

**Executive Summary – Enforcement Matter – Case No. 61037
Targa Downstream LLC
RN100222900
Docket No. 2021-0914-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Mont Belvieu Complex, 10319 State Highway 146, Mont Belvieu, Chambers County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket Nos. 2020-1162-AIR-E,
2021-0399-AIR-E, 2021-1230-AIR-E, and 2021-1310-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: January 14, 2022

Comments Received: No

Penalty Information

Total Penalty Assessed: \$13,563

Amount Deferred for Expedited Settlement: \$2,712

Total Paid to General Revenue: \$5,426

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$5,425

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

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: January 2021

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: June 2, 2021

Date(s) of NOE(s): July 7, 2021

Executive Summary – Enforcement Matter – Case No. 61037
Targa Downstream LLC
RN100222900
Docket No. 2021-0914-AIR-E

Violation Information

1. Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event. Specifically, the initial notification for Incident No. 293834 was due by October 6, 2018 at 8:00 a.m., but was not submitted until October 8, 2018 at 2:45 p.m [30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O615, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to prevent unauthorized emissions. Specifically, the Respondent released 579 pounds of volatile organic compounds as fugitive emissions, during an emission event (Incident No. 293834) that occurred on October 5, 2018 and lasted two hours and 35 minutes. The emissions event occurred due to a worn ring groove on the lower spool piece of Well No. 13 that caused the spool to lose its packing seal, resulting in the release to the atmosphere. Since the Respondent did not comply with the emissions event reporting requirements, 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. 22088, Special Conditions No. 1, FOP No. O615, GTC and STC No. 12, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. On October 8, 2018, submitted the initial notification for Incident No. 293834; and
- b. By May 31, 2020, hired a third-party contractor to remove the wellhead components, complete a detailed inspection to ensure that the American Petroleum Institute specifications were met, and replace the components in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 293834.

Technical Requirements:

The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).

Executive Summary – Enforcement Matter – Case No. 61037
Targa Downstream LLC
RN100222900
Docket No. 2021-0914-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Michaelle Garza, Enforcement Division, Enforcement Team 4, MC R-13, (210) 403-4076; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

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

SEP Third-Party Administrator: Anahuac Independent School District, P.O. Box 638, Anahuac, Texas 77514

Respondent: Phil Applegate, Director of Operations and Project Engineering, Targa Downstream LLC, P.O. Box 10, Mont Belvieu, Texas 77580

Bill Grantham, Vice President, Targa Downstream LLC, P.O. Box 10, Mont Belvieu, Texas 77580

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	12-Jul-2021	Screening	14-Jul-2021	EPA Due	
	PCW	20-Sep-2021				

RESPONDENT/FACILITY INFORMATION	
Respondent	Targa Downstream LLC
Reg. Ent. Ref. No.	RN100222900
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION				
Enf./Case ID No.	61037	No. of Violations	2	
Docket No.	2021-0914-AIR-E	Order Type	1660	
Media Program(s)	Air	Government/Non-Profit	No	
Multi-Media		Enf. Coordinator	Michaelle Garza	
		EC's Team	Enforcement Team 4	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$7,750
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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.

Compliance History	100.0%	Adjustment	Subtotals 2, 3, & 7	\$7,750
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Notes: Enhancement for two NOVs with same or similar violations, one NOV with dissimilar violations, four agreed orders containing a denial of liability, and two agreed orders without a denial of liability.

