

Executive Summary – Enforcement Matter – Case No. 60581

Arkema Inc.

RN104150123

Docket No. 2021-0461-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

ARKEMA Clear Lake, 9502B Bayport Boulevard #B, Pasadena, Harris County

Type of Operation:

Chemical manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: April 28, 2023

Comments Received: No

Penalty Information

Total Penalty Assessed: \$18,871

Amount Deferred for Expedited Settlement: \$3,774

Total Paid to General Revenue: \$15,097

Total Due to General Revenue: \$0

Payment Plan: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014 and January 2021

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: May 7, 2019 through June 24, 2019 and February 3, 2021 through February 18, 2021

Date(s) of NOE(s): March 19, 2021 and April 1, 2021

Executive Summary – Enforcement Matter – Case No. 60581

Arkema Inc.

RN104150123

Docket No. 2021-0461-AIR-E

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 123.06 pounds ("lbs") of volatile organic compounds ("VOC") and 5.23 lbs of carbon monoxide ("CO") as fugitive emissions, during an emissions event (Incident No. 275270) that occurred on December 28, 2017 and lasted one hour and 32 minutes. The emissions event occurred due to a motherboard failure in the Uninterruptible Power System that caused a loss of power, the fixed bed reactor and vapor incinerator to shut down, and the associated valves to switch to a fail safe open position, resulting in the release to the atmosphere. 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) and 122.143(4), New Source Review Permit No. 260, Special Conditions No. 1, Federal Operating Permit ("FOP") No. O1988, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 22, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to identify all required information on the final record for a reportable emissions event. Specifically, the Respondent did not identify the estimated total quantities for formaldehyde, acetic acid, acrolein, propane, and carbon monoxide released from the Combustion Air Sump 82 during the emissions event and the preconstruction authorization number governing the Combustion Air Sump 82 and the Quench Tower 154 that were involved in the emissions event on the final record for Incident No. 275270 [30 TEX. ADMIN. CODE §§ 101.201(b)(1)(G) and (H) and 122.143(4), FOP No. O1988, GTC and STC No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to submit a final record for a reportable emissions event no later than two weeks after the end of the emissions event. Specifically, the final record for Incident No. 321218 was due by October 2, 2019, but was not submitted until January 16, 2020 [30 TEX. ADMIN. CODE §§ 101.201(c) and 122.143(4), FOP No. O1988, GTC and STC No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to prevent unauthorized emissions. Specifically, the Respondent released 138.16 lbs of VOC and 6.08 lbs of CO as fugitive emissions, during an emissions event (Incident No. 321218) that occurred on September 18, 2019 and lasted two hours and 13 minutes. The emissions event occurred due to a high voltage sag/swell from a phase to ground fault at a third-party provider that was transmitted to the power distribution system, the reserve power system was overloaded and shifted into standby mode, and operators lost process instrumentation controls, resulting in the releases to the atmosphere from multiple vents. 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

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Arkema Inc.

RN104150123

Docket No. 2021-0461-AIR-E

precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 260, Special Conditions No. 1, FOP No. O1988, GTC and STC No. 22, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. By May 30, 2018, replaced and optimized the Uninterruptible Power System and implemented annual diagnostic inspections with mechanical, electrical, and functional checks of the system and routine inspections by the manufacturer in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 275270;
- b. On June 24, 2019, provided the estimated total quantities for formaldehyde, acetic acid, acrolein, propane, and carbon monoxide released from the Combustion Air Sump 82 during Incident No. 275270;
- c. On January 16, 2020, submitted the final record for Incident No. 321218;
- d. By March 5, 2021, revised the release reporting procedures and conducted training for relevant personnel in order to ensure that final records for reportable emissions events identify all of the required information; and
- e. By March 30, 2021, updated the internal reference guide for reportable quantities and the internal incident reporting database in order to ensure that final records for reportable emissions events are submitted in a timely manner.

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 321218; and
- b. Within 45 days, submit written certification to demonstrate compliance with a.

