

**Executive Summary – Enforcement Matter – Case No. 58199**  
**Natgasoline LLC**  
**RN106586795**  
**Docket No. 2019-1219-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Beaumont Gas to Gasoline Plant, 2366 Sulfur Plant Road, Beaumont, Jefferson County

**Type of Operation:**

Methanol manufacturing plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: Yes, Docket No. 2021-0337-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** January 29, 2021

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$110,318

**Amount Deferred for Expedited Settlement:** \$22,063

**Total Paid to General Revenue:** \$44,128

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Supplemental Environmental Project (“SEP”) Conditional Offset:** \$8,127

Name of SEP: Houston-Galveston Area Council-AERCO (Third-Party Pre-Approved)

**Supplemental Environmental Project (“SEP”) Conditional Offset:** \$18,000

Name of SEP: Texas Congress of Parents and Teachers dba Texas PTA (Third-Party Pre-Approved)

**Supplemental Environmental Project (“SEP”) Conditional Offset:** \$18,000

Name of SEP: Texas Natural Gas Foundation (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

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***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** July 8, 2019, July 9, 2019, September 25, 2019, January 2, 2020, January 17, 2020, and April 9, 2020 through April 13, 2020

**Date(s) of NOE(s):** August 23, 2019, October 30, 2019, February 28, 2020, and May 22, 2020

***Violation Information***

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 9,499,237.49 pounds ("lbs") of carbon dioxide ("CO<sub>2</sub>"), 104,609.59 lbs of carbon monoxide ("CO"), 1.95 lbs of methanol ("MeOH"), 4,334.25 lbs of nitrogen oxides ("NO<sub>x</sub>"), 39.36 lbs of sulfur dioxide ("SO<sub>2</sub>"), and 49.44 lbs of volatile organic compounds ("VOC") from the MeOH Flare, Emissions Point Number ("EPN") S-10001, during an emissions event (Incident No. 308049) that began on May 8, 2019 and lasted 61 hours and 15 minutes. The emissions event occurred due to a trip of the differential pressure instrument for the C1003 Compressor, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), New Source Review ("NSR") Permit Nos. 107764 and PSDTX1340, Special Conditions ("SC") No. 1, Prevention of Significant Deterioration ("PSD") Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to prevent unauthorized emissions. Specifically, the Respondent released 20,341,903.13 lbs of CO<sub>2</sub>, 78,728.73 lbs of CO, 5.54 lbs of MeOH, 9,156.74 lbs of NO<sub>x</sub>, 83.73 lbs of SO<sub>2</sub>, and 2,079.95 lbs of VOC from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 309273) that began on May 13, 2019 and lasted 44 hours and 45 minutes. The emissions event occurred due to a trip of the syngas condensate pump, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

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3. Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event. Specifically, the initial notification for Incident No. 314958 was due by July 8, 2019 at 7:30 a.m., but was not submitted until July 9, 2019 at 12:28 p.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to prevent unauthorized emissions. Specifically, the Respondent released 5,310,663 lbs of CO<sub>2</sub>, 43,760.69 lbs of CO, 116.51 lbs of MeOH, 2,861.20 lbs of NO<sub>x</sub>, and 89.81 lbs of SO<sub>2</sub> from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 314958) that began on July 7, 2019 and lasted 31 hours and 30 minutes. The emissions event occurred due to a steam leak across the Syngas Turbine that allowed water to enter the lube oil skid and control loop during startup, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

5. Failed to prevent unauthorized emissions. Specifically, the Respondent released 8,251,092 lbs of CO<sub>2</sub>, 69,320.86 lbs of CO, 33.24 lbs of MeOH, 4,196.81 lbs of NO<sub>x</sub>, 127.59 lbs of SO<sub>2</sub>, and 110.67 lbs of VOC from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 326315) that began on December 10, 2019 and lasted 54 hours and 53 minutes. The emissions event occurred due to the failure of Transmitter 010-FI-1101 that tripped the Steam Methane Reformer and caused the Plant to trip, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(c), and 122.143(4), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, Federal Operating Permit ("FOP") No. O3963, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 16, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

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6. Failed to prevent unauthorized emissions. Specifically, the Respondent released 3,521,802 lbs of CO<sub>2</sub>, 29,480.65 lbs of CO, 64.38 lbs of MeOH, 1,877.72 lbs of NO<sub>x</sub>, 59.42 lbs of SO<sub>2</sub>, and 59.6 lbs of VOC from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 324546) that occurred on November 9, 2019 and lasted 14 hours and 30 minutes. The emissions event occurred due to an increase in the pressure of the externally supplied nitrogen, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(c), and 122.143(4), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, FOP No. O3963, GTC and STC No. 16, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

7. Failed to comply with the maximum allowable emissions rates ("MAERs") and the concentration limit. Specifically, during a stack test conducted on December 4, 2019, the Respondent exceeded the NO<sub>x</sub> MAER of 15.52 pounds per hour ("lbs/hr") by 3.56 lbs/hr, the ammonia ("NH<sub>3</sub>") MAER of 5.71 lbs/hr by 4.29 lbs/hr, and the NH<sub>3</sub> concentration limit of 10 parts per million by volume dry ("ppmvd") corrected to three percent ("%") oxygen ("O<sub>2</sub>") on an hourly average by 3 ppmvd corrected to 3% O<sub>2</sub> for the Reformer, EPN B-01001, resulting in approximately 15,122.88 lbs of unauthorized NO<sub>x</sub> and 18,223.92 lbs of unauthorized NH<sub>3</sub> [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), NSR Permit Nos. 107764 and PSDTX1340, SC Nos. 1 and 8.C, FOP No. O3963, GTC and STC No. 16, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent implemented the following corrective measures:

- a. By July 5, 2019, updated the Distributed Control System logic to prevent tripping and to only alarm when the differential pressure increases occur in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 308049;
- b. By July 9, 2019, submitted the initial notification for Incident No. 314958;
- c. September 12, 2019, reduced the logic control system response time to open the Front-End Vent Valve during trips in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 309273;

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d. By September 30, 2019, replaced the turbine gaskets and added a nitrogen buffer to assist in sealing in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 314958;

e. By October 29, 2019, trained staff in order to ensure that initial notifications for reportable emissions events are submitted in a timely manner;

f. By January 2, 2020, changed the Distributed Control System logic so that a failure of Transmitter 010-FI-1101 will only send an alarm signal and the Steam/Carbon Ratio will no longer cause a trip in order to prevent the recurrence of emissions events due to same or similar causes as Incident No. 326315; and

g. By May 6, 2020, replaced the leaking throttle control valve that contributed to the nitrogen pressure trip in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 324546.