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	-\$1,937
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$4,137
 Estimated Cost of Compliance: \$50,250
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$13,563
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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	\$13,563
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$13,563
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DEFERRAL	20.0%	Reduction	Adjustment	-\$2,712
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY	\$10,851
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Screening Date 14-Jul-2021

Docket No. 2021-0914-AIR-E

PCW

Respondent Targa Downstream LLC

Policy Revision 5 (January 28, 2021)

Case ID No. 61037

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN100222900

Media Air

Enf. Coordinator Michaëlle Garza

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	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	4	80%
	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	2	50%
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) 142%

>> 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 or similar violations, one NOV with dissimilar violations, four agreed orders containing a denial of liability, and two agreed orders without a denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 142%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 14-Jul-2021

Docket No. 2021-0914-AIR-E

PCW

Respondent Targa Downstream LLC

Policy Revision 5 (January 28, 2021)

Case ID No. 61037

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN100222900

Media Air

Enf. Coordinator Michaëlle Garza

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. 0615, 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 an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event. Specifically, the initial notification for Incident No. 293834 was due by October 6, 2018 at 8:00 a.m., but was not submitted until October 8, 2018 at 2:45 p.m.

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 2 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 actions on October 8, 2018, before the Notice of Enforcement ("NOE") dated July 7, 2021.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$438

This violation Final Assessed Penalty (adjusted for limits) \$438

Economic Benefit Worksheet

Respondent Targa Downstream LLC
Case ID No. 61037
Reg. Ent. Reference No. RN100222900
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)	\$250	6-Oct-2018	8-Oct-2018	0.01	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to submit the initial notification for Incident No. 293834. The Date Required is the date the initial notification was due and the Final Date is the date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$0

Screening Date 14-Jul-2021 **Docket No.** 2021-0914-AIR-E **PCW**
Respondent Targa Downstream LLC *Policy Revision 5 (January 28, 2021)*
Case ID No. 61037 *PCW Revision February 11, 2021*
Reg. Ent. Reference No. RN100222900
Media Air
Enf. Coordinator Michaelle Garza

Violation Number 2
Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review Permit No. 22088, Special Conditions No. 1, FOP No. O615, GTC and STC No. 12, and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 579 pounds of volatile organic compounds as fugitive emissions, during an emission event (Incident No. 293834) that occurred on October 5, 2018 and lasted two hours and 35 minutes. The emissions event occurred due to a worn ring groove on the lower spool piece of Well No. 13 that caused the spool to lose its packing seal, resulting in the release to the atmosphere. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

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

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0.0%

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

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1 1 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply 25.0% Reduction \$1,875

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

Notes The Respondent completed the corrective actions by May 31, 2020, before the NOE dated July 7, 2021.

Violation Subtotal \$5,625

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

Estimated EB Amount \$4,137 **Violation Final Penalty Total** \$13,125

This violation Final Assessed Penalty (adjusted for limits) \$13,125

Economic Benefit Worksheet

Respondent Targa Downstream LLC
Case ID No. 61037
Reg. Ent. Reference No. RN100222900
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit				0.00	\$0	n/a	\$0
Other (as needed)	\$50,000	5-Oct-2018	31-May-2020	1.65	\$4,137	n/a	\$4,137

Notes for DELAYED costs

Estimated cost to hire a third-party contractor to remove the wellhead components, complete a detailed inspection to ensure that the American Petroleum Institute specifications were met, and replace the components in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 293834. 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

\$50,000

TOTAL

\$4,137

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 CN603592940, RN100222900, Rating Year 2021 which includes Compliance History (CH) components from September 1, 2016, through August 31, 2021.

