

Executive Summary – Enforcement Matter – Case No. 55058
Solutia Inc.
RN103057568
Docket No. 2017-1313-AIR-E

Order Type:

1660

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Chocolate Bayou Plant, approximately 1.43 miles southeast of the intersection of Farm-to-Market Road 2917 and Ascend Drive, near Alvin, Brazoria 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: No

Texas Register Publication Date: February 9, 2018

Comments Received: No

Penalty Information

Total Penalty Assessed: \$9,682

Amount Deferred for Expedited Settlement: \$1,936

Total Paid to General Revenue: \$7,746

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major/Minor Source: Major

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: January 23, 2017 through January 24, 2017

Date(s) of NOE(s): March 16, 2017

Executive Summary – Enforcement Matter – Case No. 55058
Solutia Inc.
RN103057568
Docket No. 2017-1313-AIR-E

Violation Information

1. Failed to conduct Leak Detection and Repair (“LDAR”) monitoring on 173 out of 184 valves in gas/vapor service during the third quarter of 2015 [30 TEX. ADMIN. CODE §§ 115.354(2)(c), 116.115(c), and 122.143(4), New Source Review (“NSR”) Permit No. 3046, Special Conditions (“SC”) No. 9.F, Federal Operating Permit (“FOP”) No. O2317, Special Terms and Conditions (“STC”) Nos. 1.A and 17, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to comply with the maximum liquid surface temperature of 140⁰ Fahrenheit (“F”). Specifically, on April 4, 2016, the temperature of Tank 57T11 was 147.254⁰ F at 12:00, 146.75⁰ F at 13:00, and 146.192⁰ F at 14:00 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), NSR Permit No. 3046, SC No. 5.B, FOP No. O2317, STC No. 17, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
3. Failed to report all instances of deviations. Specifically, the Respondent reported no deviations occurred during the November 1, 2015 through April 30, 2016 reporting period, but the Tank 57T11 temperature exceedances that occurred on April 4, 2016 should have been reported in the deviation report for the November 1, 2015 through April 30, 2016 reporting period [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O2317, General Terms and Conditions, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following:

- a. On October 21, 2015, conducted LDAR monitoring on 173 valves in gas/vapor service;
- b. On May 26, 2017, submitted a revised deviation report for the November 1, 2015 through April 30, 2016 reporting period to include the deviations for the Tank 57T11 temperature exceedances; and
- c. On July 17, 2017, implemented alarms allowing personnel to pre-emptively respond to potential temperature increases in order to comply with the maximum liquid surface temperature of 140⁰ Fahrenheit (“F”) for Tank 57T11.

Technical Requirements:

N/A

**Executive Summary – Enforcement Matter – Case No. 55058
Solutia Inc.
RN103057568
Docket No. 2017-1313-AIR-E**

Contact Information

TCEQ Attorney: N/A

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

Respondent: Robert Lanahn, Manager, HSEH Operations NA Region 2, Solutia Inc.,
575 Maryville Centre Drive, St. Louis, Missouri 63141

David A. Woodmansee, Vice President & Secretary, Solutia Inc., 575 Maryville Centre
Drive, St. Louis, Missouri 63141

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES Assigned PCW Screening EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent
 Reg. Ent. Ref. No.
 Facility/Site Region Major/Minor Source

CASE INFORMATION

Enf./Case ID No. No. of Violations
 Docket No. Order Type
 Media Program(s) Government/Non-Profit
 Multi-Media Enf. Coordinator
 Admin. Penalty \$ Limit Minimum Maximum EC's Team

Penalty Calculation Section

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

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History Adjustment Subtotals 2, 3, & 7

Notes

Culpability Enhancement Subtotal 4

Notes

Good Faith Effort to Comply Total Adjustments Subtotal 5

Economic Benefit Enhancement* Subtotal 6

Total EB Amounts
 Estimated Cost of Compliance

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

Reduces or enhances the Final Subtotal by the Indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty

DEFERRAL Reduction Adjustment

Reduces the Final Assessed Penalty by the Indicated percentage.