**Technical Requirements:**

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachments A, B, and C).

2. The Order will also require the Respondent to:

a. By December 31, 2021, complete the repairs to the catalyst frame and the replacement of the catalyst during the turnaround;

b. By January 15, 2022, submit written certification to demonstrate compliance with a.;

c. By February 1, 2022, submit a notification to the Air Section Manager to schedule a pretest meeting prior to conducting stack sampling for the Reformer, EPN B-01001;

d. By February 16, 2022, submit written certification to demonstrate compliance with c.;

e. By March 1, 2022, hold a pretest meeting with the TCEQ Beaumont Regional Office to review the test details that include sampling and measuring procedures to be used, the forms required for recordkeeping the pertinent data, and the format and content of the test report as outlined in Chapter 14 of the TCEQ Sampling and Procedures Manual;

f. By March 16, 2022, submit written certification to demonstrate compliance with e.;

g. By April 1, 2022, conduct the stack sampling to demonstrate compliance with the NO<sub>x</sub> and NH<sub>3</sub> hourly MAERs and the NH<sub>3</sub> concentration limit for the Reformer, EPN B-01001;

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- h. By April 16, 2022, submit written certification to demonstrate compliance with g.;
- i. By May 31, 2022, submit the stack test report to the TCEQ Beaumont Regional Office;  
and
- j. By June 15, 2022, submit written certification to demonstrate compliance with i.

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Richard Garza, Enforcement Division,  
Enforcement Team 4, MC 219, (512) 239-2697; Michael Parrish, Enforcement Division,  
MC 219, (512) 239-2548

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

**SEP Third-Party Administrator:** Houston-Galveston Area Council-AERCO, P.O.  
Box 22777, Houston, Texas 77227-2777

**SEP Third-Party Administrator:** Texas PTA, 408 West 11th Street, Austin, Texas  
78701

**SEP Third-Party Administrator:** Texas Natural Gas Foundation, 2315 Newfield  
Lane, Austin, Texas 78703

**Respondent:** Tim Crocker, Plant Manager, Natgasoline LLC, P.O. Box 20339,  
Beaumont, Texas 77720

Dion G. Fontenot, Operations Manager, Natgasoline LLC, P.O. Box 20339, Beaumont,  
Texas 77720

**Respondent's Attorney:** N/A



# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

## TCEQ

<b>DATES</b>	<b>Assigned</b>	26-Aug-2019			
	<b>PCW</b>	26-Aug-2020	<b>Screening</b>	29-May-2020	<b>EPA Due</b>

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Natgasoline LLC				
<b>Reg. Ent. Ref. No.</b>	RN106586795				
<b>Facility/Site Region</b>	10-Beaumont	<b>Major/Minor Source</b>	Major		

## CASE INFORMATION

<b>Enf./Case ID No.</b>	58199	<b>No. of Violations</b>	7
<b>Docket No.</b>	2019-1219-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Richard Garza
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$82,750**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

**Compliance History** **42.0%** Adjustment **Subtotals 2, 3, & 7** **\$34,755**

Notes: Enhancement for one NOV with dissimilar violations and two orders containing a denial of liability.

**Culpability** **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **-\$7,187**

**Economic Benefit** **0.0%** Enhancement\* **Subtotal 6** **\$0**

Total EB Amounts **\$8,969**  
 Estimated Cost of Compliance **\$94,250**  
 \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$110,318**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **0.0%** Adjustment **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

**Final Penalty Amount** **\$110,318**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$110,318**

**DEFERRAL** **20.0%** Reduction Adjustment **-\$22,063**

Reduces the Final Assessed Penalty by the indicated percentage.

Notes: Deferral offered for expedited settlement.

**PAYABLE PENALTY** **\$88,255**

**Screening Date** 29-May-2020  
**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Enf. Coordinator** Richard Garza

**Docket No.** 2019-1219-AIR-E

**PCW**

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

### 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	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	2	40%
	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)** 42%

#### >> 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 one NOV with dissimilar violations and two orders containing a denial of liability.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 42%

#### >> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 42%



**Screening Date** 29-May-2020  
**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Enf. Coordinator** Richard Garza

**Docket No.** 2019-1219-AIR-E

**PCW**

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

**Violation Number** 1

**Rule Cite(s)**

30 Tex. Admin. Code §§ 101.20(3) and 116.115(c), New Source Review ("NSR") Permit Nos. 107764 and PSDTX1340, Special Conditions ("SC") No. 1, Prevention of Significant Deterioration ("PSD") Permit for Greenhouse Gas Emissions Permit No. GHGSPSDTX54, II. Annual Emissions Limits, and Tex. Health & Safety Code § 382.085(b)

**Violation Description**

Failed to prevent unauthorized emissions. Specifically, the Respondent released 9,499,237.49 pounds ("lbs") of carbon dioxide ("CO<sub>2</sub>"), 104,609.59 lbs of carbon monoxide ("CO"), 1.95 lbs of methanol ("MeOH"), 4,334.25 lbs of nitrogen oxides ("NO<sub>x</sub>"), 39.36 lbs of sulfur dioxide ("SO<sub>2</sub>"), and 49.44 lbs of volatile organic compounds ("VOC") from the MeOH Flare, Emissions Point Number ("EPN") S-10001, during an emissions event (Incident No. 308049) that began on May 8, 2019 and lasted 61 hours and 15 minutes. The emissions event occurred due to a trip of the differential pressure ("DP") instrument for the C1003 Compressor, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

**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**

Based on the Air Quality Analysis Audit for the air dispersion modeling that was submitted by the Respondent, human health or the environment has been exposed to significant amounts of pollutants which did 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 1 3 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$7,500

One monthly event is recommended.