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Arkema Inc.
RN104150123
Docket No. 2021-0461-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Yuliya Dunaway, Enforcement Division, Enforcement Team 2, MC R-13, (210) 403-4077; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

Respondent: Jeffrey McHenry, Plant Manager, Arkema Inc., 9502B Bayport Boulevard #B, Pasadena, Texas 77507

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	23-Mar-2021	Screening	1-Apr-2021	EPA Due	
	PCW	6-Mar-2023				

RESPONDENT/FACILITY INFORMATION	
Respondent	Arkema Inc.
Reg. Ent. Ref. No.	RN104150123
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	60581	No. of Violations	2
Docket No.	2021-0461-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Yuliya Dunaway
		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	\$4,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	28.0% Adjustment	Subtotals 2, 3, & 7	\$1,120
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Notes: Enhancement for two NOVs with same/similar violations and one order containing a denial of liability. Reduction for two notices of intent to conduct an audit.

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

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$999
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$1,092
 Estimated Cost of Compliance: \$41,750
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$4,121
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$4,121
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$4,121
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DEFERRAL	20.0%	Reduction	Adjustment	-\$824
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$3,297
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Screening Date 1-Apr-2021

Docket No. 2021-0461-AIR-E

PCW

Respondent Arkema Inc.

Policy Revision 4 (April 2014)

Case ID No. 60581

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN104150123

Media Air

Enf. Coordinator Yuliya Dunaway

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>)	2	10%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	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>)	2	-2%
	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) 28%

>> 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 two NOVs with same/similar violations and one order containing a denial of liability. Reduction for two notices of intent to conduct an audit.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 28%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 28%

Screening Date 1-Apr-2021 **Docket No.** 2021-0461-AIR-E **PCW**
Respondent Arkema Inc. *Policy Revision 4 (April 2014)*
Case ID No. 60581 *PCW Revision March 26, 2014*
Reg. Ent. Reference No. RN104150123
Media Air
Enf. Coordinator Yuliya Dunaway

Violation Number 1
Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review Permit No. 260, Special Conditions No. 1, Federal Operating Permit ("FOP") No. O1988, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 22, and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 123.06 pounds ("lbs") of volatile organic compounds and 5.23 lbs of carbon monoxide as fugitive emissions, during an emissions event (Incident No. 275270) that occurred on December 28, 2017 and lasted one hour and 32 minutes. The emissions event occurred due to a motherboard failure in the Uninterruptible Power System that caused a loss of power, the fixed bed reactor and vapor incinerator to shut down, and the associated valves to switch to a fail safe open position, resulting in the release to the atmosphere. 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 amount 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 25.0%

Reduction \$937

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

Notes The Respondent completed the corrective measures by May 30, 2018, prior to the Notice of Enforcement ("NOE") dated March 19, 2021.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$838

Violation Final Penalty Total \$3,863

This violation Final Assessed Penalty (adjusted for limits) \$3,863

Economic Benefit Worksheet

Respondent Arkema Inc.
Case ID No. 60581
Reg. Ent. Reference No. RN104150123
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$40,000	28-Dec-2017	30-May-2018	0.42	\$838	n/a	\$838

Notes for DELAYED costs

Estimated cost to replace and optimize the Uninterruptible Power System and implement annual diagnostic inspections with mechanical, electrical, and functional checks of the system and routine inspections by the manufacturer in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 275270. The Date Required is the date the emissions event occurred and the Final Date is the date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$40,000

TOTAL \$838

Screening Date 1-Apr-2021

Docket No. 2021-0461-AIR-E

PCW

Respondent Arkema Inc.

Policy Revision 4 (April 2014)

Case ID No. 60581

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN104150123

Media Air

Enf. Coordinator Yuliya Dunaway

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(b)(1)(G) and (H) and 122.143(4), FOP No. O1988, 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 estimated total quantities for formaldehyde, acetic acid, acrolein, propane, and carbon monoxide released from the Combustion Air Sump 82 during the emissions event and the preconstruction authorization number governing the Combustion Air Sump 82 and the Quench Tower 154 that were involved in the emissions event on the final record for Incident No. 275270.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0.0%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
				x	1.0%

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

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1 529 Number of violation days

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 by March 5, 2021, prior to the NOE dated March 19, 2021.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$254