Notes

PAYABLE PENALTY

Screening Date 1-Sep-2017

Docket No. 2017-1313-AIR-E

PCW

Respondent Solutia Inc.

Policy Revision 4 (April 2014)

Case ID No. 55058

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN103057568

Media [Statute] Air

Enf. Coordinator David Carney

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>) | 0 | 0% |
| | Other written NOVs | 0 | 0% |
| Orders | Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>) | 0 | 0% |
| | Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission | 0 | 0% |
| Judgments and Consent Decrees | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>) | 0 | 0% |
| | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | 0 | 0% |
| Convictions | Any criminal convictions of this state or the federal government (<i>number of counts</i>) | 0 | 0% |
| Emissions | Chronic excessive emissions events (<i>number of events</i>) | 0 | 0% |
| Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>) | 0 | 0% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>) | 0 | 0% |
| Other | Environmental management systems in place for one year or more | No | 0% |
| | Voluntary on-site compliance assessments conducted by the executive director under a special assistance program | No | 0% |
| | Participation in a voluntary pollution reduction program | No | 0% |
| | Early compliance with, or offer of a product that meets future state or federal government environmental requirements | No | 0% |

Adjustment Percentage (Subtotal 2)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

No adjustments due to Compliance History.

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

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100%

Screening Date 1-Sep-2017

Docket No. 2017-1313-AIR-E

PCW

Respondent Solutia Inc.

Policy Revision 4 (April 2014)

Case ID No. 55058

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN103057568

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 115.354(2)(c), 116.115(c), and 122.143(4), New Source Review ("NSR") Permit No. 3046, Special Conditions ("SC") No. 9.F, Federal Operating Permit ("FOP") No. O2317, Special Terms and Conditions ("STC") Nos. 1.A and 17, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to conduct Leak Detection and Repair ("LDAR") monitoring on 173 out of 184 valves in gas/vapor service during the third quarter of 2015.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

| Release | Harm | | | Percent |
|-----------|-------|----------|-------|---------|
| | Major | Moderate | Minor | |
| Actual | | | | 15.0% |
| Potential | | x | | |

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor | Percent |
|---------------|-------|----------|-------|---------|
| | | | | 0.0% |

Matrix Notes

Human health or the environment will or could be exposed to significant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 Number of violation days 91

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | x |
| semiannual | |
| annual | |
| single event | |

Violation Base Penalty \$3,750

One quarterly event is recommended for the quarter during which LDAR monitoring was not conducted.

Good Faith Efforts to Comply

25.0%

Reduction \$937

| | Before NOE/NOV | NOE/NOV to EDRP/Settlement Offer |
|---------------|----------------|----------------------------------|
| Extraordinary | | |
| Ordinary | x | |
| N/A | | |

Notes The Respondent came into compliance on October 21, 2015, prior to the March 16, 2017 Notice of Enforcement.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$119

Violation Final Penalty Total \$2,848

This violation Final Assessed Penalty (adjusted for limits) \$2,848

Economic Benefit Worksheet

Respondent Solutia Inc.
Case ID No. 55058
Reg. Ent. Reference No. RN103057568
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 |
|--------------------------|-----------|---------------|------------|------|----------------|---------------|-----------|
| Delayed Costs | | | | | | | |
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/Construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | n/a | \$0 |

Notes for DELAYED 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] | \$112 | 1-Jul-2015 | 30-Sep-2015 | 1.17 | \$7 | \$112 | \$119 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Estimated avoided cost for not monitoring 173 valves (\$0.65 per component x 173 components x 1 missed quarter). The Date Required is the first day that monitoring could have been conducted and the Final Date is the last day monitoring could have been conducted.

| | | | |
|-----------------------------------|-------|--------------|-------|
| Approx. Cost of Compliance | \$112 | TOTAL | \$119 |
|-----------------------------------|-------|--------------|-------|

Screening Date 1-Sep-2017

Docket No. 2017-1313-AIR-E

PCW

Respondent Solutia Inc.