**Good Faith Efforts to Comply**

25.0%

Reduction

\$1,875

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

Extraordinary	
Ordinary	x
N/A	

**Notes**

The Respondent achieved compliance by July 5, 2019, prior to the Notice of Enforcement ("NOE") dated August 23, 2019.

**Violation Subtotal** \$5,625

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$12

**Violation Final Penalty Total** \$8,775

**This violation Final Assessed Penalty (adjusted for limits)** \$8,775

## Economic Benefit Worksheet

**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	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				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	8-May-2019	5-Jul-2019	0.16	\$12	n/a	\$12

#### Notes for DELAYED costs

Estimated cost to update the Distributed Control System ("DCS") logic to prevent tripping and to only alarm when the DP increases occur in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 308049. The Date Required is the date the emissions event began and the Final Date is the date of compliance.

### Avoided Costs

#### ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

#### Notes for AVOIDED costs

Approx. Cost of Compliance \$1,500

**TOTAL** \$12

**Screening Date** 29-May-2020  
**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Enf. Coordinator** Richard Garza

**Docket No.** 2019-1219-AIR-E

**PCW**

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

**Violation Number**

**Rule Cite(s)**

30 Tex. Admin. Code §§ 101.20(3) and 116.115(c), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, and Tex. Health & Safety Code § 382.085(b)

**Violation Description**

Failed to prevent unauthorized emissions. Specifically, the Respondent released 20,341,903.13 lbs of CO<sub>2</sub>, 78,728.73 lbs of CO, 5.54 lbs of MeOH, 9,156.74 lbs of NO<sub>x</sub>, 83.73 lbs of SO<sub>2</sub>, and 2,079.95 lbs of VOC from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 309273) that began on May 13, 2019 and lasted 44 hours and 45 minutes. The emissions event occurred due to a trip of the syngas condensate pump, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

**Base Penalty**

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text" value="x"/>	<input type="text"/>	<input type="text" value="30.0%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>

Matrix Notes

Based on the Air Quality Analysis Audit for the air dispersion modeling that was submitted by the Respondent, human health or the environment has been exposed to significant amounts of pollutants which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

**Adjustment**

**Violation Events**

Number of Violation Events   Number of violation days

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text" value="x"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input type="text"/>

**Violation Base Penalty**

**Good Faith Efforts to Comply**

Reduction

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

Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text" value="x"/>
N/A	<input type="text"/>	<input type="text"/>

Notes

**Violation Subtotal**

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount**  **Violation Final Penalty Total**

**This violation Final Assessed Penalty (adjusted for limits)**

## Economic Benefit Worksheet

**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	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				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	13-May-2019	12-Sep-2019	0.33	\$25	n/a	\$25

**Notes for DELAYED costs**

Estimated cost to reduce the logic control system response time to open the Front-End Vent Valve during trips in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 309273. The Date Required is the date the emissions event began and the Final Date is the date of compliance.

### Avoided Costs

**ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

Approx. Cost of Compliance \$1,500

**TOTAL** \$25

**Screening Date** 29-May-2020  
**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Enf. Coordinator** Richard Garza

**Docket No.** 2019-1219-AIR-E

**PCW**

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

**Violation Number**

**Rule Cite(s)**

**Violation Description**

**Base Penalty**

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**>> Programmatic Matrix**

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="x"/>	<input type="text" value="1.0%"/>
<input type="text" value="Less than 30% of the rule requirement was not met."/>					

**Adjustment**

**Violation Events**

Number of Violation Events   Number of violation days

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input type="text" value="x"/>

**Violation Base Penalty**

**Good Faith Efforts to Comply**

Reduction

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text" value="x"/>	<input type="text"/>
N/A	<input type="text"/>	<input type="text"/>

**Notes**

**Violation Subtotal**

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount**  **Violation Final Penalty Total**

**This violation Final Assessed Penalty (adjusted for limits)**

## Economic Benefit Worksheet

**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Violation No.** 3

Percent Interest	Years of Depreciation
5.0	15

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

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$1,500	8-Jul-2019	29-Oct-2019	0.31	\$23	n/a	\$23
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	8-Jul-2019	9-Jul-2019	0.00	\$0	n/a	\$0

#### Notes for DELAYED costs

Estimated cost to submit the initial notification for Incident No. 314958 (\$250) and to train staff in order to ensure that initial notifications for reportable emissions events are submitted in a timely manner (\$1,500). The Dates Required are the date the initial notification was due and the Final Dates are the dates of compliance.

### Avoided Costs

#### ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

#### Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,750

**TOTAL**

\$23

**Screening Date** 29-May-2020  
**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Enf. Coordinator** Richard Garza

**Docket No.** 2019-1219-AIR-E

**PCW**

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

**Violation Number** 4

**Rule Cite(s)**

30 Tex. Admin. Code §§ 101.20(3) and 116.115(c), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, and Tex. Health & Safety Code § 382.085(b)

**Violation Description**

Failed to prevent unauthorized emissions. Specifically, the Respondent released 5,310,663 lbs of CO<sub>2</sub>, 43,760.69 lbs of CO, 116.51 lbs of MeOH, 2,861.20 lbs of NO<sub>x</sub>, and 89.81 lbs of SO<sub>2</sub> from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 314958) that began on July 7, 2019 and lasted 31 hours and 30 minutes. The emissions event occurred due to a steam leak across the Syngas Turbine that allowed water to enter the lube oil skid and control loop during startup, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

**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

Based on the Air Quality Analysis Audit for the air dispersion modeling that was submitted by the Respondent, human health or the environment has been exposed to significant amounts of pollutants which did 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 1 2 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$7,500

One monthly event is recommended.

