



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS TX 75202-2733

**DEC 22 2010**

Mr. James E. Harris  
Vice President of Operations  
INEOS Olefins & Polymers USA  
2600 South Shore Boulevard, Suite 500  
League City, Texas 77573

Re: INEOS Olefins & Polymers USA (INEOS) – Flexible Permits

Dear Mr. Harris:

Thank you for your letter dated December 21, 2010, expressing the intention to transition INEOS' three Texas Subchapter G flexible air permits to Subchapter B New Source Review (NSR) State Implementation Plan-approved (SIP-approved) permits, according to the process that you have been discussing with Texas Commission on Environmental Quality (TCEQ) and United States Environmental Protection Agency (EPA) staff. We appreciate the hard work of you and your staff, and believe that your proposed transition process (attached) represents an appropriate and reasonable means of restoring SIP-approved permits for INEOS' Texas facilities. My staff and I stand ready to work with you and the TCEQ as you implement this process for your Texas facilities.

By completing this transition process, you will address our concern about INEOS' flexible permits. Accordingly, as long as INEOS continues in good faith to complete the steps outlined in your December 21, 2010 letter and in the attached transition document, EPA will not object to the minor Title V permit modifications or the later action to incorporate new Subchapter B NSR terms into INEOS' Title V permits on the grounds that INEOS' facilities hold underlying flexible permits. We want you to fix your permits quickly and in an appropriate manner, and we believe that the process you have developed achieves those goals. However, EPA reserves its rights to object if the transition process is not completed, or if other grounds for objection arise. Further, both of our organizations have reserved all rights in the event that noncompliance is identified during this process.

On December 4, 2009, EPA objected to a proposed renewal of the Title V permit for INEOS' (Brazoria County, Texas) Chocolate Bayou Plant. In the objection letter, EPA noted objections to 1) the incorporation of a flexible permit into the Title V permit, 2) the incorporation by reference of underlying permits into the Title V permit, 3) the incorporation of a qualified facility program modification into the Title V permit, 4) the general recordkeeping provision (length of time that records must be maintained), and 5) the identification of stationary vents in the Title V permit. On June 30, 2010, TCEQ

submitted a response to the objection and a proposed revised Title V permit. The information submitted by TCEQ on June 30, 2010 resolves EPA's objections to items 4 and 5. This transition process from a Subchapter G flexible permit to a Subchapter B permit will address EPA's objections to items 1, 2, and 3. Therefore, when TCEQ approves INEOS' minor Title V permit modification (provided it is consistent with Step One of the transition process), the issues raised in EPA's December 4, 2009 objection letter will be fully resolved.

On September 24, 2010, EPA objected to a proposed renewal of the Title V permit for INEOS' (Harris County, Texas) LaPorte Plant. In the objection letter, EPA noted objections to 1) the incorporation of a flexible permit into the Title V permit, 2) the identification of stationary vents in the Title V permit, and 3) the lack of identification of all applicable requirements (specifically, permits by rule) in the Title V Permit. On December 15, 2010, TCEQ submitted a response to the objection and a proposed revised Title V permit. The information submitted by TCEQ on December 15, 2010 resolves EPA's objection to item 2. This transition process from a Subchapter G flexible permit to a Subchapter B permit will address EPA's objections to items 1 and 3. Therefore, when TCEQ approves INEOS' minor Title V permit modification (provided it is consistent with Step One of the transition process), the issues raised in EPA's September 24, 2010 objection letter will be fully resolved.

We appreciate your cooperation and hard work over the last several months to address these issues, and look forward to our continued discussions.

Sincerely yours,

  
Al Armendariz FOR  
Regional Administrator

Attachment

cc: Mr. Mark Vickery, Executive Director (MC-109)  
Texas Commission on Environmental Quality