Policy Revision 4 (April 2014)

Case ID No. 55058

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN103057568

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), NSR Permit No. 3046, SC No. 5.B, FOP No. O2317, STC No. 17, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with the maximum liquid surface temperature of 140° Fahrenheit ("F"). Specifically, on April 4, 2016, the temperature of Tank 57T11 was 147.254° F at 12:00, 146.75° F at 13:00, and 146.192° F at 14:00.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | Actual | | | x | 15.0% |
| | Potential | | | | |

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor | Percent |
|---------------|-------|----------|-------|---------|
| | | | | 0.0% |

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 Number of violation days 1

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | x |
| semiannual | |
| annual | |
| single event | |

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

10.0% Reduction \$375

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

| | | |
|---------------|--|---|
| Extraordinary | | |
| Ordinary | | x |
| N/A | | |

Notes

The Respondent came into compliance on July 17, 2017, after the March 16, 2017 Notice of Enforcement.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6

Violation Final Penalty Total \$3,417

This violation Final Assessed Penalty (adjusted for limits) \$3,417

Economic Benefit Worksheet

Respondent Solutia Inc.
Case ID No. 55058
Reg. Ent. Reference No. RN103057568
Media Air
Violation No. 2

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

| | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|--|-----------|---------------|------------|-----|----------------|---------------|-----------|
|--|-----------|---------------|------------|-----|----------------|---------------|-----------|

Item Description

Delayed Costs

| | | | | | | | |
|--------------------------|-------|------------|-------------|------|-----|-----|-----|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/Construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$100 | 4-Apr-2016 | 17-Jul-2017 | 1.28 | \$6 | n/a | \$6 |

Notes for DELAYED costs

Estimated delayed cost to implement alarms allowing personnel to pre-emptively respond to potential temperature increases in order to comply with the maximum liquid surface temperature of 140° F for Tank 57T11. Date Required is the date of the temperature exceedances and the Final Date is the compliance date.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$100

TOTAL \$6

Screening Date 1-Sep-2017

Docket No. 2017-1313-AIR-E

PCW

Respondent Solutia Inc.

Policy Revision 4 (April 2014)

Case ID No. 55058

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN103057568

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), FOP No. O2317, General Terms and Conditions, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to report all instances of deviations. Specifically, the Respondent reported no deviations occurred during the November 1, 2015 through April 30, 2016 reporting period, but the Tank 57T11 temperature exceedances that occurred on April 4, 2016 should have been reported in the deviation report for the November 1, 2015 through April 30, 2016 reporting period.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | Actual | | | | 0.0% |
| | Potential | | | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Harm | | | Percent |
|--------------|---------------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | | x | | | 15.0% |

Matrix Notes

100% of the rule requirements were not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 361 Number of violation days

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | |
| semiannual | |
| annual | |
| single event | x |

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

10.0% Reduction \$375

| | Before NOE/NOV | NOE/NOV to EDPRP/Settlement Offer |
|---------------|----------------|-----------------------------------|
| Extraordinary | | |
| Ordinary | | x |
| N/A | | |

Notes The Respondent came into compliance on May 26, 2017, after the March 16, 2017 Notice of Enforcement.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$12

Violation Final Penalty Total \$3,417

This violation Final Assessed Penalty (adjusted for limits) \$3,417

Economic Benefit Worksheet

Respondent Solutia Inc.
Case ID No. 55058
Reg. Ent. Reference No. RN103057568
Media Air
Violation No. 3

| | |
|-------------------------|------------------------------|
| Percent Interest | Years of Depreciation |
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|-------|-------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/Construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$250 | 30-May-2016 | 26-May-2017 | 0.99 | \$12 | n/a | \$12 |

Notes for DELAYED costs

Estimated delayed cost to submit a revised deviation report for the November 1, 2015 through April 30, 2016 reporting period to include the deviations for the Tank 57T11 temperature exceedances. The Date Required is the date the report was due and the Final Date is the compliance date.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$250

TOTAL \$12

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.



Compliance History Report

Compliance History Report for CN600132856, RN103057568, Rating Year 2016 which includes Compliance History (CH) components from September 1, 2011, through August 31, 2016.