**Good Faith Efforts to Comply**

25.0%

Reduction \$1,875

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

Extraordinary	
Ordinary	x
N/A	

Notes The Respondent achieved compliance on September 30, 2019, prior to the NOE dated October 30, 2019.

**Violation Subtotal** \$5,625

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$279

**Violation Final Penalty Total** \$8,775

**This violation Final Assessed Penalty (adjusted for limits)** \$8,775

## Economic Benefit Worksheet

**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Violation No.** 4

Percent Interest	Years of Depreciation
5.0	15

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

Equipment	\$10,000	7-Jul-2019	30-Sep-2019	0.23	\$8	\$155	\$163
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)	\$10,000	7-Jul-2019	30-Sep-2019	0.23	\$116	n/a	\$116

**Notes for DELAYED costs**

Estimated delayed cost to replace the turbine gaskets (\$10,000) and to add a nitrogen buffer to assist in sealing (\$10,000) in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 314958. The Dates Required are the date the emissions event began and the Final Dates are the dates of compliance.

### Avoided Costs

**ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

Approx. Cost of Compliance \$20,000

**TOTAL** \$279



**Screening Date** 29-May-2020  
**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Enf. Coordinator** Richard Garza

**Docket No.** 2019-1219-AIR-E

**PCW**

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

**Violation Number** 5

**Rule Cite(s)**

30 Tex. Admin. Code §§ 101.20(3), 116.115(c), and 122.143(4), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, Federal Operating Permit ("FOP") No. O3963, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 16, and Tex. Health & Safety Code § 382.085(b)

**Violation Description**

Failed to prevent unauthorized emissions. Specifically, the Respondent released 8,251,092 lbs of CO<sub>2</sub>, 69,320.86 lbs of CO, 33.24 lbs of MeOH, 4,196.81 lbs of NO<sub>x</sub>, 127.59 lbs of SO<sub>2</sub>, and 110.67 lbs of VOC from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 326315) that began on December 10, 2019 and lasted 54 hours and 53 minutes. The emissions event occurred due to the failure of Transmitter 010-FI-1101 that tripped the Steam Methane Reformer and caused the Plant to trip, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

**Base Penalty** \$25,000

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual		x		30.0%
	Potential				

**>> Programmatic Matrix**

Matrix Notes	Falsification	Major	Moderate	Minor	Percent

Based on the Air Quality Analysis Audit for the air dispersion modeling that was submitted by the Respondent, human health or the environment has been exposed to significant amounts of pollutants which did 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 1 3 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$7,500

One monthly event is recommended.

**Good Faith Efforts to Comply**

**25.0%** Reduction \$1,875

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

Extraordinary	
Ordinary	x
N/A	

Notes The Respondent achieved compliance by January 2, 2020, prior to the NOE dated February 28, 2020.

**Violation Subtotal** \$5,625

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$5 **Violation Final Penalty Total** \$8,775

**This violation Final Assessed Penalty (adjusted for limits)** \$8,775

## Economic Benefit Worksheet

**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Violation No.** 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	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				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	10-Dec-2019	2-Jan-2020	0.06	\$5	n/a	\$5

#### Notes for DELAYED costs

Estimated cost to change the DCS logic so that a failure of Transmitter 010-FI-1101 will only send an alarm signal and the Steam/Carbon Ratio will no longer cause a trip in order to prevent the recurrence of emissions events due to same or similar causes as Incident No. 326315. The Date Required is the date the emissions event began and the Final Date is the date of compliance.

### Avoided Costs

#### ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

#### Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

**TOTAL**

\$5

**Screening Date** 29-May-2020  
**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Enf. Coordinator** Richard Garza

**Docket No.** 2019-1219-AIR-E

**PCW**

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

**Violation Number** 6

**Rule Cite(s)** 30 Tex. Admin. Code §§ 101.20(3), 116.115(c), and 122.143(4), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, FOP No. O3963, GTC and STC No. 16, and Tex. Health & Safety Code § 382.085(b)

**Violation Description**

Failed to prevent unauthorized emissions. Specifically, the Respondent released 3,521,802 lbs of CO<sub>2</sub>, 29,480.65 lbs of CO, 64.38 lbs of MeOH, 1,877.72 lbs of NO<sub>x</sub>, 59.42 lbs of SO<sub>2</sub>, and 59.6 lbs of VOC from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 324546) that occurred on November 9, 2019 and lasted 14 hours and 30 minutes. The emissions event occurred due to an increase in the pressure of the externally supplied nitrogen, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

**Base Penalty** \$25,000

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual			x		30.0%
Potential					

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

Based on the Air Quality Analysis Audit for the air dispersion modeling that was submitted by the Respondent, human health or the environment has been exposed to significant amounts of pollutants which did 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 1 1 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$7,500

One monthly event is recommended.

**Good Faith Efforts to Comply**

10.0% Reduction \$750

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

Extraordinary		
Ordinary		x
N/A		

Notes

The Respondent achieved compliance on May 6, 2020, after the NOE dated February 28, 2020.

**Violation Subtotal** \$6,750

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$343 **Violation Final Penalty Total** \$9,900

**This violation Final Assessed Penalty (adjusted for limits)** \$9,900

## Economic Benefit Worksheet

**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Violation No.** 6

Percent Interest	Years of Depreciation
5.0	15

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

Equipment	\$10,000	9-Nov-2019	6-May-2020	0.49	\$16	\$327	\$343
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**

Estimated delayed cost to replace the leaking throttle control valve that contributed to the nitrogen pressure trip in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 324546. The Date Required is the date the emissions event occurred and the Final Date is the date of compliance.

