

**Executive Summary – Enforcement Matter – Case No. 60704  
Tres Palacios Gas Storage LLC  
RN105191738  
Docket No. 2021-0607-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

Yes

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

Tres Palacios Storage Facility, located approximately 4.1 miles east of Highway 71 and Farm-to-Market Road 1468 intersection, Matagorda County

**Type of Operation:**

Natural gas storage site

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** June 24, 2022

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$17,125

**Amount Deferred for Expedited Settlement:** \$3,425

**Total Paid to General Revenue:** \$13,700

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

Payment Plan: N/A

**Compliance History Classifications:**

Person/CN - High

Site/RN - High

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** January 2021

***Investigation Information***

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

**Complaint Information:** N/A

**Date(s) of Investigation:** March 15, 2021 through April 13, 2021

**Date(s) of NOE(s):** April 23, 2021

**Executive Summary – Enforcement Matter – Case No. 60704**  
**Tres Palacios Gas Storage LLC**  
**RN105191738**  
**Docket No. 2021-0607-AIR-E**

***Violation Information***

1. Failed to report all instances of deviations. Specifically, the deviation report for the January 1, 2020 through June 30, 2020 reporting period did not include the deviation for failing to comply with the volatile organic compounds ("VOC") annual maximum allowable emissions rate ("MAER") for the Pre-Flare Glycol Dehydration Still Vent [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit ("FOP") No. O3362, General Terms and Conditions ("GTC"), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to comply with the MAER. Specifically, the Respondent exceeded the VOC MAER of 0.97 ton per year based on a 12-month rolling period for the 12-month periods ending from April 2020 through December 2020 for the Pre-Flare Glycol Dehydration Still Vent, Emissions Point Number M-701/702 SV, resulting in 2.02 tons of unauthorized VOC emissions [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review Permit No. 81228, Special Conditions No. 1, FOP No. O3362, GTC and Special Terms and Conditions No. 8, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent implemented a corrective measure at the Site by installing the Flare and associated piping to control the VOC emissions from the Glycol Dehydrator Still Vent and ceasing to emit uncontrolled emissions from the Glycol Dehydrators by April 7, 2021.

**Technical Requirements:**

The Respondent shall undertake the following technical requirements:

a. Within 30 days:

i. Submit a revised deviation report for the January 1, 2020 through June 30, 2020 reporting period to include the deviation for failing to comply with the VOC annual MAER for the Pre-Flare Glycol Dehydration Still Vent; and

ii. Implement measures and/or procedures designed to ensure that all instances of deviations are reported in a timely manner.

b. Within 45 days, submit written certification to demonstrate compliance with a.

**Executive Summary – Enforcement Matter – Case No. 60704**  
**Tres Palacios Gas Storage LLC**  
**RN105191738**  
**Docket No. 2021-0607-AIR-E**

***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

**Respondent:** Sean Sleigh, Facility Manager, Tres Palacios Gas Storage LLC, P.O. Box 997, Markham, Texas 77456

David Hayden, Vice President, Tres Palacios Gas Storage LLC, 811 Main Street, Suite 3400, Houston, Texas 77002

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



# Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

<b>DATES</b>	<b>Assigned</b>	27-Apr-2021	<b>Screening</b>	3-May-2021	<b>EPA Due</b>	20-Oct-2021
	<b>PCW</b>	2-May-2022				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Tres Palacios Gas Storage LLC
<b>Reg. Ent. Ref. No.</b>	RN105191738
<b>Facility/Site Region</b>	12-Houston
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>				
<b>Enf./Case ID No.</b>	60704	<b>No. of Violations</b>	2	
<b>Docket No.</b>	2021-0607-AIR-E	<b>Order Type</b>	1660	
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No	
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Margarita Dennis	
		<b>EC's Team</b>	Enforcement Team 5	
<b>Admin. Penalty \$</b>	<b>Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$22,750
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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.

<b>Compliance History</b>	0.0%	Adjustment	<b>Subtotals 2, 3, &amp; 7</b>	\$0
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Notes: Enhancement for two NOVs with same/similar violations. Reduction for High Performer classification.