Customer, Respondent, or Owner/Operator: CN600132856, Solutia Inc. **Classification:** SATISFACTORY **Rating:** 7.86

Regulated Entity: RN103057568, Chocolate Bayou Plant **Classification:** SATISFACTORY **Rating:** 0.29

Complexity Points: 6 **Repeat Violator:** NO

CH Group: 02 - Oil and Petroleum Refineries

Location: APPROXIMATELY 1.43 MILES SOUTHEAST OF THE INTERSECTION OF FARM-TO-MARKET ROAD 2917 AND ASCEND DRIVE NEAR ALVIN, TX, BRAZORIA COUNTY

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR NEW SOURCE PERMITS ACCOUNT NUMBER BL0560C **AIR NEW SOURCE PERMITS PERMIT** 3046

AIR NEW SOURCE PERMITS AFS NUM 4803900144 **AIR EMISSIONS INVENTORY ACCOUNT NUMBER** BL0560C

AIR OPERATING PERMITS ACCOUNT NUMBER BL0560C **AIR OPERATING PERMITS PERMIT** 2317

Compliance History Period: September 01, 2011 to August 31, 2016 **Rating Year:** 2016 **Rating Date:** 09/01/2016

Date Compliance History Report Prepared: August 28, 2017

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: August 28, 2012 to August 28, 2017

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

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

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

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1 September 02, 2015 (1275608)

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

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

N/A

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
SOLUTIA INC.
RN103057568

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2017-1313-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 Solutia Inc. (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 approximately 1.43 miles southeast of the intersection of Farm-to-Market Road 2917 and Ascend Drive near Alvin, Brazoria 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 \$9,682 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$7,746 of the penalty and \$1,936 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.
5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or

required in this action, are waived in the interest of a more timely resolution of the matter.

6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that the Respondent conducted Leak Detection and Repair ("LDAR") monitoring on 173 valves in gas/vapor service on October 21, 2015.
10. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant:
 - a. On October 21, 2015, conducted Leak Detection and Repair ("LDAR") monitoring on 173 valves in gas/vapor service;
 - b. On May 26, 2017, submitted a revised deviation report for the November 1, 2015 through April 30, 2016 reporting period to include the deviations for the Tank 57T11 temperature exceedances; and
 - c. On July 17, 2017, implemented alarms allowing personnel to pre-emptively respond to potential temperature increases in order to comply with the maximum liquid surface temperature of 140^o Fahrenheit ("F") for Tank 57T11.

II. ALLEGATIONS

During an investigation conducted from January 23, 2017 to January 24, 2017, an investigator documented that the Respondent:

1. Failed to conduct LDAR monitoring on 173 out of 184 valves in gas/vapor service during the third quarter of 2015, in violation of 30 TEX. ADMIN. CODE §§ 115.354(2)(c), 116.115(c), and 122.143(4), New Source Review ("NSR") Permit No. 3046, Special Conditions ("SC") No. 9.F, Federal Operating Permit ("FOP") No. O2317, Special Terms and Conditions ("STC") Nos. 1.A and 17, and TEX. HEALTH & SAFETY CODE § 382.085(b).
2. Failed to comply with the maximum liquid surface temperature of 140^o F, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), NSR Permit No. 3046, SC No. 5.B, FOP No. O2317, STC No. 17, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, on April 4, 2016, the temperature of Tank 57T11 was 147.254^o F at 12:00, 146.75^o F at 13:00, and 146.192^o F at 14:00.

3. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O2317, General Terms and Conditions, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent reported no deviations occurred during the November 1, 2015 through April 30, 2016 reporting period, but the Tank 57T11 temperature exceedances that occurred on April 4, 2016 should have been reported in the deviation report for the November 1, 2015 through April 30, 2016 reporting period.

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: Solutia Inc., Docket No. 2017-1313-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. All relief not expressly granted in this Order is denied.
3. 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.
4. 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.
5. 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.

6. 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.
7. 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

Pam Rowie Jr
For the Executive Director

6/25/18
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.

David A. Woodmansee
Signature

4-23-18
Date

David A. Woodmansee
Name (Printed or typed)
Authorized Representative of
Solutia Inc.

Vice President & Secretary
Title

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

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