge or imminent threat of discharge of industrial solid waste into or adjacent to any water in the State without authorization. Specifically, HCPCSD investigations documented that Defendant discharged plastic polymers into the Phillips Ditch near the Facility.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	February 18, 2011	(909091)
Item 2	April 18, 2011	(924817)
Item 3	June 09, 2011	(922272)
Item 4	June 16, 2011	(945400)
Item 5	July 20, 2011	(952629)
Item 6	August 17, 2011	(959310)
Item 7	August 31, 2011	(965343)
Item 8	October 20, 2011	(971383)

Published Compliance History Report for CN602817884, RN100229905, Rating Year 2015 which includes Compliance History (CH) components from January 22, 2011, through January 22, 2016.

Item 9	December 19, 2011	(984310)
Item 10	January 20, 2012	(990611)
Item 11	February 14, 2012	(997972)
Item 12	February 16, 2012	(950734)
Item 13	March 13, 2012	(990278)
Item 14	March 20, 2012	(1003496)
Item 15	May 18, 2012	(1016455)
Item 16	May 23, 2012	(1006818)
Item 17	May 31, 2012	(1008411)
Item 18	June 20, 2012	(1024174)
Item 19	June 27, 2012	(1013323)
Item 20	July 20, 2012	(1031569)
Item 21	August 17, 2012	(1037946)
Item 22	September 20, 2012	(1046679)
Item 23	October 16, 2012	(1060891)
Item 24	November 19, 2012	(1060892)
Item 25	January 17, 2013	(1078976)
Item 26	February 20, 2013	(1078975)
Item 27	March 13, 2013	(1089312)
Item 28	April 17, 2013	(1095706)
Item 29	June 19, 2013	(1110307)
Item 30	July 22, 2013	(1100833)
Item 31	August 20, 2013	(1124947)
Item 32	September 20, 2013	(1129547)
Item 33	October 18, 2013	(1050563)
Item 34	November 06, 2013	(1116990)
Item 35	February 18, 2014	(1160539)
Item 36	March 18, 2014	(1167184)
Item 37	April 15, 2014	(1174317)
Item 38	June 18, 2014	(1187403)
Item 39	July 18, 2014	(1198555)
Item 40	August 19, 2014	(1198556)
Item 41	September 19, 2014	(1205808)
Item 42	September 30, 2014	(1186193)
Item 43	October 15, 2014	(1212220)
Item 44	November 13, 2014	(1218472)
Item 45	December 18, 2014	(1224251)
Item 46	January 19, 2015	(1230778)
Item 47	February 17, 2015	(1242288)
Item 48	March 20, 2015	(1248617)
Item 49	April 17, 2015	(1255517)
Item 50	April 24, 2015	(1239420)
Item 51	May 27, 2015	(1245363)
Item 52	June 16, 2015	(1269396)
Item 53	August 19, 2015	(1283119)
Item 54	September 18, 2015	(1290258)
Item 55	October 20, 2015	(1296462)
Item 56	November 17, 2015	(1301915)

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: 04/30/2015 (1262227) CN602817884
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

- 2 Date: 06/30/2015 (1276942) CN602817884
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)

Description: 30 TAC Chapter 305, SubChapter F 305.125(1)
Failure to meet the limit for one or more permit parameter

3

Date: 08/07/2015 (1254523) CN602817884
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 115, SubChapter H 115.783(5)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
SC 11E PERMIT
STC 1A and 13 OP

Description: Open ended lines in VOC and HRVOC service (C10).
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
30 TAC Chapter 115, SubChapter H 115.782(b)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.482-7a(d)(1)
5C THSC Chapter 382 382.085(b)
STC 1A OP

Description: Failed to repair leaking components in a timely manner (C4).
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.13(d)(1)
5C THSC Chapter 382 382.085(b)
SC 6B PERMIT
STC 13 OP

Description: Failed to conduct daily calibration/validation on CEMS (C4).
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter W 106.511
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
STC 14 OP

Description: Failed to comply with the Permit by Rule conditions for the diesel firewater pumps (B18).

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.303(a)(10)(A)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
STC 1A OP

Description: Failed to comply with the 100 hour runtime limit for a firewater pump (C4).
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC 10C PERMIT
STC 13 OP

Description: Failed to maintain average oxygen concentration in a thermal oxidizer (C1).
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter H 115.722(d)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)
5C THSC Chapter 382 382.085(b)
SC 3A PERMIT
STC 1A and 13 OP

Description: Failed to maintain flare hourly average net heating value at 300 Btu/scf (C1).

4 Date: 08/31/2015 (1274848) CN602817884

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter H 115.781(c)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(a)(2)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(d)(4)(i)
5C THSC Chapter 382 382.085(b)
FOP Special Term & Condition 1A OP

Description: Failure to conduct weekly visual, audible, and/or olfactory (AVO) for pumps and compressors. [Category C1]

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.354(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP Special Term & Condition 13 OP
FOP Special Term & Condition 1A OP
NSR Special Condition 11E PERMIT
Description: Failure to conduct weekly visual, audible, and/or olfactory (AVO) for connectors and flanges. [Category C1]

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
INEOS USA LLC
RN10022905**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2016-0104-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 INEOS USA 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, represented by Matt Kuryla of the law firm of Baker Botts LLP, together stipulate that:

1. The Respondent owns and operates a chemical manufacturing plant located at 1230 Independence Parkway South in La Porte, 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 December 9, 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 Forty-Five Thousand Dollars (\$45,000) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirty-Six Thousand Dollars (\$36,000) of the

administrative penalty and Nine Thousand Dollars (\$9,000) 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.

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 by April 30, 2016, the Respondent repaired Tag Nos. 99533 and 20477 during the April 2016 turnaround.
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 repair leaking components by the end of the next process unit shutdown, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 115.782(c)(1)(B)(iv), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS § 60.482-9(a), New Source Review Permit No. 49823, Special Conditions No. 2, Federal Operating Permit No. 01439, Special Terms and Conditions Nos. 1.A. and 11, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on June 5, 2015. Specifically, two components, Tag Nos. 120700 and 123502, were discovered leaking on October 28, 2010 and October 17, 2012, respectively, and were not repaired during the next unit shutdown ending March 7, 2013, resulting in the unauthorized release of approximately 5.24 tons of volatile organic compounds ("VOC"). Also, two components, Tag Nos. 99533 and 20477, were discovered leaking on August 10, 2009 and September 13, 2010, respectively, and were not repaired during the next unit shutdown ending May 14, 2013, resulting in the unauthorized release of approximately 1.56 tons of VOC.

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: INEOS USA LLC, Docket No. 2016-0104-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. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 180 days after the effective date of this Agreed Order, machine the flange faces and replace the gaskets on the two exchanger head flanges, Tag Nos. 120700 and/or 123502, to demonstrate that the components were repaired or replace Tag Nos. 120700 and/or 123502; and
 - b. Within 195 days after the effective date of this Agreed Order, submit written certification as described below, 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 notarized by a State of Texas Notary Public and include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

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

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.

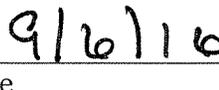
SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date





For the Executive Director

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.

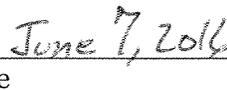
I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- 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.



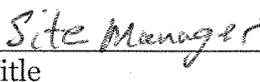
Signature



Date



Name (Printed or typed)
Authorized Representative of
INEOS USA LLC



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.