

Executive Summary – Enforcement Matter – Case No. 51986
Equistar Chemicals, LP
RN100542281
Docket No. 2016-0328-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Equistar Chemicals Channelview Complex, 8280 Sheldon Road, Channelview, 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 1, 2016

Comments Received: No

Penalty Information

Total Penalty Assessed: \$105,000

Amount Deferred for Expedited Settlement: \$21,000

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$42,000

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$42,000

Name of SEP: Barbers Hill 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

**Executive Summary – Enforcement Matter – Case No. 51986
Equistar Chemicals, LP
RN100542281
Docket No. 2016-0328-AIR-E**

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: December 4, 2015 through January 21, 2016

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

Violation Information

Failed to comply with the maximum allowable emission rates ("MAER") for the Methanol Reformer Furnace, Emission Point Number ("EPN") EHTF7001. Specifically, during a stack test conducted on April 1, 2014, the Respondent exceeded the particulate matter ("PM") MAER of 1.87 pounds per hour ("lbs/hr") by 2.61 lbs/hr for EPN EHTF7001, resulting in the unauthorized release of 41,417.12 lbs of PM emissions [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review Permit Nos. 8125, PSDTX1280, and N144, Special Conditions No. 1, and Federal Operating Permit No. O1426, Special Terms and Conditions No. 32].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

On January 19, 2016, the Respondent obtained a permit amendment for New Source Review Permit Nos. 8125, PSDTX1280, and N144 to increase the PM MAER for EPN EHTF7001.

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. 51986
Equistar Chemicals, LP
RN100542281
Docket No. 2016-0328-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Shelby Orme, Enforcement Division,
Enforcement Team 5, MC 149, (512) 239-4575; Michael Parrish, Enforcement Division,
MC 219, (512) 239-2548

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

Respondent: Todd Monette, Site Manager, Equistar Chemicals, LP, P.O. Box 777,
Channelview, Texas 77530

Respondent's Attorney: N/A

Attachment A
Docket Number: 2016-0328-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Equistar Chemicals, LP
Payable Penalty Amount:	\$84,000
SEP Offset Amount:	\$42,000
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Barbers Hill Independent School District
Project Name:	<i>Energy Efficiency Building Upgrade/Retrofit Project</i>
Location of SEP:	Chambers County

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 **Barbers Hill Independent School District** for the *Energy Efficiency Building Upgrade/Retrofit 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 pay a contractor to install and monitor sub-meters. The contractor's work will include installing revenue grade electric sub-meters in the line feed of certain facilities; installing revenue grade current transformers; incorporating all engineering, software, and graphics to accomplish effective monitoring of the status of this equipment; and a one-year warranty including parts and labor for the new sub-meters. In addition to sub-metering, the Third-Party Administrator shall use the SEP Offset Amount to pay its contractor to monitor, calibrate, and repair existing meters and to complete energy efficiency upgrades and/or retrofits based on needs identified in energy audits. 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 able to be 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 Project will result in reduced energy consumption by school district buildings and will contribute to the overall reduction of greenhouse gases. The sub-metering is expected to reduce energy consumption up to eight percent. The Project will reduce fuel and electricity usage for heating and cooling and day-to-day operations. These reductions will reduce emission of particulate matter, volatile organic carbon compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel and generation of electricity. It will also contribute to a reduction in peak loads on the State electric power grid.

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 **Barbers Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

Equistar Chemicals, LP
Agreed Order - Attachment A

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:

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 attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	7-Mar-2016	Screening	8-Mar-2016	EPA Due	27-Aug-2016
	PCW	8-Mar-2016				

RESPONDENT/FACILITY INFORMATION			
Respondent	Equistar Chemicals, LP		
Reg. Ent. Ref. No.	RN100542281		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	51986	No. of Violations	1
Docket No.	2016-0328-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Jennifer Nguyen
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$60,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	100.0% Adjustment	Subtotals 2, 3, & 7	\$60,000
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Notes: Enhancement for four NOV's with same/similar violations, two NOV's with dissimilar violations, five orders with denial of liability, two orders without a denial of liability, and one final judgement with denial of liability. Reduction for four notices of intent to conduct an audit and one disclosure of violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$15,000
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$451
 Estimated Cost of Compliance: \$5,000
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$105,000
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0% Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$105,000
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$105,000
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DEFERRAL	20.0% Reduction	Adjustment	-\$21,000
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$84,000
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Screening Date 8-Mar-2016