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

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	-\$5,625
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<b>Economic Benefit</b>	0.0%	Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts: \$14,251  
 Estimated Cost of Compliance: \$203,250  
 \*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$17,125
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: [Empty box]

<b>Final Penalty Amount</b>	\$17,125
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$17,125
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<b>DEFERRAL</b>	20.0%	Reduction	<b>Adjustment</b>	-\$3,425
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes: Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$13,700
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Screening Date 3-May-2021

Docket No. 2021-0607-AIR-E

PCW

Respondent Tres Palacios Gas Storage LLC

Policy Revision 5 (January 28, 2021)

Case ID No. 60704

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN105191738

Media Air

Enf. Coordinator Margarita Dennis

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

Adjustment Percentage (Subtotal 2) 10%

#### >> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

#### >> Compliance History Person Classification (Subtotal 7)

High Performer

Adjustment Percentage (Subtotal 7) -10%

#### >> Compliance History Summary

Compliance History Notes

Enhancement for two NOVs with same/similar violations. Reduction for High Performer classification.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

#### >> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 0%

**Screening Date** 3-May-2021  
**Respondent** Tres Palacios Gas Storage LLC  
**Case ID No.** 60704  
**Reg. Ent. Reference No.** RN105191738  
**Media** Air  
**Enf. Coordinator** Margarita Dennis

**Docket No.** 2021-0607-AIR-E

**PCW**

*Policy Revision 5 (January 28, 2021)*

*PCW Revision February 11, 2021*

**Violation Number** 1

**Rule Cite(s)** 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit ("FOP") No. O3362, General Terms and Conditions ("GTC"), and Tex. Health & Safety Code § 382.085(b)

**Violation Description** Failed to report all instances of deviations. Specifically, the deviation report for the January 1, 2020 through June 30, 2020 reporting period did not include the deviation for failing to comply with the volatile organic compounds ("VOC") annual maximum allowable emissions rate ("MAER") for the Pre-Flare Glycol Dehydration Still Vent.

**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 1 277 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**

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** \$250

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

**Statutory Limit Test**

**Estimated EB Amount** \$209

**Violation Final Penalty Total** \$250

**This violation Final Assessed Penalty (adjusted for limits)** \$250

# Economic Benefit Worksheet

**Respondent** Tres Palacios Gas Storage LLC  
**Case ID No.** 60704  
**Reg. Ent. Reference No.** RN105191738  
**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				0.00	\$0	n/a	\$0
Training/Sampling	\$1,500	30-Jul-2020	1-Dec-2022	2.34	\$175	n/a	\$175
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	30-Jul-2020	1-Dec-2022	2.34	\$29	n/a	\$29

**Notes for DELAYED costs**

Estimated costs to submit a revised deviation report for the January 1, 2020 through June 30, 2020 reporting period to include the deviation for failing to comply with the VOC annual MAER for the Pre-Flare Glycol Dehydration Still Vent (\$250) and to implement measures and/or procedures designed to ensure that all instances of deviations are reported in a timely manner (\$1,500). Dates Required is the date the deviation should have been reported. Final Dates are the estimated 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** \$209

**Screening Date** 3-May-2021 **Docket No.** 2021-0607-AIR-E **PCW**  
**Respondent** Tres Palacios Gas Storage LLC *Policy Revision 5 (January 28, 2021)*  
**Case ID No.** 60704 *PCW Revision February 11, 2021*  
**Reg. Ent. Reference No.** RN105191738  
**Media** Air  
**Enf. Coordinator** Margarita Dennis

**Violation Number** 2  
**Rule Cite(s)** 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review Permit No. 81228, Special Conditions No. 1, FOP No. O3362, GTC and Special Terms and Conditions No. 8, and Tex. Health & Safety Code § 382.085(b)  
**Violation Description** Failed to comply with the MAER. Specifically, the Respondent exceeded the VOC MAER of 0.97 ton per year based on a 12-month rolling period for the 12-month periods ending from April 2020 through December 2020 for the Pre-Flare Glycol Dehydration Still Vent, Emissions Point Number ("EPN") M-701/702 SV, resulting in 2.02 tons of unauthorized VOC emissions.