Violation Final Penalty Total \$258

This violation Final Assessed Penalty (adjusted for limits) \$258

Economic Benefit Worksheet

Respondent Arkema Inc.
Case ID No. 60581
Reg. Ent. Reference No. RN104150123
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,500	11-Jan-2018	5-Mar-2021	3.15	\$236	n/a	\$236
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	11-Jan-2018	24-Jun-2019	1.45	\$18	n/a	\$18

Notes for DELAYED costs
 Estimated delayed costs to provide the estimated total quantities for formaldehyde, acetic acid, acrolein, propane, and carbon monoxide released from the Combustion Air Sump 82 during Incident No. 275270 (\$250) and to revise the release reporting procedures and conduct training for relevant personnel in order to ensure that final records for reportable emissions events identify all of the required information (\$1,500). The Dates Required are the date the complete and accurate final record was due and the Final Dates are the dates of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$1,750

TOTAL \$254



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	26-Apr-2021	Screening	26-Apr-2021	EPA Due	
	PCW	6-Mar-2023				

RESPONDENT/FACILITY INFORMATION	
Respondent	Arkema Inc.
Reg. Ent. Ref. No.	RN104150123
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	60581	No. of Violations	2
Docket No.	2021-0461-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Yuliya Dunaway
		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	\$12,500
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	28.0% Adjustment	Subtotals 2, 3, & 7	\$3,500
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Notes: Enhancement for two NOV's with same/similar violations and one order containing a denial of liability. Reduction for two notices of intent to conduct an audit.

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

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$1,250
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$2,104
 Estimated Cost of Compliance: \$11,750
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$14,750
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0% Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: [Empty box]

Final Penalty Amount	\$14,750
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$14,750
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DEFERRAL	20.0% Reduction	Adjustment	-\$2,950
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY	\$11,800
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Screening Date 26-Apr-2021

Docket No. 2021-0461-AIR-E

PCW

Respondent Arkema Inc.

Policy Revision 5 (January 28, 2021)

Case ID No. 60581

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN104150123

Media Air

Enf. Coordinator Yuliya Dunaway

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>)	2	10%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	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>)	2	-2%
	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) 28%

>> 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 two NOVs with same/similar violations and one order containing a denial of liability. Reduction for two notices of intent to conduct an audit.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 28%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 28%

Screening Date 26-Apr-2021

Docket No. 2021-0461-AIR-E

PCW

Respondent Arkema Inc.

Policy Revision 5 (January 28, 2021)

Case ID No. 60581

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN104150123

Media Air

Enf. Coordinator Yuliya Dunaway

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(c) and 122.143(4), Federal Operating Permit ("FOP") No. O1988, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 2.F, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit a final record for a reportable emissions event no later than two weeks after the end of the emissions event. Specifically, the final record for Incident No. 321218 was due by October 2, 2019, but was not submitted until January 16, 2020.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0.0%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
		x			20.0%

Matrix Notes 100% of the rule requirements were not met.

Adjustment \$20,000

\$5,000

Violation Events

Number of Violation Events 1 106 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$5,000

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$1,250

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

Notes The Respondent completed the corrective measures by March 30, 2021, prior to the Notice of Enforcement dated April 1, 2021.

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$121

Violation Final Penalty Total \$5,150

This violation Final Assessed Penalty (adjusted for limits) \$5,150

Economic Benefit Worksheet

Respondent Arkema Inc.
Case ID No. 60581
Reg. Ent. Reference No. RN104150123
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$5
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	\$1,500	2-Oct-2019	30-Mar-2021	1.49	\$112	n/a	\$112
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	2-Oct-2019	16-Jan-2020	0.29	\$4	n/a	\$4

Notes for DELAYED costs

Estimated costs to submit the final record for Incident No. 321218 (\$250) and to update the internal reference guide for reportable quantities and the internal incident reporting database in order to ensure that final records for reportable emissions events are submitted in a timely manner (\$1,500). The Dates Required are the date the final record was due and the Final Dates are the date the final record was submitted and the date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$1,750

TOTAL \$121

Screening Date 26-Apr-2021 **Docket No.** 2021-0461-AIR-E **PCW**
Respondent Arkema Inc. *Policy Revision 5 (January 28, 2021)*
Case ID No. 60581 *PCW Revision February 11, 2021*
Reg. Ent. Reference No. RN104150123
Media Air
Enf. Coordinator Yuliya Dunaway