Docket No. 2016-0328-AIR-E

PCW

Respondent Equistar Chemicals, LP

Policy Revision 4 (April 2014)

Case ID No. 51986

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100542281

Media [Statute] Air

Enf. Coordinator Jennifer Nguyen

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>)	4	20%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	5	100%
	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	2	50%
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>)	4	-4%
	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>)	1	-2%
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) 198%

>> 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 four NOVs with same/similar violations, two NOVs with dissimilar violations, five orders with denial of liability, two orders without a denial of liability, and one final judgement with denial of liability. Reduction for four notices of intent to conduct an audit and one disclosure of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 198%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 8-Mar-2016
Respondent Equistar Chemicals, LP
Case ID No. 51986
Reg. Ent. Reference No. RN100542281
Media [Statute] Air
Enf. Coordinator Jennifer Nguyen
Violation Number 1

Docket No. 2016-0328-AIR-E

PCW

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

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), New Source Review Permit Nos. 8125, PSDTX1280, and N144, Special Conditions No. 1, and Federal Operating Permit No. O1426, Special Terms and Conditions No. 32

Violation Description

Failed to comply with the maximum allowable emissions rate ("MAER") for Methanol Reformer Furnace, Emission Point Number ("EPN") EHTF7001. Specifically, during a stack test conducted on April 1, 2014, the Respondent exceeded the particulate matter ("PM") MAER of 1.87 pounds per hour ("lbs/hr") by 2.61 lbs/hr for EPN EHTF7001, resulting in the unauthorized release of 41,417.12 lbs of PM emissions.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		X	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants that 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 8 Number of violation days 658

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$60,000

Eight quarterly events are recommended from the April 1, 2014 stack test to the January 19, 2016 compliance date

Good Faith Efforts to Comply

25.0%

Reduction \$15,000

Before NOE/NOV NOE/NOV to EDRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	

Notes The Respondent completed corrective measures on January 19, 2016, before the February 29, 2016 Notice of Enforcement.

Violation Subtotal \$45,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$451

Violation Final Penalty Total \$105,000

This violation Final Assessed Penalty (adjusted for limits) \$105,000

Economic Benefit Worksheet

Respondent Equistar Chemicals, LP
Case ID No. 51986
Reg. Ent. Reference No. RN100542281
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				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$5,000	1-Apr-2014	19-Jan-2016	1.80	\$451	n/a	\$451
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to obtain a permit amendment for NSR Permit Nos. 8125, PSDTX1280, and N144 to increase the PM MAER for EPN EHTF7001. The Date Required is the date of the stack test. The Final Date is the date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$451

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



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN600124705, RN100542281, Rating Year 2015 which includes Compliance History (CH) components from September 1, 2010, through August 31, 2015.

Customer, Respondent, or Owner/Operator: CN600124705, Equistar Chemicals, LP **Classification:** SATISFACTORY **Rating:** 5.23

Regulated Entity: RN100542281, EQUISTAR CHEMICALS CHANNELVIEW COMPLEX **Classification:** SATISFACTORY **Rating:** 8.91

Complexity Points: 46 **Repeat Violator:** NO

CH Group: 05 - Chemical Manufacturing

Location: 8280 SHELDON RD, CHANNELVIEW, TX, HARRIS COUNTY

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0033B
AIR OPERATING PERMITS PERMIT 2174
AIR OPERATING PERMITS PERMIT 2176
AIR OPERATING PERMITS PERMIT 2178
AIR OPERATING PERMITS PERMIT 2180
AIR OPERATING PERMITS PERMIT 2182
AIR OPERATING PERMITS PERMIT 2184
AIR OPERATING PERMITS PERMIT 3585