Customer, Respondent, or Owner/Operator: CN603592940, Targa Downstream LLC **Classification:** SATISFACTORY **Rating:** 7.03
Regulated Entity: RN100222900, Mont Belvieu Complex **Classification:** SATISFACTORY **Rating:** 11.12
Complexity Points: 22 **Repeat Violator:** NO
CH Group: 03 - Oil and Gas Extraction
Location: 10319 State Highway 146, Mont Belvieu, Chambers County, Texas
TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER CI0022A
AIR OPERATING PERMITS PERMIT 615
AIR NEW SOURCE PERMITS REGISTRATION 12790
AIR NEW SOURCE PERMITS PERMIT 22088
AIR NEW SOURCE PERMITS REGISTRATION 75496
AIR NEW SOURCE PERMITS PERMIT 56431
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX696M1
AIR NEW SOURCE PERMITS REGISTRATION 84814
AIR NEW SOURCE PERMITS REGISTRATION 97147
AIR NEW SOURCE PERMITS REGISTRATION 109750
AIR NEW SOURCE PERMITS REGISTRATION 109040
AIR NEW SOURCE PERMITS REGISTRATION 110145
AIR NEW SOURCE PERMITS REGISTRATION 119145
AIR NEW SOURCE PERMITS EPA PERMIT N214
AIR NEW SOURCE PERMITS REGISTRATION 113495
AIR NEW SOURCE PERMITS EPA PERMIT GHGSPSDTX26
AIR NEW SOURCE PERMITS REGISTRATION 153740
AIR NEW SOURCE PERMITS EPA PERMIT N214M1
AIR NEW SOURCE PERMITS REGISTRATION 152140
AIR NEW SOURCE PERMITS REGISTRATION 153852
AIR NEW SOURCE PERMITS REGISTRATION 162721
AIR NEW SOURCE PERMITS REGISTRATION 164547
AIR NEW SOURCE PERMITS REGISTRATION 161824
AIR NEW SOURCE PERMITS REGISTRATION 165164
AIR NEW SOURCE PERMITS REGISTRATION 146066
AIR NEW SOURCE PERMITS REGISTRATION 142523
AIR NEW SOURCE PERMITS REGISTRATION 149385
AIR NEW SOURCE PERMITS REGISTRATION 156824
AIR NEW SOURCE PERMITS REGISTRATION 156148
AIR NEW SOURCE PERMITS REGISTRATION 160740
AIR NEW SOURCE PERMITS REGISTRATION 158817
AIR NEW SOURCE PERMITS REGISTRATION 156206
AIR NEW SOURCE PERMITS REGISTRATION 153008
WASTEWATER PERMIT WQ0005329000
AIR EMISSIONS INVENTORY ACCOUNT NUMBER CI0022A

AIR OPERATING PERMITS PERMIT 612
AIR NEW SOURCE PERMITS PERMIT 5452
AIR NEW SOURCE PERMITS ACCOUNT NUMBER CI0022A
AIR NEW SOURCE PERMITS REGISTRATION 141933
AIR NEW SOURCE PERMITS AFS NUM 4807100010
AIR NEW SOURCE PERMITS PERMIT 56435
AIR NEW SOURCE PERMITS REGISTRATION 82049
AIR NEW SOURCE PERMITS REGISTRATION 91519
AIR NEW SOURCE PERMITS PERMIT 101616
AIR NEW SOURCE PERMITS REGISTRATION 139467
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX817
AIR NEW SOURCE PERMITS REGISTRATION 131418
AIR NEW SOURCE PERMITS REGISTRATION 112896
AIR NEW SOURCE PERMITS REGISTRATION 109927
AIR NEW SOURCE PERMITS REGISTRATION 119978
AIR NEW SOURCE PERMITS EPA PERMIT GHGSPSDTX26M1
AIR NEW SOURCE PERMITS REGISTRATION 155185
AIR NEW SOURCE PERMITS REGISTRATION 151160
AIR NEW SOURCE PERMITS REGISTRATION 153705
AIR NEW SOURCE PERMITS REGISTRATION 151159
AIR NEW SOURCE PERMITS REGISTRATION 163816
AIR NEW SOURCE PERMITS REGISTRATION 163817
AIR NEW SOURCE PERMITS REGISTRATION 164548
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX696M2
AIR NEW SOURCE PERMITS REGISTRATION 143075
AIR NEW SOURCE PERMITS REGISTRATION 147730
AIR NEW SOURCE PERMITS REGISTRATION 151450
AIR NEW SOURCE PERMITS REGISTRATION 157061
AIR NEW SOURCE PERMITS REGISTRATION 156205
AIR NEW SOURCE PERMITS EPA PERMIT N214M2
AIR NEW SOURCE PERMITS REGISTRATION 155495
AIR NEW SOURCE PERMITS REGISTRATION 157060
STORMWATER PERMIT TXR05EL71
WASTEWATER EPA ID TX0002887
POLLUTION PREVENTION PLANNING ID NUMBER P03569
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 31048

