

Executive Summary – Enforcement Matter – Case No. 60362
Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
RN106018260
Docket No. 2021-0232-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

MB FRAC I II and III, 9850 Farm-to-Market Road 1942, Baytown, Chambers County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket Nos. 2023-0185-IWD-E and 2022-0677-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: October 6, 2023

Comments Received: No

Penalty Information

Total Penalty Assessed: \$39,206

Amount Deferred for Expedited Settlement: \$7,841

Total Paid to General Revenue: \$15,683

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$15,682

Name of SEP: Barbers Hill Independent School District (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: September 28, 2020 through October 21, 2020, October 26, 2020 through November 9, 2020, September 28, 2020 through October 21, 2020, November 13, 2020 through November 20, 2020, November 9, 2020 through November 20, 2020, and November 5, 2020 through November 20, 2020

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Docket No. 2021-0232-AIR-E

Date(s) of NOE(s): January 19, 2021, February 3, 2021, February 2, 2021, and February 26, 2021

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 665.52 pounds ("lbs") of carbon monoxide ("CO"), 315.42 lbs of nitrogen oxides ("NOx"), and 634.87 lbs of volatile organic compounds ("VOC") from the Plant Flare, Emissions Point Number ("EPN") 1SK25.001, during an emissions event (Incident No. 291457) that occurred on September 3, 2018 and lasted 11 hours. The emissions event occurred when a control valve failed at a receiving terminal, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, Federal Operating Permit ("FOP") No. O3586, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") Nos. 8 and 11.B, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,596.00 lbs of NOx, 1,427.00 lbs of VOC, and 1.00 lb of sulfur dioxide ("SO₂") from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 343711) that began on October 11, 2020 and lasted 62 hours. The emissions event occurred when a pump used to empty the refrigeration compressor suction knock-out drum was not operating properly, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 12 and 15.B, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to prevent unauthorized emissions. Specifically, the Respondent released 622.66 lbs of CO, 311.90 lbs of NOx, 0.66 lb of SO₂, and 842.18 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 306694) that occurred on April 16, 2019 and lasted 11 hours. The emissions event occurred when an air compressor malfunction triggered an emergency shutdown of the control valves, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 8 and 11.B, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

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4. Failed to prevent unauthorized emissions. Specifically, the Respondent released 818.00 lbs of CO, 338.00 lbs of NO_x, 1.00 lb of SO₂, and 1,007.00 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 345131) that occurred on October 29, 2020 and lasted seven hours. The emissions event occurred due to a short-term liquid level reading malfunction and a faulty power cell, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 12 and 15.B, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

5. Failed to prevent unauthorized emissions. Specifically, the Respondent released 603.00 lbs of CO, 302.00 lbs of NO_x, 48.00 lbs of SO₂, and 49.00 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 344809) that occurred on October 24, 2020 and lasted one hour and nine minutes. The emissions event occurred due to the deethanizer column over-pressuring that caused the content of the deethanizer column to be vented, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator, 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 §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 12 and 15.B, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

6. 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. 344809 was due by October 25, 2020 at 4:00 a.m., but was not submitted until October 26, 2020, at 1:42 p.m. [30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), FOP No. O3586, GTC and STC No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

7. Failed to prevent unauthorized emissions. Specifically, the Respondent released 755.68 lbs of CO, 378.53 lbs of NO_x, 0.79 lb of SO₂, and 2,368.73 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 318242) that began on August 7, 2019 and lasted 13 hours. The emissions event occurred when the opening valve operated much slower than the closing valve during the transition of the product flow from one pipeline to another that constricted flow and caused an unanticipated and significant increase in pipeline pressure and when one pressure safety valve did not completely reseal, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded

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from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 8 and 11.B, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

8. Failed to identify all required information on the final record for a reportable emissions event. Specifically, the Respondent did not identify the correct estimated total quantities for the VOC that were released during the emissions event on the final record for Incident No. 318242 and did not identify the authorized emission limits for the CO, NO_x, and VOC on the final record for Incident No. 318242 [30 TEX. ADMIN. CODE §§ 101.201(b)(1)(G) and (H) and 122.143(4), FOP No. O3586, GTC and STC No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. On October 26, 2020, submitted the initial notification for Incident No. 344809; and
- b. On November 20, 2020, provided the estimated total quantities for the VOC that were released during Incident No. 318242 and the authorized emissions limits for the CO, NO_x, and VOC for the facilities involved in Incident No. 318242.