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD058275769
INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50117
WASTEWATER EPA ID TX0003531

AIR NEW SOURCE PERMITS PERMIT 2128
AIR NEW SOURCE PERMITS PERMIT 2936
AIR NEW SOURCE PERMITS PERMIT 3294
AIR NEW SOURCE PERMITS PERMIT 6387
AIR NEW SOURCE PERMITS REGISTRATION 10586
AIR NEW SOURCE PERMITS REGISTRATION 10812
AIR NEW SOURCE PERMITS REGISTRATION 12334
AIR NEW SOURCE PERMITS REGISTRATION 15348
AIR NEW SOURCE PERMITS PERMIT 22779
AIR NEW SOURCE PERMITS PERMIT 24677
AIR NEW SOURCE PERMITS REGISTRATION 30868
AIR NEW SOURCE PERMITS REGISTRATION 32629
AIR NEW SOURCE PERMITS REGISTRATION 42948
AIR NEW SOURCE PERMITS REGISTRATION 50141
AIR NEW SOURCE PERMITS REGISTRATION 50165
AIR NEW SOURCE PERMITS REGISTRATION 52720
AIR NEW SOURCE PERMITS REGISTRATION 76017
AIR NEW SOURCE PERMITS AFS NUM 4820100075
AIR NEW SOURCE PERMITS PERMIT 49130
AIR NEW SOURCE PERMITS REGISTRATION 72948
AIR NEW SOURCE PERMITS REGISTRATION 74051
AIR NEW SOURCE PERMITS REGISTRATION 74944
AIR NEW SOURCE PERMITS REGISTRATION 76778
AIR NEW SOURCE PERMITS REGISTRATION 77640
AIR NEW SOURCE PERMITS REGISTRATION 78128
AIR NEW SOURCE PERMITS REGISTRATION 78278

AIR OPERATING PERMITS PERMIT 1426
AIR OPERATING PERMITS PERMIT 2175
AIR OPERATING PERMITS PERMIT 2177
AIR OPERATING PERMITS PERMIT 2179
AIR OPERATING PERMITS PERMIT 2181
AIR OPERATING PERMITS PERMIT 2183
AIR OPERATING PERMITS PERMIT 2185
POLLUTION PREVENTION PLANNING ID NUMBER P00405
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30030
WASTEWATER PERMIT WQ0000391000
AIR NEW SOURCE PERMITS PERMIT 1768
AIR NEW SOURCE PERMITS PERMIT 2933
AIR NEW SOURCE PERMITS PERMIT 3130A
AIR NEW SOURCE PERMITS PERMIT 6245
AIR NEW SOURCE PERMITS PERMIT 8125
AIR NEW SOURCE PERMITS REGISTRATION 10700
AIR NEW SOURCE PERMITS REGISTRATION 11735
AIR NEW SOURCE PERMITS REGISTRATION 13849
AIR NEW SOURCE PERMITS REGISTRATION 12341
AIR NEW SOURCE PERMITS REGISTRATION 23079
AIR NEW SOURCE PERMITS PERMIT 24887
AIR NEW SOURCE PERMITS REGISTRATION 32136
AIR NEW SOURCE PERMITS REGISTRATION 34897
AIR NEW SOURCE PERMITS REGISTRATION 47487
AIR NEW SOURCE PERMITS REGISTRATION 50142
AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG0033B
AIR NEW SOURCE PERMITS REGISTRATION 54098
AIR NEW SOURCE PERMITS REGISTRATION 75881
AIR NEW SOURCE PERMITS PERMIT 49120
AIR NEW SOURCE PERMITS REGISTRATION 74110
AIR NEW SOURCE PERMITS REGISTRATION 72946
AIR NEW SOURCE PERMITS REGISTRATION 74181
AIR NEW SOURCE PERMITS REGISTRATION 74949
AIR NEW SOURCE PERMITS REGISTRATION 77318
AIR NEW SOURCE PERMITS REGISTRATION 76693
AIR NEW SOURCE PERMITS REGISTRATION 77631
AIR NEW SOURCE PERMITS REGISTRATION 78343