### Avoided Costs

**ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

Approx. Cost of Compliance \$10,000

**TOTAL** \$343

**Screening Date** 29-May-2020  
**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Enf. Coordinator** Richard Garza

**Docket No.** 2019-1219-AIR-E

**PCW**

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

**Violation Number** 7

**Rule Cite(s)** 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), NSR Permit Nos. 107764 and PSDTX1340, SC Nos. 1 and 8.C, FOP No. O3963, GTC and STC No. 16, and Tex. Health & Safety Code § 382.085(b)

**Violation Description** Failed to comply with the maximum allowable emissions rates ("MAERs") and the concentration limit. Specifically, during a stack test conducted on December 4, 2019, the Respondent exceeded the NOx MAER of 15.52 pounds per hour ("lbs/hr") by 3.56 lbs/hr, the ammonia ("NH3") MAER of 5.71 lbs/hr by 4.29 lbs/hr, and the NH3 concentration limit of 10 parts per million by volume dry ("ppmvd") corrected to three percent ("%") oxygen ("O2") on an hourly average by 3 ppmvd corrected to 3% O2 for the Reformer, EPN B-01001, resulting in approximately 15,122.88 lbs of unauthorized NOx and 18,223.92 lbs of unauthorized NH3.

**Base Penalty** \$25,000

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

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		x		30.0%
Potential				

**>> 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 6 177 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$45,000

Six monthly events are recommended from the December 4, 2019 stack test date to the May 29, 2020 screening date.

**Good Faith Efforts to Comply**

0.0%

Reduction \$0

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

Extraordinary		
Ordinary		
N/A	x	

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

**Violation Subtotal** \$45,000

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$8,281

**Violation Final Penalty Total** \$63,900

**This violation Final Assessed Penalty (adjusted for limits)** \$63,900

## Economic Benefit Worksheet

**Respondent** Natgasoline LLC  
**Case ID No.** 58199  
**Reg. Ent. Reference No.** RN106586795  
**Media** Air  
**Violation No.** 7

Percent Interest	Years of Depreciation
5.0	15

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

Equipment	\$50,000	4-Dec-2019	31-Dec-2021	2.08	\$346	\$6,922	\$7,268
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)	\$8,000	4-Dec-2019	15-Jun-2022	2.53	\$1,013	n/a	\$1,013

**Notes for DELAYED costs**

Estimated cost to complete the repairs to the catalyst frame and the replacement of the catalyst during turnaround and to conduct a stack test demonstrating compliance with the NOx and NH3 hourly MAERs and the NH3 concentration limit for EPN B-01001. The Date Required is the initial date of non-compliance and the Final Date is the estimated date of compliance.

### Avoided Costs

#### ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

Approx. Cost of Compliance \$58,000

**TOTAL** \$8,281



# Compliance History Report

Compliance History Report for CN604256412, RN106586795, Rating Year 2019 which includes Compliance History (CH) components from September 1, 2014, through August 31, 2019.

<b>Customer, Respondent, or Owner/Operator:</b>	CN604256412, Natgasoline LLC	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	2.39
<b>Regulated Entity:</b>	RN106586795, BEAUMONT GAS TO GASOLINE PLANT	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	2.39
<b>Complexity Points:</b>	16	<b>Repeat Violator:</b>	NO		
<b>CH Group:</b>	05 - Chemical Manufacturing				
<b>Location:</b>	2366 SULFUR PLANT RD BEAUMONT, TX 77705, JEFFERSON COUNTY				
<b>TCEQ Region:</b>	REGION 10 - BEAUMONT				

<b>ID Number(s):</b>			
<b>AIR NEW SOURCE PERMITS</b>	EPA PERMIT PSDTX1340	<b>AIR NEW SOURCE PERMITS</b>	EPA PERMIT GHGPSDTX54
<b>AIR NEW SOURCE PERMITS</b>	PERMIT 107764	<b>WASTEWATER</b>	EPA ID TX0135836
<b>WASTEWATER</b>	PERMIT WQ0005143000	<b>TAX RELIEF</b>	ID NUMBER 20143
<b>TAX RELIEF</b>	ID NUMBER 20144	<b>TAX RELIEF</b>	ID NUMBER 22990
<b>TAX RELIEF</b>	ID NUMBER 22377	<b>POLLUTION PREVENTION PLANNING</b>	ID NUMBER P10323
<b>AIR OPERATING PERMITS</b>	PERMIT 3963	<b>INDUSTRIAL AND HAZARDOUS WASTE</b>	EPA ID TXR000084209
<b>INDUSTRIAL AND HAZARDOUS WASTE</b>	SOLID WASTE REGISTRATION # (SWR) 96775		

<b>Compliance History Period:</b>	September 01, 2014 to August 31, 2019	<b>Rating Year:</b>	2019	<b>Rating Date:</b>	09/01/2019
<b>Date Compliance History Report Prepared:</b>	May 29, 2020				
<b>Agency Decision Requiring Compliance History:</b>	Enforcement				
<b>Component Period Selected:</b>	May 29, 2015 to May 29, 2020				

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

**Name:** Richard Garza **Phone:** (512) 239-2697

**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:**

- 1 Effective Date: 09/24/2019 ADMINORDER 2018-1465-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)  
 5C THSC Chapter 382 382.085(b)  
 Rqmt Prov: Special Condition 1 PERMIT  
 Description: Failure to prevent unauthorized emissions.
  