**Base Penalty** \$25,000

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

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

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
					0.0%

**Matrix Notes** 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** \$17,500

\$7,500

**Violation Events**

Number of Violation Events 3 267 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

**Violation Base Penalty** \$22,500

Three quarterly events are recommended for the period of non-compliance from April 8, 2020 through December 31, 2020.

**Good Faith Efforts to Comply** 25.0% Reduction \$5,625

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

**Notes** The Respondent has completed the corrective measures by April 7, 2021, prior to the Notice of Enforcement dated April 23, 2021.

**Violation Subtotal** \$16,875

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

**Estimated EB Amount** \$14,042 **Violation Final Penalty Total** \$16,875

**This violation Final Assessed Penalty (adjusted for limits)** \$16,875



# Economic Benefit Worksheet

**Respondent** Tres Palacios Gas Storage LLC  
**Case ID No.** 60704  
**Reg. Ent. Reference No.** RN105191738  
**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	\$200,000	8-Apr-2020	7-Apr-2021	1.00	\$665	\$13,297	\$13,962
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	8-Apr-2020	7-Apr-2021	1.00	\$75	n/a	\$75

**Notes for DELAYED costs**

Estimated costs to install the Flare and associated piping to control the VOC emissions from the Glycol Dehydrator Still Vent and cease to emit uncontrolled emissions from the Glycol Dehydrators. Dates Required is the first date of non-compliance. 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

\$201,500

**TOTAL**

\$14,042

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 CN603168642, RN105191738, Rating Year 2020 which includes Compliance History (CH) components from September 1, 2015, through August 31, 2020.

**Customer, Respondent, or Owner/Operator:** CN603168642, Tres Palacios Gas Storage LLC  
**Classification:** HIGH **Rating:** 0.00

**Regulated Entity:** RN105191738, Tres Palacios Gas Storage Facility  
**Classification:** HIGH **Rating:** 0.00

**Complexity Points:** 8 **Repeat Violator:** NO

**CH Group:** 14 - Other

**Location:** Approximately 4.1 miles east of the Highway 71 and Farm-to-Market Road 1468 intersection in Matagorda County, Texas

**TCEQ Region:** REGION 12 - HOUSTON

**ID Number(s):**

**AIR OPERATING PERMITS ACCOUNT NUMBER** MHA003C **AIR OPERATING PERMITS PERMIT** 3362  
**AIR NEW SOURCE PERMITS PERMIT** 81228 **AIR NEW SOURCE PERMITS AFS NUM** 4832100075  
**AIR EMISSIONS INVENTORY ACCOUNT NUMBER** MHA003C

**Compliance History Period:** September 01, 2015 to August 31, 2020 **Rating Year:** 2020 **Rating Date:** 09/01/2020

**Date Compliance History Report Prepared:** May 03, 2021

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** May 03, 2016 to May 03, 2021

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

**Name:** Margarita Dennis

**Phone:** (817) 588-5892

**Site and Owner/Operator History:**

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO

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

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

N/A

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

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

Item 1 June 29, 2020 (1632604)

**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: 09/01/2020 (1632174)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)  
3362, FOP, Special Terms & Conditions 1A OP  
5C THSC Chapter 382 382.085(b)  
81228, NSR, Special Condition 6C PERMIT

Description: Failure to calibrate temperature monitoring devices on the compressor engines (Unit ID: GRP-NGENG) (Category C1 Violation)

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)  
3362, FOP, General Terms and Conditions OP  
5C THSC Chapter 382 382.085(b)

Description: Failure to report all instances of deviations (Category B3 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
3362, FOP, Special Terms & Conditions 1A OP  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4243(b)(2)(ii)  
5C THSC Chapter 382 382.085(b)

Description: Failure to test the compressor engine (Unit ID:C-302) within required timeframe or manufacturer standard. (Category C1 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
3362, FOP, Special Terms & Conditions 1A OP  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.8(d)  
5C THSC Chapter 382 382.085(b)