AIR NEW SOURCE PERMITS REGISTRATION 78191
AIR NEW SOURCE PERMITS REGISTRATION 78173
AIR NEW SOURCE PERMITS REGISTRATION 78381
AIR NEW SOURCE PERMITS REGISTRATION 79431
AIR NEW SOURCE PERMITS REGISTRATION 78978
AIR NEW SOURCE PERMITS REGISTRATION 80597
AIR NEW SOURCE PERMITS REGISTRATION 81759
AIR NEW SOURCE PERMITS REGISTRATION 84079
AIR NEW SOURCE PERMITS PERMIT 83799
AIR NEW SOURCE PERMITS REGISTRATION 84715
AIR NEW SOURCE PERMITS REGISTRATION 84818
AIR NEW SOURCE PERMITS REGISTRATION 95981
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1272
AIR NEW SOURCE PERMITS REGISTRATION 96384
AIR NEW SOURCE PERMITS REGISTRATION 101438
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1270
AIR NEW SOURCE PERMITS EPA PERMIT N146
AIR NEW SOURCE PERMITS EPA PERMIT N140
AIR NEW SOURCE PERMITS REGISTRATION 102688
AIR NEW SOURCE PERMITS REGISTRATION 102073
AIR NEW SOURCE PERMITS REGISTRATION 111666
AIR NEW SOURCE PERMITS REGISTRATION 118853
AIR NEW SOURCE PERMITS REGISTRATION 107709
AIR NEW SOURCE PERMITS EPA PERMIT GHGPSDTX17
AIR NEW SOURCE PERMITS REGISTRATION 111511
AIR NEW SOURCE PERMITS EPA PERMIT GHGPSDTX150
AIR NEW SOURCE PERMITS REGISTRATION 132729
AIR NEW SOURCE PERMITS REGISTRATION 107330
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1484
AIR NEW SOURCE PERMITS REGISTRATION 107327
AIR NEW SOURCE PERMITS REGISTRATION 106675
AIR NEW SOURCE PERMITS REGISTRATION 111473
AIR NEW SOURCE PERMITS REGISTRATION 120215
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1011578
AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG0033B

AIR NEW SOURCE PERMITS REGISTRATION 78252
AIR NEW SOURCE PERMITS REGISTRATION 78772
AIR NEW SOURCE PERMITS REGISTRATION 78819
AIR NEW SOURCE PERMITS REGISTRATION 78599
AIR NEW SOURCE PERMITS REGISTRATION 80296
AIR NEW SOURCE PERMITS REGISTRATION 81543
AIR NEW SOURCE PERMITS REGISTRATION 82226
AIR NEW SOURCE PERMITS REGISTRATION 84091
AIR NEW SOURCE PERMITS REGISTRATION 84183
AIR NEW SOURCE PERMITS REGISTRATION 84651
AIR NEW SOURCE PERMITS REGISTRATION 90128
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1280
AIR NEW SOURCE PERMITS REGISTRATION 98647
AIR NEW SOURCE PERMITS REGISTRATION 99088
AIR NEW SOURCE PERMITS EPA PERMIT N142
AIR NEW SOURCE PERMITS PERMIT 99167
AIR NEW SOURCE PERMITS REGISTRATION 99663
AIR NEW SOURCE PERMITS EPA PERMIT N144
AIR NEW SOURCE PERMITS REGISTRATION 101590
AIR NEW SOURCE PERMITS REGISTRATION 112230
AIR NEW SOURCE PERMITS REGISTRATION 107332
AIR NEW SOURCE PERMITS REGISTRATION 110688
AIR NEW SOURCE PERMITS EPA PERMIT GHGPSDTX10
AIR NEW SOURCE PERMITS REGISTRATION 107326
AIR NEW SOURCE PERMITS REGISTRATION 107331
AIR NEW SOURCE PERMITS REGISTRATION 135035
AIR NEW SOURCE PERMITS REGISTRATION 136396
AIR NEW SOURCE PERMITS REGISTRATION 110674
AIR NEW SOURCE PERMITS REGISTRATION 107329
AIR NEW SOURCE PERMITS EPA PERMIT N236
AIR NEW SOURCE PERMITS REGISTRATION 108152
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1280M1
UNDERGROUND INJECTION CONTROL PERMIT WDW036
IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 30030
STORMWATER PERMIT TXR05BR93