Technical Requirements:

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).
2. The Order will also require the Respondent to:
 - a. Within 30 days:
 - i. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 291457;
 - ii. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 343711;
 - iii. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 306694;
 - iv. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 345131;

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- v. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 344809; and
- vi. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 318242.
- b. Within 45 days, submit written certification to demonstrate compliance with a.

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Mackenzie Mehlmann, Enforcement Division, Enforcement Team 2, MC 219, (512) 239-2572; 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: Barbers Hill Independent School District, Carl R. Griffith & Associates, Inc., 2901 Turtle Creek Drive, Suite 445, Port Arthur, Texas 77642

Respondent: Brad Widener, Vice President of Operations, Energy Transfer GC NGL Fractionators LLC, 12353 Eagle Pointe Drive, Mont Belvieu, Texas 77535

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

| | | | | | | |
|--------------|-----------------|-------------|------------------|------------|----------------|--|
| DATES | Assigned | 26-Jan-2021 | Screening | 3-Feb-2021 | EPA Due | |
| | PCW | 28-Jul-2023 | | | | |

| | |
|--|--|
| RESPONDENT/FACILITY INFORMATION | |
| Respondent | Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC |
| Reg. Ent. Ref. No. | RN106018260 |
| Facility/Site Region | 12-Houston |
| Major/Minor Source | Major |

| | | | |
|--|-----------------|------------------------------|--------------------|
| CASE INFORMATION | | | |
| Enf./Case ID No. | 60362 | No. of Violations | 8 |
| Docket No. | 2021-0232-AIR-E | Order Type | 1660 |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Mackenzie Mehlmann |
| | | EC's Team | Enforcement Team 2 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$25,000 |

Penalty Calculation Section

| | | |
|---|-------------------|-----------------|
| TOTAL BASE PENALTY (Sum of violation base penalties) | Subtotal 1 | \$23,000 |
|---|-------------------|-----------------|

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

| | | | | |
|---------------------------|--------------|------------|--------------------------------|-----------------|
| Compliance History | 71.0% | Adjustment | Subtotals 2, 3, & 7 | \$16,330 |
|---------------------------|--------------|------------|--------------------------------|-----------------|

Notes: Enhancement for one NOV with same/similar violations, three NOVs with dissimilar violations, and three 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 | -\$124 |
|--|-------------------|---------------|

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

| | |
|------------------------------|----------|
| Total EB Amounts | \$12,783 |
| Estimated Cost of Compliance | \$60,500 |

*Capped at the Total EB \$ Amount

| | | |
|-----------------------------|-----------------------|-----------------|
| SUM OF SUBTOTALS 1-7 | Final Subtotal | \$39,206 |
|-----------------------------|-----------------------|-----------------|

| | | | | |
|---|-------------|------------|-----------------|------------|
| OTHER FACTORS AS JUSTICE MAY REQUIRE | 0.0% | Adjustment | Subtotal | \$0 |
|---|-------------|------------|-----------------|------------|

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

| | |
|-----------------------------|-----------------|
| Final Penalty Amount | \$39,206 |
|-----------------------------|-----------------|

| | | |
|-----------------------------------|-------------------------------|-----------------|
| STATUTORY LIMIT ADJUSTMENT | Final Assessed Penalty | \$39,206 |
|-----------------------------------|-------------------------------|-----------------|

| | | | | |
|-----------------|--------------|-----------|-------------------|-----------------|
| DEFERRAL | 20.0% | Reduction | Adjustment | -\$7,841 |
|-----------------|--------------|-----------|-------------------|-----------------|

Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

| | |
|------------------------|-----------------|
| PAYABLE PENALTY | \$31,365 |
|------------------------|-----------------|

Screening Date 3-Feb-2021

Docket No. 2021-0232-AIR-E

PCW

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL

Case ID No. 60362

Reg. Ent. Reference No. RN106018260

Media Air

Enf. Coordinator Mackenzie Mehlmann

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>) | 1 | 5% |
| | Other written NOVs | 3 | 6% |
| Orders | Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>) | 3 | 60% |
| | Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission | 0 | 0% |
| Judgments and Consent Decrees | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>) | 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) 71%