- 2 Effective Date: 01/28/2020 ADMINORDER 2018-1635-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)  
 5C THSC Chapter 382 382.085(b)  
 Rqmt Prov: General Condition 8 PERMIT

Special Condition 1 PERMIT

Special Condition II PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 10,150.32 tons of carbon dioxide, 75.22 tons of methane, 83.63 tons of carbon monoxide, 4.55 tons of nitrogen oxides, 1.97 tons of volatile organic compounds, and 2.49 tons of methanol from the MSS, EPN S-10001, during an emissions event that began on August 29, 2018 and lasted 123 hours and 24 minutes. The emissions event occurred due to an unplanned startup event, resulting in venting to the atmosphere. Since the e

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

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

Item 1	February 23, 2018	(1489066)
Item 2	March 14, 2018	(1492711)
Item 3	May 02, 2018	(1480383)
Item 4	May 07, 2018	(1503010)
Item 5	December 03, 2018	(1531329)
Item 6	December 19, 2018	(1547532)
Item 7	January 07, 2019	(1533116)
Item 8	February 11, 2019	(1566820)
Item 9	April 01, 2019	(1552779)
Item 10	April 25, 2019	(1574205)
Item 11	May 15, 2019	(1558959)
Item 12	May 20, 2019	(1587964)
Item 13	June 08, 2019	(1587965)
Item 14	July 23, 2019	(1595624)
Item 15	August 20, 2019	(1601837)
Item 16	September 25, 2019	(1608738)
Item 17	October 22, 2019	(1615613)
Item 18	November 01, 2019	(1604258)
Item 19	November 20, 2019	(1621416)
Item 20	December 23, 2019	(1628755)
Item 21	January 28, 2020	(1636371)
Item 22	February 20, 2020	(1642989)
Item 23	March 09, 2020	(1633608)
Item 24	April 25, 2020	(1640218)
Item 25	April 29, 2020	(1640175)

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

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

1	Date:	02/29/2020	(1649494)		
	Self Report?	YES		Classification:	Moderate
	Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)			
	Description:	Failure to meet the limit for one or more permit parameter			

**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

Compliance History Report for CN604256412, RN106586795, Rating Year 2019 which includes Compliance History (CH) components from May 29, 2015, through May 29, 2020.



**J. Early compliance:**  
N/A

**Sites Outside of Texas:**  
N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
NATGASOLINE LLC  
RN106586795**

**§  
§  
§  
§  
§**

**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2019-1219-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 Natgasoline LLC (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 methanol manufacturing plant located at 2366 Sulfur Plant Road in Beaumont, Jefferson 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 \$110,318 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$44,128 of the penalty and \$22,063 of the penalty 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. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$44,127 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of the Supplemental Environmental Projects ("SEPs") as defined in the attached SEP Agreements

("Attachment A", "Attachment B" and "Attachment C"), 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 and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreements, 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 the Respondent implemented the following corrective measures at the Plant:
  - a. By July 5, 2019, updated the Distributed Control System ("DCS") logic to prevent tripping and to only alarm when the differential pressure ("DP") increases occur in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 308049;
  - b. By July 9, 2019, submitted the initial notification for Incident No. 314958;
  - c. September 12, 2019, reduced the logic control system response time to open the Front-End Vent Valve during trips in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 309273;
  - d. By September 30, 2019, replaced the turbine gaskets and added a nitrogen buffer to assist in sealing in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 314958;
  - e. By October 29, 2019, trained staff in order to ensure that initial notifications for reportable emissions events are submitted in a timely manner;
  - f. By January 2, 2020, changed the DCS logic so that a failure of Transmitter 010-FI-1101 will only send an alarm signal and the Steam/Carbon Ratio will no longer cause a trip in order to prevent the recurrence of emissions events due to same or similar causes as Incident No. 326315; and

- g. By May 6, 2020, replaced the leaking throttle control valve that contributed to the nitrogen pressure trip in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 324546.

## **II. ALLEGATIONS**

1. During a record review conducted on July 8, 2019, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), New Source Review ("NSR") Permit Nos. 107764 and PSDTX1340, Special Conditions ("SC") No. 1, Prevention of Significant Deterioration ("PSD") Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 9,499,237.49 pounds ("lbs") of carbon dioxide ("CO<sub>2</sub>"), 104,609.59 lbs of carbon monoxide ("CO"), 1.95 lbs of methanol ("MeOH"), 4,334.25 lbs of nitrogen oxides ("NO<sub>x</sub>"), 39.36 lbs of sulfur dioxide ("SO<sub>2</sub>"), and 49.44 lbs of volatile organic compounds ("VOC") from the MeOH Flare, Emissions Point Number ("EPN") S-10001, during an emissions event (Incident No. 308049) that began on May 8, 2019 and lasted 61 hours and 15 minutes. The emissions event occurred due to a trip of the DP instrument for the C1003 Compressor, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
2. During a record review conducted on July 9, 2019, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 20,341,903.13 lbs of CO<sub>2</sub>, 78,728.73 lbs of CO, 5.54 lbs of MeOH, 9,156.74 lbs of NO<sub>x</sub>, 83.73 lbs of SO<sub>2</sub>, and 2,079.95 lbs of VOC from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 309273) that began on May 13, 2019 and lasted 44 hours and 45 minutes. The emissions event occurred due to a trip of the syngas condensate pump, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
3. During a record review conducted on September 25, 2019, an investigator documented that the Respondent:
  - a. Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 314958 was due by July 8, 2019 at 7:30 a.m., but was not submitted until July 9, 2019 at 12:28 p.m.
  - b. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual

Emissions Limits, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 5,310,663 lbs of CO<sub>2</sub>, 43,760.69 lbs of CO, 116.51 lbs of MeOH, 2,861.20 lbs of NO<sub>x</sub>, and 89.81 lbs of SO<sub>2</sub> from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 314958) that began on July 7, 2019 and lasted 31 hours and 30 minutes. The emissions event occurred due to a steam leak across the Syngas Turbine that allowed water to enter the lube oil skid and control loop during startup, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements and the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