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD980625974

Compliance History Period: September 01, 2016 to August 31, 2021 **Rating Year:** 2021 **Rating Date:** 09/01/2021

Date Compliance History Report Prepared: September 20, 2021

Agency Decision Requiring Compliance History: Enforcement
Page 1

Component Period Selected: September 20, 2016 to September 20, 2021

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

Name: Michaelle Garza

Phone: (210) 403-4076

Site and Owner/Operator History:

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

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

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

- 1 Effective Date: 09/29/2016 ADMINORDER 2016-0130-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Condition No. 1 PERMIT
Description: Failure to prevent unauthorized emissions during an emission event.
- 2 Effective Date: 05/23/2019 ADMINORDER 2018-0359-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
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: FOP Special Term & Condition (ST&C) 12 OP
NSR Special Condition (SC) 1 PERMIT
Description: Failed to comply with the MAERs, in violation of 30 TEX. ADMIN. CODE §§116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE §382.085(b), Federal Operating Permit ("FOP") No. O615, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 12, and New Source Review ("NSR") Permit No. 22088, Special Conditions ("SC") No. 1.
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)
Rqmt Prov: FOP General Terms and Conditions OP
Description: Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE §382.085(b), and FOP No. O615, GTC.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
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: FOP Special Term & Condition (ST&C) 12 OP
NSR Special Condition (SC)1 PERMIT
Description: Failed to comply with the MAERs, in violation of 30 TEX. ADMIN. CODE §§116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE §382.085(b), FOP No. O615, GTC and STC No. 12, and NSR Permit No. 22088, SC No. 1.
- 3 Effective Date: 11/22/2019 ADMINORDER 2018-1293-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: General Terms & Conditons (GT&C) OP
Special Condition (SC) 1 PERMIT
Special Terms & Conditions (ST&C) 20 OP
Description: Failed to comply with the maximum allowable emissions rates. Specifically, the Respondent exceeded the nitrogen oxides ("NOx") MAER of 6 tons per year ("tpy") based on a 12-month rolling period and the volatile organic

compounds ("VOC") MAER of 25 tpy based on a 12-month rolling period for the 12-month periods ending from January 2017 through January 2018 and the carbon monoxide ("CO") MAER of 20 tpy based on a 12-month rolling period for the 12-month periods ending from January 2017 through Oct

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: General Terms & Conditions OP
Special Condition No. 6 PERMIT
Special Terms & Conditions No. 20 OP

Description: Failed to comply with the flare gas recovery system ("FGRS") downtime limit. Specifically, the Respondent exceeded the FGRS downtime limit of 438 hours per year based on a rolling 12-month period by 625 hours for the 12-month period ending on January 2018, resulting in flaring of the process waste gas.

4 Effective Date: 11/20/2020 ADMINORDER 2020-0612-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THSC Chapter 382 382.0518(a)
5C THSC Chapter 382 382.085(b)

Description: Failed to obtain authorization prior to constructing or modifying a source of air contaminants. Specifically, the Respondent constructed and conducted dry abrasive cleaning and surface coating activities prior to obtaining the proper authorization.

5 Effective Date: 02/01/2021 ADMINORDER 2020-0401-AIR-E (Findings Order-Agreed Order Without 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: Special Condition No. 1 PERMIT

Description: Failure to prevent unauthorized emissions to the atmosphere during an emissions event. (Category A12i6)

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: NSR 5452, Special Condition 1 PERMIT
NSR 56431, Special Condition 1 PERMIT

Description: Failure to prevent unauthorized emissions. Specifically, Targa failed to prevent emissions when a power loss led to a flaring event and venting from the T-6 tower (Category A12.i.(6)).