>> 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 same/similar violations, three NOVs with dissimilar violations, and three orders containing a denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 71%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 71%

Screening Date 3-Feb-2021 **Docket No.** 2021-0232-AIR-E **PCW**
Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
Case ID No. 60362 *Policy Revision 4 (April 2014)*
Reg. Ent. Reference No. RN106018260 *PCW Revision March 26, 2014*
Media Air
Enf. Coordinator Mackenzie Mehlmann

Violation Number 1
Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, Federal Operating Permit ("FOP") No. O3586, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") Nos. 8 and 11.B, and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 665.52 pounds ("lbs") of carbon monoxide ("CO"), 315.42 lbs of nitrogen oxides ("NOx"), and 634.87 lbs of volatile organic compounds ("VOC") from the Plant Flare, Emissions Point Number ("EPN") 1SK25.001, during an emissions event (Incident No. 291457) that occurred on September 3, 2018 and lasted 11 hours. The emissions event occurred when a control valve failed at a receiving terminal, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 | | | |
| Potential | | | | | |

>> Programmatic Matrix

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

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 1 Number of violation days

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

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply 0.0% Reduction \$0

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

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

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount \$2,790 **Violation Final Penalty Total** \$6,413

This violation Final Assessed Penalty (adjusted for limits) \$6,413

Economic Benefit Worksheet

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
Case ID No. 60362
Reg. Ent. Reference No. RN106018260
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 |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

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) | \$10,000 | 3-Sep-2018 | 1-Apr-2024 | 5.58 | \$2,790 | n/a | \$2,790 |

Notes for DELAYED costs
 Estimated cost to implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 291457. The Date Required is the date the emissions event occurred 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 \$10,000

TOTAL \$2,790

Screening Date 3-Feb-2021

Docket No. 2021-0232-AIR-E

PCW

Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC

Respondent

Case ID No. 60362

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106018260

Media Air

Enf. Coordinator Mackenzie Mehlmann

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 12 and 15.B, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,596.00 lbs of NOx, 1,427.00 lbs of VOC, and 1.00 lb of sulfur dioxide ("SO2") from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 343711) that began on October 11, 2020 and lasted 62 hours. The emissions event occurred when a pump used to empty the refrigeration compressor suction knock-out drum was not operating properly, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 | 15.0% |
| | Potential | | | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Harm | | | Percent |
|--------------|---------------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | | | | | 0.0% |

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 3 Number of violation days

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

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

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

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

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,737

Violation Final Penalty Total \$6,413

This violation Final Assessed Penalty (adjusted for limits) \$6,413

Economic Benefit Worksheet

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
Case ID No. 60362
Reg. Ent. Reference No. RN106018260
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 |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

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) | \$10,000 | 11-Oct-2020 | 1-Apr-2024 | 3.47 | \$1,737 | n/a | \$1,737 |

Notes for DELAYED costs
 Estimated cost to implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 343711. The Date Required is the date the emissions event began 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 \$10,000

TOTAL \$1,737

Screening Date 3-Feb-2021

Docket No. 2021-0232-AIR-E

PCW

Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC

Respondent

Case ID No. 60362

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106018260

Media Air

Enf. Coordinator Mackenzie Mehlmann

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 8 and 11.B, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 622.66 lbs of CO, 311.90 lbs of NOx, 0.66 lb of SO2, and 842.18 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 306694) that occurred on April 16, 2019 and lasted 11 hours. The emissions event occurred when an air compressor malfunction triggered an emergency shutdown of the control valves, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 15.0%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 Number of violation days 1

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

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

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

Notes

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

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2,482

Violation Final Penalty Total \$6,413

This violation Final Assessed Penalty (adjusted for limits) \$6,413

Economic Benefit Worksheet

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
Case ID No. 60362
Reg. Ent. Reference No. RN106018260
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 |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

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) | \$10,000 | 16-Apr-2019 | 1-Apr-2024 | 4.96 | \$2,482 | n/a | \$2,482 |

Notes for DELAYED costs
 Estimated cost to implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 306694. The Date Required is the date the emissions event occurred 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 \$10,000