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

Date Compliance History Report Prepared: March 08, 2016

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: March 08, 2011 to March 08, 2016

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

Name: Jennifer Nguyen

Phone: (512) 239-6160

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: 05/08/2011 ADMINORDER 2010-0335-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: No. 2933, Special Condition #1 PERMIT
Description: Failure to prevent unauthorized emissions; specifically, Equistar failed to maintain the butene flow and the Motor Operated Valve feed to the reactor.
- 2 Effective Date: 06/22/2012 ADMINORDER 2011-1947-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: No. 2128, Special Condition No. 1 PERMIT
Description: Failed to prevent unauthorized emissions during an event that began on June 25, 2011 (Incident No. 156229). Specifically, the Respondent released 298 pounds ("lbs") of butenes and 161 lbs of butadienes from the C4 Recovery Unit Reactor R-309C during the 18 hour event. The event occurred when a flammable mixture ignited inside the Thermal Oxidizer Blower BL-03001.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)
Description: Failed to submit an initial notification for Incident No. 156229 not later than 24 hours after the discovery of an emissions event that began on June 25, 2011 at 10:20 p.m. Specifically, the initial notification was due by 10:20 p.m. on June 26, 2011 but was not submitted until June 28, 2011 at 6:27 p.m., over 24 hours after the incident was discovered.
- 3 Effective Date: 11/30/2012 ADMINORDER 2012-0665-AIR-E (Findings Order-Agreed Order Without Denial)
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: FOP O1426, STC 28 OP
Permit 1768, Special Conditions 1 PERMIT
Description: Failed to prevent unauthorized emissions. Since this emissions event was not caused by a sudden loss of steam and the Respondent did not have a backup steam supply, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
- 4 Effective Date: 05/02/2013 ADMINORDER 2012-2074-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Condition 1 PERMIT
Description: Failure to prevent unauthorized emissions during an emissions event.
- 5 Effective Date: 03/19/2014 COURTOORDER (Final Judgement-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Conditions No. 1 PERMIT
Description: On September 16, 2011, a heat exchanger in the Olefins Unit leaked causing the release of Volatile Organic Compounds, 19 lbs of Benzene, 145 lbs of Nonane and 152 lbs of Octane. Since the emissions event was reported late, this incident did not meet affirmative defense criteria under 30 TAC 101.222 and the emissions associated are unauthorized
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Conditions No. 1 PERMIT
Description: On December 9, 2011, two pressure safety valves failed causing the release of 286.6 lbs of Ethylene into the atmosphere. Equistar is not authorized via Permit 1768 to release Ethylene from pressure safety valves. Since the emissions event was reported late, this incident did not meet the affirmative defense criteria claimed under 30 TAC 101.222(b)(1) and the emissions associated with the emissions event are unauthorized.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Conditions No. 1 PERMIT

Description: On March 8, 2012, the company failed to ensure all of the lines being disconnected during a maintenance procedure had first been purged before conducting maintenance activities causing the release of 1,011 lbs of Propylene. The emissions event was preventable; consequently the incident did not meet the affirmative defense criteria under 30 TAC 101.222(b)(2), (3), and (4).

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Conditions No. 1 PERMIT

Description: On March 13, 2012, an operator inadvertently locked out a 3" valve instead of an 8" valve which remained open into the OP-1 Flare System allowing process gases to run through the flare system from the 8" valve when it was supposed to have been completely locked out. This act resulted in the release of 125.4 lbs of 1,3-Butadiene, 5315.0 lbs of Propylene, 201.3 lbs of Propane, 3648.6 lbs of Ethylene, 261.4 lbs of Butenes, 191.3 lbs of Butane, 2.2 lbs of Acetylene, and 0.3 lbs of Benzene.