6 Effective Date: 08/24/2021 ADMINORDER 2020-1041-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: FOP 0615 GTC and STC No. 12 OP
Special Condition No. 1 PERMIT

Description: Failure to prevent unauthorized emissions to the atmosphere during an emissions event that was discovered on August 10, 2017, TCEQ/STEERS Incident No. 265126. (Category A12.i.6)

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	October 24, 2016	(1369097)
Item 2	January 20, 2017	(1387763)
Item 3	March 09, 2017	(1383335)
Item 4	May 09, 2017	(1402444)
Item 5	July 17, 2017	(1416756)
Item 6	September 20, 2017	(1381690)

Item 7	March 09, 2018	(1464482)
Item 8	August 01, 2018	(1505802)
Item 9	September 28, 2018	(1511116)
Item 10	October 16, 2018	(1506126)
Item 11	October 30, 2018	(1511093)
Item 12	February 26, 2019	(1533150)
Item 13	June 05, 2019	(1556415)
Item 14	June 17, 2019	(1575841)
Item 15	August 20, 2019	(1590778)
Item 16	January 07, 2020	(1618507)
Item 17	January 16, 2020	(1618596)
Item 18	January 21, 2020	(1622544)
Item 19	March 26, 2020	(1631432)
Item 20	April 22, 2020	(1645139)
Item 21	April 23, 2020	(1645301)
Item 22	April 28, 2020	(1637901)
Item 23	May 05, 2020	(1592345)
Item 24	June 12, 2020	(1645772)
Item 26	September 18, 2020	(1676801)
Item 27	October 21, 2020	(1677835)
Item 28	October 27, 2020	(1684648)
Item 29	January 11, 2021	(1698580)
Item 30	January 14, 2021	(1698098)
Item 31	April 08, 2021	(1696637)
Item 32	April 13, 2021	(1684244)
Item 33	May 10, 2021	(1711551)
Item 34	May 12, 2021	(1683758)
Item 35	July 26, 2021	(1684152)
Item 36	July 30, 2021	(1711451)

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: 11/17/2020 (1672470)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.165(a)(8)
5C THSC Chapter 382 382.085(b)
FOP General Terms and Conditions OP
Description: Failure to certify a Permit Compliance Certification (PCC).

- 2 Date: 12/07/2020 (1672476)
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 19 OP
Special Condition 1 PERMIT
Description: Failure to maintain emissions limit of air assisted flare (EPN: FLRN-1). (Category B13 Violation)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 116, SubChapter F 116.615(4)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP Special Term and Condition 22 OP
General Terms and Conditions REG
Description: Failure to submit a notification within the required timeframe. (Category B3 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 20 OP
Special Condition 1 PERMIT

Description: Failure to maintain emissions limit of hot oil heater (EPN: F-10). (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 20 OP
Special Condition 1 PERMIT

Description: Failure to maintain emissions limit of hot oil heater (EPN: F-11). (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 19 OP
MAERT REG

Description: Failure to maintain emissions limit of hot oil heater (EPN: F-04). (Category B13 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter H 115.722(d)(1)
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)(3)(ii)
5C THSC Chapter 382 382.085(b)
FOP Special Term and Condition 1A OP
FOP Special Term and Condition 20 OP
Special Condition 8A PERMIT

Description: Failure to maintain flare 5 (EPN: FLR-5) heating value. (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 19 OP
Special Condition 16B PERMIT

Description: Failure to conduct semi-annual sampling. (Category C1 Violation)

3 Date: 01/04/2021 (1696683)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter Q 335.474

Description: The facility failed to prepare a complete Source Reduction and Waste Minimization (SRWM) Plans for the years 2020-2024.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)

Description: The facility failed to update the Notice of Registration (NOR).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(4)(A)
30 TAC Chapter 335, SubChapter E 335.112(a)(3)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(4)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT D 265.53

Description: The facility failed to provide documentation that a current copy of the contingency plan was submitted to the local police, fire department, hospital and State and local emergency response teams that may be called upon to provide emergency services.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(4)
30 TAC Chapter 335, SubChapter E 335.112(a)(1)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(4)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT B 265.16(a)(1)

Description: The facility failed to provide facility personnel with a training program consistent with the requirements of 40 CFR 265.16.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(2)

Description: The facility failed to submit complete and correct Annual Waste Summary (AWS) reports for 2017, 2018 and 2019.