TOTAL \$2,482

Screening Date 3-Feb-2021

Docket No. 2021-0232-AIR-E

PCW

Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC

Respondent

Case ID No. 60362

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106018260

Media Air

Enf. Coordinator Mackenzie Mehlmann

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. 03586, GTC and STC Nos. 12 and 15.B, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 818.00 lbs of CO, 338.00 lbs of NOx, 1.00 lb of SO2, and 1,007.00 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 345131) that occurred on October 29, 2020 and lasted seven hours. The emissions event occurred due to a short-term liquid level reading malfunction and a faulty power cell, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 | 15.0% |
| | Potential | | | | |

>> Programmatic Matrix

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

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 Number of violation days 1

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

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

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

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

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,712

Violation Final Penalty Total \$6,413

This violation Final Assessed Penalty (adjusted for limits) \$6,413

Economic Benefit Worksheet

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
Case ID No. 60362
Reg. Ent. Reference No. RN106018260
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 |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

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) | \$10,000 | 29-Oct-2020 | 1-Apr-2024 | 3.42 | \$1,712 | n/a | \$1,712 |

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 345131. The Date Required is the date the emissions event occurred 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 \$10,000

TOTAL \$1,712

Screening Date 3-Feb-2021 **Docket No.** 2021-0232-AIR-E **PCW**
Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
Case ID No. 60362 *Policy Revision 4 (April 2014)*
Reg. Ent. Reference No. RN106018260 *PCW Revision March 26, 2014*
Media Air
Enf. Coordinator Mackenzie Mehlmann

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 12 and 15.B, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 603.00 lbs of CO, 302.00 lbs of NOx, 48.00 lbs of SO2, and 49.00 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 344809) that occurred on October 24, 2020 and lasted one hour and nine minutes. The emissions event occurred due to the deethanizer column over-pressuring that caused the content of the deethanizer column to be vented, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator, 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 | | | Percent |
|----|-----------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | Actual | | | X | 15.0% |
| | Potential | | | | |

>> Programmatic Matrix

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

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 1 Number of violation days

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

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply 0.0% Reduction \$0

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

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

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount \$1,719 **Violation Final Penalty Total** \$6,413

This violation Final Assessed Penalty (adjusted for limits) \$6,413

Economic Benefit Worksheet

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
Case ID No. 60362
Reg. Ent. Reference No. RN106018260
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 |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

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) | \$10,000 | 24-Oct-2020 | 1-Apr-2024 | 3.44 | \$1,719 | n/a | \$1,719 |

Notes for DELAYED costs
 Estimated cost to implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 344809. The Date Required is the date the emissions event occurred 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 \$10,000

TOTAL \$1,719

Screening Date 3-Feb-2021

Docket No. 2021-0232-AIR-E

PCW

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC

Policy Revision 4 (April 2014)

Case ID No. 60362

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106018260

Media Air

Enf. Coordinator Mackenzie Mehlmann

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(a)(1)(B) and 122.143(4), FOP No. O3586, GTC and STC No. 2.F, and Tex. Health & Safety Code § 382.085(b)

Violation Description 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. 344809 was due by October 25, 2020 at 4:00 a.m., but was not submitted until October 26, 2020, at 1:42 p.m.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | |
| Potential | | | |

Percent 0.0%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | x |

Percent 1.0%

Matrix Notes

Less than 30% of the rule requirements were not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1 Number of violation days 2

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

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$62

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

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

Notes

The Respondent completed the corrective measures on October 26, 2020, prior to the Notice of Enforcement ("NOE") dated February 2, 2021.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$366

This violation Final Assessed Penalty (adjusted for limits) \$366

Economic Benefit Worksheet

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
Case ID No. 60362
Reg. Ent. Reference No. RN106018260
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 |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

Delayed Costs

| | | | | | | | |
|--------------------------|-------|-------------|-------------|------|-----|-----|-----|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/Construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$250 | 25-Oct-2020 | 26-Oct-2020 | 0.00 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to submit the initial notification for Incident No. 344809. The Date Required is the date the initial notification was due and the Final Date is the date the initial notification was submitted.