Violation Number 2
Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review Permit No. 260, Special Conditions No. 1, FOP No. O1988, GTC and STC No. 22, and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 138.16 pounds ("lbs") of volatile organic compounds and 6.08 lbs of carbon monoxide as fugitive emissions, during an emissions event (Incident No. 321218) that occurred on September 18, 2019 and lasted two hours and 13 minutes. The emissions event occurred due to a high voltage sag/swell from a phase to ground fault at a third-party provider that was transmitted to the power distribution system, the reserve power system was overloaded and shifted into standby mode, and operators lost process instrumentation controls, resulting in the releases to the atmosphere from multiple vents. 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		Harm			
	Release	Major	Moderate	Minor	
	Actual			x	Percent 30.0%
Potential					

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent 0.0%

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

Adjustment \$17,500

Violation Events \$7,500

Number of Violation Events 1 1 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply 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 \$7,500

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

Estimated EB Amount \$1,983 **Violation Final Penalty Total** \$9,600

This violation Final Assessed Penalty (adjusted for limits) \$9,600

Economic Benefit Worksheet

Respondent Arkema Inc.
Case ID No. 60581
Reg. Ent. Reference No. RN104150123
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$5
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	18-Sep-2019	1-Sep-2023	3.96	\$1,978	n/a	\$1,978

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. 321218. 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

\$1,983

The TCEQ is committed to accessibility.

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



Compliance History Report

Compliance History Report for CN600124044, RN104150123, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

Customer, Respondent, or Owner/Operator: CN600124044, Arkema Inc. **Classification:** SATISFACTORY **Rating:** 2.15
Regulated Entity: RN104150123, ARKEMA Clear Lake **Classification:** SATISFACTORY **Rating:** 1.57
Complexity Points: 20 **Repeat Violator:** NO
CH Group: 05 - Chemical Manufacturing
Location: 9502B Bayport Boulevard # B, PASADENA, Harris County, Texas
TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS PERMIT 1987	AIR OPERATING PERMITS PERMIT 1988
AIR OPERATING PERMITS ACCOUNT NUMBER HGA005E	AIR NEW SOURCE PERMITS ACCOUNT NUMBER HGA005E
AIR NEW SOURCE PERMITS REGISTRATION 144401	AIR NEW SOURCE PERMITS PERMIT 260
AIR NEW SOURCE PERMITS PERMIT 262	AIR NEW SOURCE PERMITS AFS NUM 4820101588
AIR NEW SOURCE PERMITS REGISTRATION 92012	AIR NEW SOURCE PERMITS REGISTRATION 100256
AIR NEW SOURCE PERMITS REGISTRATION 137146	AIR NEW SOURCE PERMITS REGISTRATION 139212
AIR NEW SOURCE PERMITS REGISTRATION 121647	AIR NEW SOURCE PERMITS REGISTRATION 130649
AIR NEW SOURCE PERMITS REGISTRATION 119979	AIR NEW SOURCE PERMITS REGISTRATION 138187
AIR NEW SOURCE PERMITS REGISTRATION 135877	AIR NEW SOURCE PERMITS REGISTRATION 132173
AIR NEW SOURCE PERMITS REGISTRATION 137974	AIR NEW SOURCE PERMITS REGISTRATION 124701
AIR NEW SOURCE PERMITS REGISTRATION 120775	AIR NEW SOURCE PERMITS REGISTRATION 122205
AIR NEW SOURCE PERMITS REGISTRATION 151018	AIR NEW SOURCE PERMITS REGISTRATION 151537
AIR NEW SOURCE PERMITS REGISTRATION 162956	AIR NEW SOURCE PERMITS REGISTRATION 168682
AIR NEW SOURCE PERMITS REGISTRATION 161803	AIR NEW SOURCE PERMITS REGISTRATION 163668
AIR NEW SOURCE PERMITS REGISTRATION 170453	AIR NEW SOURCE PERMITS REGISTRATION 148271
AIR NEW SOURCE PERMITS REGISTRATION 146817	AIR NEW SOURCE PERMITS REGISTRATION 142183
AIR NEW SOURCE PERMITS REGISTRATION 142451	AIR NEW SOURCE PERMITS REGISTRATION 147976
AIR NEW SOURCE PERMITS REGISTRATION 154094	AIR NEW SOURCE PERMITS REGISTRATION 157409
AIR NEW SOURCE PERMITS REGISTRATION 161095	AIR NEW SOURCE PERMITS REGISTRATION 160183
AIR NEW SOURCE PERMITS REGISTRATION 161350	AIR NEW SOURCE PERMITS REGISTRATION 159285
AIR NEW SOURCE PERMITS REGISTRATION 171103	AIR NEW SOURCE PERMITS REGISTRATION 170474
AIR NEW SOURCE PERMITS REGISTRATION 171388	AIR NEW SOURCE PERMITS REGISTRATION 169462
AIR NEW SOURCE PERMITS REGISTRATION 171658	IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 87413
STORMWATER PERMIT TXR05FI21	AIR EMISSIONS INVENTORY ACCOUNT NUMBER HGA005E
POLLUTION PREVENTION PLANNING ID NUMBER P06974	INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXR000057414
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 87413	INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50392
TAX RELIEF ID NUMBER 23155	