6 Effective Date: 10/05/2014 ADMINORDER 2014-0395-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(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)

Rqmt Prov: Special Condition 1 PERMIT
Special Terms and Conditions No. 28 OP

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(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)

Rqmt Prov: Special Condition 1 PERMIT
Special Terms and Conditions No. 28 OP

Description: Failed to prevent unauthorized emissions.

7 Effective Date: 01/25/2015 ADMINORDER 2014-1076-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
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: GT&C and STC No. 32 OP
Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 7,215 lbs of CO and 334 lbs of NOx from the OP-1 Flare during an emissions event (Incident No. 194248) on Feb 13, 2014 that lasted 28.5 hours. The emissions event occurred when valve FV-36065 positioner failed, leading to increased suction pressure in the C-3670 Propylene Compressor which led to flaring. This emissions event could have been avoided by better operation and maintenance practices.

8 Effective Date: 10/06/2015 ADMINORDER 2015-0492-AIR-E (1660 Order-Agreed Order With Denial)

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 Terms and Conditions No. 1 OP

Description: Failure to meet the demonstration criteria for an affirmative defense for unauthorized emissions during an emissions event.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	March 21, 2011	(916302)
Item 2	March 22, 2011	(900059)
Item 3	March 28, 2011	(893267)
Item 4	April 25, 2011	(924740)
Item 5	May 03, 2011	(899771)
Item 6	May 23, 2011	(937983)
Item 7	June 03, 2011	(899773)
Item 8	June 22, 2011	(945307)
Item 9	June 30, 2011	(900964)
Item 10	July 21, 2011	(952582)
Item 11	August 12, 2011	(944288)
Item 12	August 15, 2011	(932879)
Item 13	August 16, 2011	(944665)
Item 14	August 22, 2011	(936294)
Item 15	August 29, 2011	(949925)
Item 16	September 22, 2011	(965293)
Item 17	October 13, 2011	(933447)
Item 18	October 24, 2011	(971336)
Item 19	October 25, 2011	(899774)
Item 20	November 21, 2011	(977494)
Item 21	December 28, 2011	(984261)
Item 22	January 05, 2012	(976382)
Item 23	January 09, 2012	(976471)
Item 24	January 10, 2012	(976450)
Item 25	January 23, 2012	(980967)
Item 26	January 24, 2012	(980997)
Item 27	January 30, 2012	(970661)
Item 28	February 06, 2012	(980998)
Item 29	February 09, 2012	(982246)
Item 30	February 17, 2012	(987727)
Item 31	February 21, 2012	(1010010)
Item 32	March 22, 2012	(1003446)
Item 33	April 03, 2012	(988061)
Item 34	April 04, 2012	(988484)
Item 35	May 15, 2012	(1003028)
Item 36	May 17, 2012	(1003069)
Item 37	May 21, 2012	(1016406)
Item 38	May 22, 2012	(1003188)
Item 39	June 22, 2012	(1024127)
Item 40	July 23, 2012	(1031522)
Item 41	August 02, 2012	(1021638)
Item 42	August 22, 2012	(1037897)
Item 43	September 24, 2012	(1046622)
Item 44	October 03, 2012	(989233)
Item 45	October 15, 2012	(1031069)
Item 46	October 16, 2012	(1031415)
Item 47	October 17, 2012	(1030945)
Item 48	October 22, 2012	(1060735)
Item 49	October 31, 2012	(997644)
Item 50	November 26, 2012	(1060736)
Item 51	November 28, 2012	(1030859)
Item 52	December 11, 2012	(1050789)
Item 53	December 27, 2012	(1060737)
Item 54	January 11, 2013	(1049738)
Item 55	January 14, 2013	(1049739)
Item 56	January 17, 2013	(1078881)