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
TARGA DOWNSTREAM LLC
RN100222900**

**§
§
§
§
§**

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2021-0914-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 Targa Downstream LLC (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas processing plant located at 10319 State Highway 146 in Mont Belvieu, Chambers County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$13,563 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$5,426 of the penalty and \$2,712 of the penalty is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$5,425 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment

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

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant:
 - a. On October 8, 2018, submitted the initial notification for Incident No. 293834; and
 - b. By May 31, 2020, hired a third-party contractor to remove the wellhead components, complete a detailed inspection to ensure that the American Petroleum Institute specifications were met, and replace the components in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 293834.

II. ALLEGATIONS

During a record review conducted on June 2, 2021, an investigator documented that the Respondent:

1. Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O615, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 293834 was due by October 6, 2018 at 8:00 a.m., but was not submitted until October 8, 2018 at 2:45 p.m.

2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 22088, Special Conditions No. 1, FOP No. O615, GTC and STC No. 12, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 579 pounds of volatile organic compounds as fugitive emissions, during an emission event (Incident No. 293834) that occurred on October 5, 2018 and lasted two hours and 35 minutes. The emissions event occurred due to a worn ring groove on the lower spool piece of Well No. 13 that caused the spool to lose its packing seal, resulting in the release to the atmosphere. Since the Respondent did not comply with the emissions event reporting requirements, 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: Targa Downstream LLC, Docket No. 2021-0914-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete an SEP as set forth in Section I, Paragraph No. 4. The amount of \$5,425 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. 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.
 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.

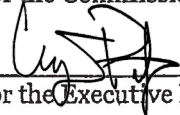
Targa Downstream LLC
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SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date



5/18/2022

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 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.

Bill Grantham
F2A3F897854641A...

12/7/2021

Signature

Date

Bill Grantham

Vice President Operations

Name (Printed or typed)
Authorized Representative of
Targa Downstream LLC

Title

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

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

Attachment A
Docket Number: 2021-0914-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Targa Downstream LLC
Payable Penalty Amount:	\$10,851
SEP Offset Amount:	\$5,425
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Anahuac Independent School District
Project Name:	<i>Clean School Bus Project</i>
Location of SEP:	Texas Air Quality Control Region 216, Houston - Galveston

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

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Anahuac Independent School District** for the *Clean School Bus Project*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to purchase a lower-emission school bus that is model year 2010 or newer (“Replacement Bus”) to replace a bus that is model year 1995 (“Older Bus”), thus removing the Older Bus from the roads. The Third-Party Administrator shall ensure that the Replacement Bus has an engine that meets 2010 EPA Standards. The Third-Party Administrator certifies that the Older Bus is currently in use, driven on a regular route on a weekly basis for at least the past two years. The Third-Party Administrator shall own and operate the Replacement Bus for at least five years following the date of purchase. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely to settle this enforcement action. The Respondent shall not profit from this SEP.

b. Environmental Benefit

The SEP will benefit air quality by reducing harmful exhaust emissions from an older school bus. Older school bus engines emit larger amounts of nitrogen oxides and particulate matter, as well as other harmful pollutants such as volatile organic compounds and carbon monoxide than new buses. These pollutants contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma, especially in children. The Project will reduce these emissions by replacing a model year 1995 school bus with a new, lower-emission bus.

c. Minimum Expenditure

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

2. Performance Schedule

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

Anahuac Independent School District
Attention: Business Manager
P.O. Box 638
Anahuac, Texas 77514

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to “Texas Commission on Environmental Quality,” and shall mail it to:

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

5. Publicity

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

6. Recognition

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

7. Other SEPs by TCEQ or Other Agencies

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