4. During a record review conducted on January 2, 2020, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(c), and 122.143(4), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, Federal Operating Permit ("FOP") No. O3963, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 16, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 8,251,092 lbs of CO<sub>2</sub>, 69,320.86 lbs of CO, 33.24 lbs of MeOH, 4,196.81 lbs of NO<sub>x</sub>, 127.59 lbs of SO<sub>2</sub>, and 110.67 lbs of VOC from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 326315) that began on December 10, 2019 and lasted 54 hours and 53 minutes. The emissions event occurred due to the failure of Transmitter 010-FI-1101 that tripped the Steam Methane Reformer and caused the Plant to trip, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
5. During a record review conducted on January 17, 2020, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(c), and 122.143(4), NSR Permit Nos. 107764 and PSDTX1340, SC No. 1, PSD Permit for Greenhouse Gas Emissions Permit No. GHGPSDTX54, II. Annual Emissions Limits, FOP No. O3963, GTC and STC No. 16, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 3,521,802 lbs of CO<sub>2</sub>, 29,480.65 lbs of CO, 64.38 lbs of MeOH, 1,877.72 lbs of NO<sub>x</sub>, 59.42 lbs of SO<sub>2</sub>, and 59.6 lbs of VOC from the MeOH Flare, EPN S-10001, during an emissions event (Incident No. 324546) that occurred on November 9, 2019 and lasted 14 hours and 30 minutes. The emissions event occurred due to an increase in the pressure of the externally supplied nitrogen, resulting in flaring. Since the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
6. During a record review conducted from April 9, 2020 through April 13, 2020, an investigator documented that the Respondent failed to comply with the maximum allowable emissions rates ("MAERs") and the concentration limit, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), NSR Permit Nos. 107764 and PSDTX1340, SC Nos. 1 and 8.C, FOP No. O3963, GTC and STC No. 16, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, during a stack test conducted on December 4, 2019, the Respondent exceeded the NO<sub>x</sub> MAER of 15.52 pounds per hour

("lbs/hr") by 3.56 lbs/hr, the ammonia ("NH<sub>3</sub>") MAER of 5.71 lbs/hr by 4.29 lbs/hr, and the NH<sub>3</sub> concentration limit of 10 parts per million by volume dry ("ppmvd") corrected to three percent ("%") oxygen ("O<sub>2</sub>") on an hourly average by 3 ppmvd corrected to 3% O<sub>2</sub> for the Reformer, EPN B-01001, resulting in approximately 15,122.88 lbs of unauthorized NO<sub>x</sub> and 18,223.92 lbs of unauthorized NH<sub>3</sub>.

### **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 No. 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: Natgasoline LLC, Docket No. 2019-1219-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 three SEPs as set forth in Section I, Paragraph No. 4. The amount of \$44,127 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEPs pursuant to the terms of the SEP Agreements, as defined in Attachment A, Attachment B, and Attachment C. Penalty payments for any portion of the SEPs deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. The Respondent shall undertake the following technical requirements:
  - a. By December 31, 2021, complete the repairs to the catalyst frame and the replacement of the catalyst during the turnaround.
  - b. By January 15, 2022, submit written certification to demonstrate compliance with Ordering Provision No. 3.a, as described in Ordering Provision No. 3.j.
  - c. By February 1, 2022, submit a notification to the Air Section Manager at the address in Ordering Provision No. 3.j to schedule a pretest meeting prior to conducting stack sampling for the Reformer, EPN B-01001, in accordance with NSR Permit Nos. 107764 and PSDTX1340.

- d. By February 16, 2022, submit written certification to demonstrate compliance with Ordering Provision No. 3.c, as described in Ordering Provision No. 3.j.
- e. By March 1, 2022, hold a pretest meeting with the TCEQ Beaumont Regional Office to review the test details that include sampling and measuring procedures to be used, the forms required for recordkeeping the pertinent data, and the format and content of the test report as outlined in Chapter 14 of the TCEQ Sampling and Procedures Manual.
- f. By March 16, 2022, submit written certification to demonstrate compliance with Ordering Provision No. 3.e, as described in Ordering Provision No. 3.j.
- g. By April 1, 2022, conduct the stack sampling to demonstrate compliance with the NOx and NH3 hourly MAERs and the NH3 concentration limit for the Reformer, EPN B-01001.
- h. By April 16, 2022, submit written certification to demonstrate compliance with Ordering Provision No. 3.g, as described in Ordering Provision No. 3.j.
- i. By May 31, 2022, submit the stack test report to the TCEQ Beaumont Regional Office at the address in Ordering Provision No. 3.j.
- j. By June 15, 2022, submit written certification to demonstrate compliance with Ordering Provision No. 3.i, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance. The certification shall be signed by the Respondent and shall include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

Air Section Manager  
Beaumont Regional Office  
Texas Commission on Environmental Quality  
3870 Eastex Freeway  
Beaumont, Texas 77703-1830

4. All relief not expressly granted in this Order is denied.
5. 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.
6. 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.
7. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director. Extension requests shall be sent to the Order Compliance Team at the address listed above.
8. 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.
9. 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.

10. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

### SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
For the Executive Director

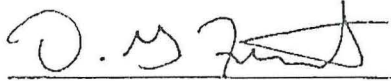
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12/30/2021  
Date

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.

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
7/22/21  
Date

\_\_\_\_\_  
DION G FONTENOT  
Name (Printed or typed)  
Authorized Representative of  
Natgasoline LLC

\_\_\_\_\_  
OPERATIONS MANAGER  
ACTING PLANT MANAGER  
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.

**Attachment A**  
**Docket Number: 2019-1219-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Natgasoline LLC</b>
<b>Payable Penalty Amount:</b>	<b>\$88,255</b>
<b>SEP Offset Amount:</b>	<b>\$8,127</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Houston-Galveston Area Council-AERCO</b>
<b>Project Name:</b>	<b><i>Clean Vehicles Partnership Project</i></b>
<b>Location of SEP: Angelina, Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Hardin, Harris, Houston, Jasper, Jefferson, Liberty, Matagorda, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Trinity, Tyler, Walker, Waller, and Wharton Counties</b>	

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 **Houston-Galveston Area Council-AERCO** for the *Clean Vehicles Partnership 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 replace old, higher emission buses that do not meet 2010 Environmental Protection Agency (“EPA”) emissions standards (“Old Buses”) with new, lower emission buses that meet the most recent EPA emissions standards (“New Buses”) or to retrofit or convert Old Buses with emissions reducing equipment. The Third-Party Administrator shall allocate the SEP Offset Amount to public entities such as school districts, local governments, and public transit authorities (“SEP Administrators”) that apply for replacement, retrofit, or conversion of buses.