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

\$250

TOTAL

\$0

Screening Date 3-Feb-2021

Docket No. 2021-0232-AIR-E

PCW

Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC

Respondent

Case ID No. 60362

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106018260

Media Air

Enf. Coordinator Mackenzie Mehlmann

Violation Number 7

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 8 and 11.B, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 755.68 lbs of CO, 378.53 lbs of NOx, 0.79 lb of SO2, and 2,368.73 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 318242) that began on August 7, 2019 and lasted 13 hours. The emissions event occurred when the opening valve operated much slower than the closing valve during the transition of the product flow from one pipeline to another that constricted flow and caused an unanticipated and significant increase in pipeline pressure and when one pressure safety valve did not completely reseal, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 | 15.0% |
| | Potential | | | | |

>> Programmatic Matrix

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

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 1 Number of violation days

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

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

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

Notes

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

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2,327

Violation Final Penalty Total \$6,413

This violation Final Assessed Penalty (adjusted for limits) \$6,413

Economic Benefit Worksheet

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
Case ID No. 60362
Reg. Ent. Reference No. RN106018260
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 |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

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) | \$10,000 | 7-Aug-2019 | 1-Apr-2024 | 4.65 | \$2,327 | n/a | \$2,327 |

Notes for DELAYED costs
 Estimated cost to implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 318242. The Date Required is the date the emissions event began 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 \$10,000

TOTAL \$2,327

Screening Date 3-Feb-2021

Docket No. 2021-0232-AIR-E

PCW

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC

Policy Revision 4 (April 2014)

Case ID No. 60362

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN106018260

Media Air

Enf. Coordinator Mackenzie Mehlmann

Violation Number 8

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(b)(1)(G) and (H) and 122.143(4), FOP No. O3586, GTC and STC No. 2.F, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to identify all required information on the final record for a reportable emissions event. Specifically, the Respondent did not identify the correct estimated total quantities for the VOC that were released during the emissions event on the final record for Incident No. 318242 and did not identify the authorized emission limits for the CO, NOx, and VOC on the final record for Incident No. 318242.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), Percent (0.0%).

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, Percent (1.0%).

Matrix Notes Less than 30% of the rule requirements were not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1 Number of violation days 456

Table with columns: Frequency (daily, weekly, monthly, quarterly, semiannual, annual, single event), Count (x).

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction \$62

Table with columns: Effort Type (Extraordinary, Ordinary, N/A), Status (Before NOE/NOV, NOE/NOV to EDRP/Settlement Offer).

Notes The Respondent completed the corrective measures on November 20, 2020, prior to the NOE dated February 26, 2021.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$16

Violation Final Penalty Total \$366

This violation Final Assessed Penalty (adjusted for limits) \$366

Economic Benefit Worksheet

Respondent Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC

Case ID No. 60362

Reg. Ent. Reference No. RN106018260

Media Air

Violation No. 8

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

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

Delayed Costs

| | | | | | | | |
|--------------------------|-------|-------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/Construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$250 | 22-Aug-2019 | 20-Nov-2020 | 1.25 | \$16 | n/a | \$16 |

Notes for DELAYED costs

Estimated cost to provide the estimated total quantities for the VOC that were released during Incident No. 318242 and the authorized emissions limits for the CO, NOx, and VOC for the facilities involved in Incident No. 318242. The Date Required is the date the final record was due 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

\$250

TOTAL

\$16



Compliance History Report

Compliance History Report for CN604309419, RN106018260, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

Customer, Respondent, or Owner/Operator: CN604309419, Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC **Classification:** SATISFACTORY **Rating:** 8.85

Regulated Entity: RN106018260, MB FRAC I II and III **Classification:** SATISFACTORY **Rating:** 8.17

Complexity Points: 20 **Repeat Violator:** NO

CH Group: 13 - Pipeline Transportation of Natural Gas, Refined Petroleum, and All Other Products

Location: 9850 Farm-to-Market Road 1942, Baytown, Chambers County, Texas 77521-9573

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS PERMIT 3586
AIR OPERATING PERMITS ACCOUNT NUMBER CIA019S
AIR NEW SOURCE PERMITS EPA PERMIT N182
AIR NEW SOURCE PERMITS EPA PERMIT GHGPSDTX5
AIR NEW SOURCE PERMITS REGISTRATION 169497
AIR NEW SOURCE PERMITS AFS NUM 4807100132
WASTEWATER EPA ID TX0140082
POLLUTION PREVENTION PLANNING ID NUMBER P10606
INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXR000081347

AIR OPERATING PERMITS PERMIT 3838
AIR NEW SOURCE PERMITS REGISTRATION 93813
AIR NEW SOURCE PERMITS PERMIT 110274
AIR NEW SOURCE PERMITS EPA PERMIT GHGPSDTX34
AIR NEW SOURCE PERMITS REGISTRATION 155025
WASTEWATER PERMIT WQ0005399000
AIR EMISSIONS INVENTORY ACCOUNT NUMBER CIA019S
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 96793
TAX RELIEF ID NUMBER 18761