Item 57	February 19, 2013	(1078880)
Item 58	February 26, 2013	(1057969)
Item 59	February 28, 2013	(1053124)
Item 60	March 19, 2013	(1089264)
Item 61	April 02, 2013	(1056214)
Item 62	April 18, 2013	(1095658)
Item 63	May 20, 2013	(1106583)
Item 64	May 24, 2013	(1093716)
Item 65	June 18, 2013	(1098745)
Item 66	June 19, 2013	(1095086)
Item 67	June 20, 2013	(1110259)
Item 68	June 24, 2013	(1095173)
Item 69	June 26, 2013	(1094578)
Item 70	July 03, 2013	(1100272)
Item 71	July 18, 2013	(1117142)
Item 72	August 07, 2013	(1058100)
Item 73	August 08, 2013	(1089151)
Item 74	August 20, 2013	(1124898)
Item 75	September 03, 2013	(1102964)
Item 76	September 19, 2013	(1129500)
Item 77	October 17, 2013	(1114564)
Item 78	October 21, 2013	(1105244)
Item 79	October 28, 2013	(1115820)
Item 80	November 20, 2013	(1140629)
Item 81	December 19, 2013	(1147086)
Item 82	January 08, 2014	(1138687)
Item 83	January 09, 2014	(1132894)
Item 84	January 15, 2014	(1134060)
Item 85	January 20, 2014	(1153156)
Item 86	February 13, 2014	(1116236)
Item 87	February 20, 2014	(1160492)
Item 88	March 10, 2014	(1116265)
Item 89	March 19, 2014	(1167137)
Item 90	March 24, 2014	(1152393)
Item 91	April 17, 2014	(1174270)
Item 92	May 19, 2014	(1180458)
Item 93	June 18, 2014	(1187355)
Item 94	June 24, 2014	(1173311)
Item 95	June 25, 2014	(1173075)
Item 96	July 16, 2014	(1170482)
Item 97	July 28, 2014	(1177251)
Item 98	August 14, 2014	(1198462)
Item 99	September 08, 2014	(1191469)
Item 100	September 17, 2014	(1205761)
Item 101	September 30, 2014	(1185884)
Item 102	October 15, 2014	(1212174)
Item 103	October 16, 2014	(1191188)
Item 104	October 27, 2014	(1191788)
Item 105	November 05, 2014	(1205125)
Item 106	November 14, 2014	(1196742)
Item 107	November 19, 2014	(1218424)
Item 108	December 15, 2014	(1211745)
Item 109	December 17, 2014	(1224204)
Item 110	January 05, 2015	(1216368)
Item 111	January 19, 2015	(1230732)
Item 112	January 21, 2015	(1218043)
Item 113	February 06, 2015	(1222214)
Item 114	February 18, 2015	(1242240)
Item 115	February 20, 2015	(1228191)

- Description: Failure to meet the demonstration criteria for an affirmative defense for unauthorized emissions during an emissions event. [Subcategory B13]
- 4 Date: 10/30/2015 (1272845) CN600124705
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THSC Chapter 382 382.085(b)
 Special Condition 1 PERMIT
 Description: Failure to meet the demonstration criteria for an affirmative defense for unauthorized emissions during an emissions event. [Subcategory B13]
- 5 Date: 11/13/2015 (1275592) CN600124705
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 117, SubChapter B 117.345(c)(1)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Special Condition 1A OP
 Description: Failure to submit stack test reports 60 days after conducting the compliance test.
 C3
- 6 Date: 02/04/2016 (1260326) CN600124705
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THSC Chapter 382 382.085(b)
 Special Condition 1 PERMIT
 Description: Failure to prevent unauthorized emissions during Emissions Event 222488
 [Subcategory B13]