Description: Failure to submit notification for NSPS subpart JJJJ emission testing 30 days prior to testing. (Category C3 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
3362, FOP, Special Terms & Conditions 1A OP  
5C THSC Chapter 382 382.085(b)  
NSR, 81228, Special Condition 1 PERMIT

Description: Failure to operate within VOC tons per year (TPY) Maximum Allowable Emissions Rate (MAER) for glycol unit dehydration still vent (Unit ID: M-701/702 SV) (Category B13 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
3362, FOP, Special Terms & Conditions 1A OP  
5C THSC Chapter 382 382.085(b)  
81228, NSR, Special Condition 8 PERMIT

Description: Failure to maintain fuel limit of 35.64 MMBtu/ hr on a average daily basis for the compressor engines (Unit ID: C-303; C-303; and C-305) (Category C4 Violation)

2 Date: 04/23/2021 (1704312)

Self Report? NO 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)  
FOP Special Term and Condition 8 OP  
Special Condition 8 PERMIT

Description: Failure to maintain daily average fuel flow below permitted limits for EPN: C-302. (Category B13 Violation)

Self Report? NO 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)  
FOP Special Term and Condition 8 OP  
Special Condition 8 PERMIT

Description: Failure to maintain daily average fuel flow below permitted limits for EPN: C-304. (Category B13 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  
ENFORCEMENT ACTION  
CONCERNING  
TRES PALACIOS GAS STORAGE LLC  
RN105191738

§  
§  
§  
§  
§  
§

BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY

AGREED ORDER  
DOCKET NO. 2021-0607-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 Tres Palacios Gas Storage 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 storage site located approximately 4.1 miles east of the Highway 71 and Farm-to-Market Road 1468 intersection in Matagorda County, Texas (the "Site"). The Site 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 \$17,125 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$13,700 the penalty and \$3,425 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 a corrective measure at the Site by installing the Flare and associated piping to control the volatile organic compounds ("VOC") emissions from the Glycol Dehydrator Still Vent and ceasing to emit uncontrolled emissions from the Glycol Dehydrators by April 7, 2021.

## **II. ALLEGATIONS**

During a record review conducted from March 15, 2021 through April 13, 2021, an investigator documented that the Respondent:

1. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit ("FOP") No. O3362, General Terms and Conditions ("GTC"), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the deviation report for the January 1, 2020 through June 30, 2020 reporting period did not include the deviation for failing to comply with the VOC annual maximum allowable emissions rate ("MAER") for the Pre-Flare Glycol Dehydration Still Vent.
2. Failed to comply with the MAER, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review Permit No. 81228, Special Conditions No. 1, FOP No. O3362, GTC and Special Terms and Conditions No. 8, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent exceeded the VOC MAER of 0.97 ton per year based on a 12-month rolling period for the 12-month periods ending from April 2020 through December 2020 for the Pre-Flare Glycol Dehydration Still Vent, Emissions Point Number M-701/702 SV, resulting in 2.02 tons of unauthorized VOC emissions.

## **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: Tres Palacios Gas Storage LLC, Docket No. 2021-0607-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:

- a. Within 30 days after the effective date of this Order:

- i. Submit a revised deviation report for the January 1, 2020 through June 30, 2020 reporting period to include the deviation for failing to comply with the VOC annual MAER for the Pre-Flare Glycol Dehydration Still Vent; and
- ii. Implement measures and/or procedures designed to ensure that all instances of deviations are reported in a timely manner.

- 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:

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

with a copy to:

Air Section Manager  
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 Site 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 Order Compliance Team 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.



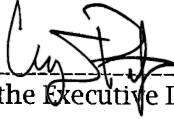
9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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For the Commission

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Date



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8/31/2022

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For the Executive Director

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Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this Order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

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*David Hayden*  
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Signature

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*May 12, 2022*  
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Date

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*David Hayden*  
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Name (Printed or typed)  
Authorized Representative of  
Tres Palacios Gas Storage LLC

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*V.P.*  
-----  
Title

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

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