Compliance History Period: September 01, 2017 to August 31, 2022 **Rating Year:** 2022 **Rating Date:** 09/01/2022

Date Compliance History Report Prepared: February 23, 2023

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: February 23, 2018 to February 23, 2023

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

Name: Mackenzie Mehlmann

Phone: (512) 239-2572

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: 05/30/2018 ADMINORDER 2017-0761-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

30 TAC Chapter 116, SubChapter F 116.615(2)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Term & Condition 11B OP

Description: Failed to comply with the maximum emissions rates ("MER") for the Flare, Emission Point Number ("EPN") 1SK25.001, in violation of 30 TEX. ADMIN. CODE §§116.115(b)(2)(F), 116.615(2), and 122.143(4), TEX. HEALTH & SAFETY CODE §382.085(b), Federal Operating Permit ("FOP") No. O3586, Special Terms and Conditions No. 11.B, and Standard Permit Registration No. 93813. Specifically, from January 9, 2016 through January 8, 2017, the Respondent exceeded the nitrogen oxides ("NOx") MER of 10.13 tons p

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Terms and Conditions OP

Description: Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE §382.085(b), and FOP No. O3586, General Terms and Conditions. Specifically, the deviation report for the January 9, 2016 through July 8, 2016 reporting period did not include 159 deviations for open-ended lines, and the deviation report for the July 9, 2016 through January 8, 2017 reporting period did not include 159 deviations for open-ended lines and

2 Effective Date: 08/05/2019 ADMINORDER 2018-0809-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 1 OP

Special Terms and Conditions 1A OP

Description: Failure to comply with the Maximum Allowable Emission Rate (MAER) for NOx (HPV A8GC2).

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 OP

Special Terms and Conditions 1A OP

Description: Failure to comply with the Maximum Allowable Emission Rate (MAER) for SO2. B19

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC1 OP

Special Terms and Conditions 1A OP

Description: Failure to comply with the Maximum Allowable Emission Rate (MAER) for NOx (HPV A8GC2).

3 Effective Date: 03/11/2022 ADMINORDER 2020-1439-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 116, SubChapter F 116.615(2)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP No. O3586 GTC and STC Nos. 12 and 15 OP

Registration No. 93813 General Condition REG

Description: Failure to prevent unauthorized emissions. (Category A12i6)

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(2)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP No. O3586, GTC and STC No. 16 OP

General Terms & Conditions OP

Description: Failed to submit a PCC within 30 days of any certification period (Category A12(i)(7)).

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

| | | |
|--------|----------------|-----------|
| Item 1 | April 04, 2018 | (1479614) |
| Item 2 | April 20, 2018 | (1839431) |
| Item 3 | June 25, 2018 | (1498362) |
| Item 4 | July 24, 2018 | (1839446) |

| | | |
|---------|--------------------|-----------|
| Item 5 | October 24, 2018 | (1839462) |
| Item 6 | January 18, 2019 | (1839477) |
| Item 7 | April 25, 2019 | (1839432) |
| Item 8 | July 08, 2019 | (1839447) |
| Item 9 | September 23, 2019 | (1597599) |
| Item 10 | November 14, 2019 | (1598827) |
| Item 11 | December 12, 2019 | (1612471) |
| Item 12 | January 22, 2020 | (1839488) |
| Item 13 | April 21, 2020 | (1839443) |
| Item 14 | July 17, 2020 | (1839459) |
| Item 15 | October 16, 2020 | (1839474) |
| Item 16 | January 20, 2021 | (1677726) |
| Item 17 | January 25, 2021 | (1839489) |
| Item 18 | April 27, 2021 | (1839434) |
| Item 19 | June 24, 2021 | (1724370) |
| Item 20 | October 01, 2021 | (1839433) |
| Item 21 | October 28, 2021 | (1839470) |
| Item 22 | January 17, 2022 | (1839480) |
| Item 24 | April 12, 2022 | (1839435) |
| Item 25 | May 17, 2022 | (1812921) |
| Item 26 | July 14, 2022 | (1839450) |
| Item 27 | August 19, 2022 | (1833122) |
| Item 28 | August 29, 2022 | (1781440) |
| Item 29 | October 18, 2022 | (1858722) |
| Item 30 | December 19, 2022 | (1860779) |
| Item 31 | January 16, 2023 | (1877833) |