F. Environmental audits:

- Notice of Intent Date: 10/04/2012 (1043419)
 Disclosure Date: 01/29/2013
 Viol. Classification: Minor
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.163(c)(1)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.163(e)(6)(iii)
 Rqmt Prov: PERMIT NSR Permit No. 2936, SC 8.I.
 PERMIT NSR Permit No. 49130, SC 5.I.
 PERMIT NSR Permit No. 6245, SC 7I
 Description: Failed to repair three out of 87 pumps within 15 days after discovery of a leak (one was due for repair on May 3, 2012, one was due for repair on October 5, 2012, and one was due for repair on December 17, 2012).
- Notice of Intent Date: 05/09/2014 (1170800)
 No DOV Associated
- Notice of Intent Date: 08/12/2014 (1191901)
 No DOV Associated
- Notice of Intent Date: 10/01/2014 (1209632)
 No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
EQUISTAR CHEMICALS, LP
RN100542281**

§
§
§
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**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2016-0328-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 Equistar Chemicals, 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 chemical manufacturing plant located at 8280 Sheldon Road in Channelview, 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 \$105,000 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$42,000 of the penalty and \$21,000 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. Pursuant to TEX. WATER CODE § 7.067, \$42,000 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the SEP Agreement ("Attachment A"), incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms of this Order, which includes timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

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 on January 19, 2016, the Respondent obtained a permit amendment for New Source Review ("NSR") Permit Nos. 8125, PSDTX1280, and N144 to increase the particulate matter ("PM") maximum allowable emission rates ("MAER") for Emission Point Number ("EPN") EHTF7001.

II. ALLEGATIONS

During a record review conducted from December 4, 2015 through January 21, 2016, an investigator documented that the Respondent failed to comply with the MAER for the Methanol Reformer Furnace, EPN EHTF7001, in violation on 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), NSR Permit Nos. 8125, PSDTX1280, and N144, Special Conditions No. 1, and Federal Operating Permit No. O1426, Special Terms and Conditions No. 32. Specifically, during a stack test conducted on April 1, 2014, the Respondent exceeded the PM MAER of 1.87 pounds per hour ("lbs/hr") by 2.61 lbs/hr for EPN EHTF7001, resulting in the unauthorized release of 41,417.12 lbs of PM emissions.

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: Equistar Chemicals, LP, Docket No. 2016-0328-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 an SEP as set forth in Section I, Paragraph 4. The amount of \$42,000 of the assessed penalty is conditionally offset based on the Respondent's completion of the SEP pursuant to the terms of the SEP Agreement. The Respondent's obligation to pay the conditionally offset portion of the assessed penalty shall be discharged upon completion of all provisions of the SEP Agreement, as determined by the Executive Director. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
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.
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

Ramon Monette
For the Executive Director

9/20/16
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.

Todd Monette
Signature

5/26/2016
Date

Mr. Todd Monette
Name (Printed or typed)
Authorized Representative of
Equistar Chemicals, LP

Site Manager - Channelview
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:

Attachment A
Docket Number: 2016-0328-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Equistar Chemicals, LP
Payable Penalty Amount:	\$84,000
SEP Offset Amount:	\$42,000
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Barbers Hill Independent School District
Project Name:	<i>Energy Efficiency Building Upgrade/Retrofit Project</i>
Location of SEP:	Chambers County

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 **Barbers Hill Independent School District** for the *Energy Efficiency Building Upgrade/Retrofit 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 pay a contractor to install and monitor sub-meters. The contractor's work will include installing revenue grade electric sub-meters in the line feed of certain facilities; installing revenue grade current transformers; incorporating all engineering, software, and graphics to accomplish effective monitoring of the status of this equipment; and a one-year warranty including parts and labor for the new sub-meters. In addition to sub-metering, the Third-Party Administrator shall use the SEP Offset Amount to pay its contractor to monitor, calibrate, and repair existing meters and to complete energy efficiency upgrades and/or retrofits based on needs identified in energy audits. 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 able to be 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 Project will result in reduced energy consumption by school district buildings and will contribute to the overall reduction of greenhouse gases. The sub-metering is expected to reduce energy consumption up to eight percent. The Project will reduce fuel and electricity usage for heating and cooling and day-to-day operations. These reductions will reduce emission of particulate matter, volatile organic carbon compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel and generation of electricity. It will also contribute to a reduction in peak loads on the State electric power grid.

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 **Barbers Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

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:

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 attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.