The SEP Offset Amount may also be used for retrofit or conversion technology that brings an Old Bus up to current EPA emissions standards. New Buses may be alternative-fueled. The SEP Offset Amount may be used for up to 100% of the replacement, conversion, or retrofit cost. The SEP Offset Amount will be used only for purchase of New Buses or conversion or retrofit equipment and contract labor for

installation of equipment. The SEP Offset Amount will not be used for financing such a purchase through a lease-purchase or similar agreement.

Retrofitting means reducing exhaust emissions to current standards by installing devices that are verified or certified by the EPA or the California Air Resources Board as proven retrofit technologies. Converting means replacing an engine system with an alternative fuel engine system to bring the Old Bus within the current EPA emissions standards. Buses to be replaced, retrofitted, or converted must be in regular use (driven at least five hundred miles per year for at least the past two years) by the SEP Administrator and must not already be scheduled for replacement in the following twenty-four months. All replaced buses must be fully decommissioned. The Third-Party Administrator shall provide proof of decommissioning to TCEQ for each replaced vehicle by submitting a copy of the TCEQ SEP Vehicle Replacement Disposition Form. 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 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 to settle this enforcement action. The Respondent shall not profit from this SEP.

**b. Environmental Benefit**

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate many respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a 2010 ultra-low emission model, passengers' exposure to nitrogen oxides may be reduced by 98 percent; volatile organic compounds by 93 percent; carbon dioxide by 83 percent; and particulate matter by 99 percent. In addition, by encouraging less bus idling, this SEP contributes to public awareness of air pollution and air quality.

**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 **Houston-Galveston Area Council-AERCO SEP** and shall mail the contribution with a copy of the Agreed Order to:

Houston-Galveston Area Council-AERCO  
Attn: Air Quality Program Manager  
P.O. Box 22777  
Houston, Texas 77227-2777

## **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:

Natgasoline LLC  
Agreed Order - Attachment A

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.

**Attachment B**  
**Docket Number: 2019-1219-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Natgasoline LLC</b>
<b>Payable Penalty Amount:</b>	<b>\$88,255</b>
<b>SEP Offset Amount:</b>	<b>\$18,000</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Texas Congress of Parents and Teachers dba Texas PTA</b>
<b>Project Name:</b>	<b><i>Texas PTA Clean School Bus Replacement Program</i></b>
<b>Location of SEP:</b>	<b>Preference for Jefferson County; TCEQ Air Control Region 106: Southern Louisiana-Southeast Texas</b>

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 SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment B.

**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 **Texas Congress of Parents and Teachers dba Texas PTA** for the *Texas PTA Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use the SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel school bus that is model year 2002 or older. 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 the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not 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 it has no prior commitment to make this contribution and that it is being contributed solely to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate many respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

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 **Texas Congress of Parents and Teachers SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas PTA  
408 West 11th Street  
Austin, Texas 78701

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due 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 B, 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 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 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.

**Attachment C**  
**Docket Number: 2019-1219-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Natgasoline LLC</b>
<b>Payable Penalty Amount:</b>	<b>\$88,255</b>
<b>SEP Offset Amount:</b>	<b>\$18,000</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Administrator SEP</b>
<b>Third-Party Administrator:</b>	<b>Texas Natural Gas Foundation</b>
<b>Project Name:</b>	<b><i>High Emission Vehicle Replacement Project</i></b>
<b>Location of SEP:</b>	<b>Preference for Jefferson County; TCEQ Air Control Region 106: Southern Louisiana-Southeast Texas</b>

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 C.

**1. Project Description**

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above, **Texas Natural Gas Foundation**, for the *High Emission Vehicle Replacement Project* (the “Project”). The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ, which details the terms and conditions of the Project.

Specifically, the SEP Offset Amount will be used to reimburse an eligible public entity for the total purchase price or five-year lease price of a standard base model alternative-fueled vehicle that will replace an eligible older, diesel-fueled vehicle that the public entity has decommissioned and removed from its fleet. Public entities eligible to receive assistance include state agencies, counties, municipalities, school districts, or other political subdivisions created under the constitution or any statute of this state.

Old, diesel-fueled vehicles emit large amounts of nitrogen oxides (“NOx”) and particulate matter (“PM”), as well as other harmful pollutants such as volatile organic compounds (“VOCs”) and carbon monoxide (“CO”). These pollutants contribute to serious public health problems. This Project shall reduce NOx, PM, VOCs, and CO emissions by replacing high-emission, diesel-fueled vehicles with low-emission, alternative-fueled

vehicles. 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 spent on the specifically identified SEP may, at the discretion of the Executive Director, 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 to settle this enforcement action. The Respondent shall not profit from this SEP.

b. Environmental Benefit

This Project will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate several respiratory diseases, including asthma. For example, replacing a model year 2002 heavy-duty diesel dump truck with a model year 2010 or newer dump truck powered by natural gas or propane may reduce passengers' exposure to NOx by 95% and PM by 99.9%. Moreover, replacing a model year 1989 diesel school bus with a model year 2010 or newer school bus powered by natural gas or propane may reduce passengers' exposure to NOx by 98%, VOCs by 83%; and PM by 99%.

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 **Texas Natural Gas Foundation SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas Natural Gas Foundation  
Attention: Heather Ball, Executive Director  
2315 Newfield Lane  
Austin, Texas 78703

### **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 C, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director may require immediate payment of all or part of the SEP Offset Amount.

In the event the Executive Director 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 Executive Director, 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 C 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.