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

Date Compliance History Report Prepared: February 27, 2023

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: February 27, 2018 to February 27, 2023

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

Name: Yuliya Dunaway

Phone: (210) 403-4077

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: 03/02/2021 ADMINORDER 2020-0961-AIR-E (1660 Order-Agreed Order With Denial)
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: GTC and STC No. 22 OP
 Special Condition 1 PERMIT
 Description: Failed to prevent unauthorized emissions. The Respondent released 466.78 lbs of volatile organic compounds, 110.4 lbs of carbon dioxide, 13.82 lbs of methyl acetate, 13.12 lbs of carbon monoxide, and 0.02 lb of ammonia as fugitive emissions, during an emissions event (Incident No. 284700) that occurred on May 26, 2018 and lasted three hours. The emissions event occurred due to a power outage that caused a plant-wide loss of instrument air and the process equipment and an incinerator in the Acr

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1 August 06, 2019 (1579971)
 Item 2 December 16, 2019 (1611656)
 Item 3 July 17, 2020 (1632192)
 Item 4 November 24, 2020 (1663638)
 Item 5 July 01, 2021 (1723390)
 Item 6 December 07, 2021 (1775617)

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: 08/15/2022 (1823634)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)
 5C THSC Chapter 382 382.085(b)
 Special Condition 18E PERMIT
 Special Term & Condition 1A OP
 Special Term & Condition 22 OP
 Description: Failure to prevent open-ended lines (OELs) in VOC and HAP services within the reviewed unit (Category C10)

2 Date: 08/26/2022 (1818725)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)
 5C THSC Chapter 382 382.085(b)
 Special Condition 16E PERMIT
 Special Condition 5D PERMIT
 Special Term and Condition 1A OP
 Special Term and Condition 25 OP
 Special Term and Condition 3C PERMIT
 Description: Failure to prevent open-ended lines (OELs) in the Esters Unit Fugitives (EPN: 61/62ESTERSFUG). (Category 10)
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter H 115.722(d)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(5)
5C THSC Chapter 382 382.085(b)
Special Condition 27B PERMIT
Special Condition 3A PERMIT
Special Condition 5A PERMIT
Special Term and Condition 1A OP
Special Term and Condition 25 OP

Description: Failure to maintain the pilot flame for the Propylene Flare (EPN: 51MN1147ST).
(Category C4)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.112b(a)(3)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-10(f)(2)(ii)
5C THSC Chapter 382 382.085(b)
Periodic Monitoring Summary OP
Special Condition 3B PERMIT
Special Condition 3C PERMIT
Special Term and Condition 1A OP
Special Term and Condition 24 OP
Special Term and Condition 25 OP

Description: Failure to conduct the annual fugitive emissions monitoring for the closed vent
system. (Category B1)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(2)(H)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Term and Condition 2F OP

Description: Failure to include all required information in the final records for three
non-reportable emissions events. (Category C3)

Self Report? NO Classification: Moderate

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)
General Terms and Conditions OP

Description: Failure to report all instances of deviations for the period of January 01, 2021
through December 31, 2021. (Category B3)