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: 08/31/2022 (1858723)
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

- 2 Date: 09/30/2022 (1865064)
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

- 3 Date: 10/31/2022 (1877832)
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

- 4 Date: 02/01/2023 (1846368)
Self Report? NO Classification: Moderate
Citation: FOP, General Terms and Conditions PERMIT
30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)
Description: Failure to report all deviation from permit requirements (Category C3)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.354(3)
30 TAC Chapter 116, SubChapter F 116.620(c)(1)(E)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP, ST&C 16 PERMIT
FOP, ST&C 1A PERMIT
FOP, ST&C 9 PERMIT

Description: Failure to perform weekly audio, visual, and olfactory (AVO) inspections in the Fac I Unit (Unit ID: 1FUG). (Category C1 violation)

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



| | | |
|------------------------------|---|-----------------------|
| IN THE MATTER OF AN | § | BEFORE THE |
| ENFORCEMENT ACTION | § | |
| CONCERNING | § | |
| ENERGY TRANSFER GC NGL | § | TEXAS COMMISSION ON |
| FRACTIONATORS LLC F/K/A LONE | § | |
| STAR NGL FRACTIONATORS LLC | § | |
| RN106018260 | § | ENVIRONMENTAL QUALITY |

AGREED ORDER DOCKET NO. 2021-0232-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 Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators 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 natural gas processing plant located at 9850 Farm-to-Market Road 1942 in Baytown, Chambers 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 \$39,206 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$15,683 of the penalty and \$7,841 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, \$15,682 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental

Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant:
 - a. On October 26, 2020, submitted the initial notification for Incident No. 344809; and
 - b. On November 20, 2020, provided the estimated total quantities for the volatile organic compounds ("VOC") that were released during Incident No. 318242 and the authorized emissions limits for the carbon monoxide ("CO"), nitrogen oxides ("NOx"), and VOC for the facilities involved in Incident No. 318242.

II. ALLEGATIONS

1. During a record review for the Plant conducted from September 28, 2020 through October 21, 2020, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, Federal Operating Permit ("FOP") No. O3586, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") Nos. 8 and 11.B, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 665.52 pounds ("lbs") of CO, 315.42 lbs of NOx, and 634.87 lbs of VOC from the Plant Flare, Emissions Point Number ("EPN") 1SK25.001, during an emissions event (Incident No. 291457) that occurred on September 3, 2018 and lasted 11 hours. The emissions event occurred when a control valve failed at a receiving terminal, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 for the Plant conducted from October 26, 2020 through November 9, 2020, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 12 and 15.B, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 1,596.00 lbs of NO_x, 1,427.00 lbs of VOC, and 1.00 lb of sulfur dioxide ("SO₂") from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 343711) that began on October 11, 2020 and lasted 62 hours. The emissions event occurred when a pump used to empty the refrigeration compressor suction knock-out drum was not operating properly, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 for the Plant conducted from September 28, 2020 through October 21, 2020, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 8 and 11.B, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 622.66 lbs of CO, 311.90 lbs of NO_x, 0.66 lb of SO₂, and 842.18 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 306694) that occurred on April 16, 2019 and lasted 11 hours. The emissions event occurred when an air compressor malfunction triggered an emergency shutdown of the control valves, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 for the Plant conducted from November 13, 2020 through November 20, 2020, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 12 and 15.B, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 818.00 lbs of CO, 338.00 lbs of NO_x, 1.00 lb of SO₂, and 1,007.00 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 345131) that occurred on October 29, 2020 and lasted seven hours. The emissions event occurred due to a short-term liquid level reading malfunction and a faulty power cell, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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 for the Plant conducted from November 9, 2020 through November 20, 2020, an investigator documented that the Respondent:

- a. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 12 and 15.B, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 603.00 lbs of CO, 302.00 lbs of NO_x, 48.00 lbs of SO₂, and 49.00 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 344809) that occurred on October 24, 2020 and lasted one hour and nine minutes. The emissions event occurred due to the deethanizer column over-pressuring that caused the content of the deethanizer column to be vented, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator, 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.
 - b. 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 122.143(4), FOP No. O3586, GTC and STC No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 344809 was due by October 25, 2020 at 4:00 a.m., but was not submitted until October 26, 2020, at 1:42 p.m.
6. During a record review for the Plant conducted from November 5, 2020 through November 20, 2020, an investigator documented that the Respondent:
- a. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 116.615(2), and 122.143(4), Standard Permit Registration No. 93813, FOP No. O3586, GTC and STC Nos. 8 and 11.B, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 755.68 lbs of CO, 378.53 lbs of NO_x, 0.79 lb of SO₂, and 2,368.73 lbs of VOC from the Plant Flare, EPN 1SK25.001, during an emissions event (Incident No. 318242) that began on August 7, 2019 and lasted 13 hours. The emissions event occurred when the opening valve operated much slower than the closing valve during the transition of the product flow from one pipeline to another that constricted flow and caused an unanticipated and significant increase in pipeline pressure and when one pressure safety valve did not completely reseal, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and 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.
 - b. Failed to identify all required information on the final record for a reportable emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(b)(1)(G) and (H) and 122.143(4), FOP No. O3586, GTC and STC No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent did not identify the correct estimated total quantities for the VOC that were released during the emissions event on the final record for Incident No. 318242 and did not identify the authorized emission limits for the CO, NO_x, and VOC on the final record for Incident No. 318242.

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: Lone Star NGL Fractionators LLC, Docket No. 2021-0232-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 the SEP as set forth in Section I, Paragraph No. 4. The amount of \$15,682 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. The Respondent shall undertake the following technical requirements at the Plant:
 - a. Within 30 days after the effective date of this Order:
 - i. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 291457;
 - ii. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 343711;
 - iii. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 306694;
 - iv. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 345131;
 - v. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 344809; and

- vi. Implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 318242.
- b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. 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:

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

with a copy to:

Air Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Street, Suite H
Houston, Texas 77023-1452

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 Enforcement Division 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

10/22/2023

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 OAG 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 OAG 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

08-21-2023

Date

BRAD WIDENER

Name (Printed or typed)

V.P OPERATIONS

Title

Authorized Representative of
Energy Transfer GC NGL Fractionators LLC f/k/a
Lone Star NGL Fractionators LLC

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: 2021-0232-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

| | |
|-----------------------------------|---|
| Respondent: | Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC |
| Payable Penalty Amount: | \$31,365 |
| SEP Offset Amount: | \$15,682 |
| Type of SEP: | Contribution to a Third-Party Administrator SEP |
| Third-Party Administrator: | Barbers Hill Independent School District |
| Project Name: | <i>Energy Efficiency Building Upgrade/Retrofit Project</i> |
| Total Project Budget: | \$1,151,928 |
| Location of SEP: | Chambers County |

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Barbers Hill Independent School District** for the *Energy Efficiency Building Upgrade/Retrofit Project* (the “Project”). The Project is to pay a contractor to install and monitor sub-meters. The contractor's work will include installing revenue grade electric sub-meters in the line feed of certain facilities; installing revenue grade current transformers; incorporating all engineering, software, and graphics to accomplish effective monitoring of the status of this equipment; and a one-year warranty including parts and labor for the new sub-meters. In addition to sub-metering, the contractor will monitor, calibrate, and repair existing meters and complete energy efficiency upgrades and/or retrofits based on needs identified in energy audits. The Project will be performed in accordance with all federal, state, and local environmental laws and regulations. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ.

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 the Respondent has no prior commitment to make this contribution and that it is being contributed solely to settle this enforcement action. Respondent shall not profit from this SEP.

B. Environmental Benefit

The Project will result in reduced energy consumption by school district buildings and will contribute to the overall reduction of greenhouse gases. The sub-metering is expected to reduce energy consumption up to eight percent. The Project will reduce fuel and electricity usage for heating and cooling and day-to-day operations. These reductions will reduce emission of particulate matter, volatile organic carbon compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel and generation of electricity. It will also contribute to a reduction in peak loads on the State electric power grid.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Barbers Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

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

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail or email 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
SEPReports@tceq.texas.gov

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

Energy Transfer GC NGL Fractionators LLC f/k/a Lone Star NGL Fractionators LLC
Docket No. 2021-0232-AIR-E
Agreed Order - Attachment A

Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ** Such statements include advertising, public relations, and press releases.

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.