F. Environmental audits:

Notice of Intent Date: 11/09/2021 (1774166)
No DOV Associated

Notice of Intent Date: 12/16/2022 (1869230)
No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
ARKEMA INC.
RN104150123

§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2021-0461-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 Arkema Inc. (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a chemical manufacturing plant located at 9502B Bayport Boulevard #B in Pasadena, Harris County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$18,871 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$15,097 of the penalty and \$3,774 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.
5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant:
 - a. By May 30, 2018, replaced and optimized the Uninterruptible Power System and implemented annual diagnostic inspections with mechanical, electrical, and functional checks of the system and routine inspections by the manufacturer in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 275270.
 - b. On June 24, 2019, provided the estimated total quantities for formaldehyde, acetic acid, acrolein, propane, and carbon monoxide released from the Combustion Air Sump 82 during Incident No. 275270.
 - c. On January 16, 2020, submitted the final record for Incident No. 321218.
 - d. By March 5, 2021, revised the release reporting procedures and conducted training for relevant personnel in order to ensure that final records for reportable emissions events identify all of the required information.
 - e. By March 30, 2021, updated the internal reference guide for reportable quantities and the internal incident reporting database in order to ensure that final records for reportable emissions events are submitted in a timely manner.

II. ALLEGATIONS

1. During a record review for the Plant conducted from May 7, 2019 through June 24, 2019, an investigator documented that the Respondent:

- a. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 260, Special Conditions No. 1, Federal Operating Permit ("FOP") No. O1988, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 22, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 123.06 pounds ("lbs") of volatile organic compounds ("VOC") and 5.23 lbs of carbon monoxide ("CO") as fugitive emissions, during an emissions event (Incident No. 275270) that occurred on December 28, 2017 and lasted one hour and 32 minutes. The emissions event occurred due to a motherboard failure in the Uninterruptible Power System that caused a loss of power, the fixed bed reactor and vapor incinerator to shut down, and the associated valves to switch to a fail safe open position, resulting in the release to the atmosphere. 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. O1988, GTC and STC No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent did not identify the estimated total quantities for formaldehyde, acetic acid, acrolein, propane, and carbon monoxide released from the Combustion Air Sump 82 during the emissions event and the preconstruction authorization number governing the Combustion Air Sump 82 and the Quench Tower 154 that were involved in the emissions event on the final record for Incident No. 275270.
2. During a record review for the Plant conducted from February 3, 2021 through February 18, 2021, an investigator documented that the Respondent:
 - a. Failed to submit a final record for a reportable emissions event no later than two weeks after the end of the emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(c) and 122.143(4), FOP No. O1988, GTC and STC No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the final record for Incident No. 321218 was due by October 2, 2019, but was not submitted until January 16, 2020.

- b. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 260, Special Conditions No. 1, FOP No. O1988, GTC and STC No. 22, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 138.16 lbs of VOC and 6.08 lbs of CO as fugitive emissions, during an emissions event (Incident No. 321218) that occurred on September 18, 2019 and lasted two hours and 13 minutes. The emissions event occurred due to a high voltage sag/swell from a phase to ground fault at a third-party provider that was transmitted to the power distribution system, the reserve power system was overloaded and shifted into standby mode, and operators lost process instrumentation controls, resulting in the releases to the atmosphere from multiple vents. 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.

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: Arkema Inc., Docket No. 2021-0461-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 undertake the following technical requirements at the Plant:
 - a. Within 30 days after the effective date of this Order, implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 321218.
 - 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. 2.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

3. All relief not expressly granted in this Order is denied.
4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director. Extension requests shall be sent to the Enforcement Division at the address listed above.
7. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

8. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date



5/15/2023

For the Executive Director

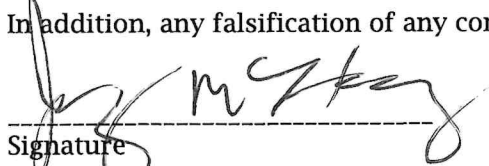
Date

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

Date

3/30/2023

Jeffrey McHenry

Title

Plant Manager

Name (Printed or typed)
Authorized Representative of
Arkema Inc.

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.