

Executive Summary – Enforcement Matter – Case No. 61304

Fairway Methanol LLC

RN100227016

Docket No. 2021-1251-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Celanese Clear Lake Plant, 9502 Bayport Boulevard, Pasadena, Harris County

Type of Operation:

Chemical manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket No. 2021-0113-AIR-E

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: \$21,225

Amount Deferred for Expedited Settlement: \$0

Total Paid to General Revenue: \$10,613

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$10,612

Name of SEP: Houston Regional Monitoring Corporation (Third-Party Pre-Approved)

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: July 15, 2021 and December 15, 2021 through February 2, 2022

Date(s) of NOE(s): February 17, 2022 and August 27, 2021

Executive Summary – Enforcement Matter – Case No. 61304
Fairway Methanol LLC
RN100227016
Docket No. 2021-1251-AIR-E

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 656.00 pounds of ammonia from the Methanol Reformer, Emissions Point Number ("EPN") REFORM, during an emissions event (Incident No. 331568) that occurred on March 5, 2020 and lasted nine hours. The emissions event occurred when the reference density on the ammonia flow meter was programmed incorrectly that caused excess ammonia to be fed to the system, 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 §§ 101.20(3), 116.115(c), and 122.143(4), New Source Review ("NSR") Permit Nos. 103626, PSDTX1296, and N164, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. 03678, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 19, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to comply with the maximum allowable emissions rate ("MAER"). Specifically, the Respondent exceeded the volatile organic compounds ("VOC") MAER of 2.49 tons per year based on a 12-month rolling period for the 12-month period ending on August 2020 for the Methanol Methanol Maintenance, Startup, and Shutdown ("MSS") Flare, EPN MEOHFLR, resulting in 0.09 ton of unauthorized VOC emissions [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), NSR Permit Nos. 103626, PSDTX1296, and N164, SC No. 1, FOP No. 03678, GTC and STC No. 19, 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 July 20, 2021, obtained an amendment for NSR Permit Nos. 103626, PSDTX1296, and N164 that increased the VOC annual MAER for the MSS Flare, EPN MEOHFLR; and
- b. By April 5, 2022, changed the density parameter to 0.0448875 pound per cubic feet using the Emerson Configurator, created a PI display with a critical system variable for the ammonia injection and selective catalytic reduction, improved the alarm management within the nitrogen oxides reduction system, conducted a "Safety Flash" training that described the incident and actions to be taken, and published a "Reliability Flash" training specific to the Methanol Reformer in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 331568.

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Fairway Methanol LLC

RN100227016

Docket No. 2021-1251-AIR-E

Technical Requirements:

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

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Danielle Porras, Enforcement Division, Enforcement Team 2, MC R-12, (713) 767-3682; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

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

SEP Third-Party Administrator: Houston Regional Monitoring Corporation, Amandes PLLC, 1800 Post Oak Boulevard, Suite 400, Houston, Texas 77056

Respondent: James Barrington, Site Director, Fairway Methanol LLC, 9502 Bayport Boulevard, Pasadena, Texas 77507

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	30-Aug-2021	Screening	8-Sep-2021	EPA Due	16-Aug-2022
	PCW	25-Feb-2023				

RESPONDENT/FACILITY INFORMATION

Respondent	Fairway Methanol LLC
Reg. Ent. Ref. No.	RN100227016
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	61304	No. of Violations	2
Docket No.	2021-1251-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Danielle Porras
		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	\$15,000
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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	59.0%	Adjustment	Subtotals 2, 3, & 7	\$8,850
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Notes: Enhancement for three NOV's with same/similar violations, one NOV with dissimilar violations, and three orders containing a denial of liability. Reduction for four notices of intent to conduct an audit, two disclosures of violations, and a High Performer classification.

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	-\$2,625
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$1,086
Estimated Cost of Compliance \$10,900
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$21,225
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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	\$21,225
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$21,225
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DEFERRAL	0.0%	Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

No deferral for orders in which the Respondent has two or more prior administrative penalty orders as set out in Tex. Water Code § 7.105(b)(2), (b)(4), and (b)(6).

PAYABLE PENALTY	\$21,225
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Screening Date	8-Sep-2021	Docket No.	2021-1251-AIR-E	PCW
Respondent	Fairway Methanol LLC			
Case ID No.	61304			
Reg. Ent. Reference No.	RN100227016			
Media	Air			
Enf. Coordinator	Danielle Porras			

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

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>)	3	15%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	4	-4%
	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>)	2	-4%
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) 69%

>> 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 three NOVs with same/similar violations, one NOV with dissimilar violations, and three orders containing a denial of liability. Reduction for four notices of intent to conduct an audit, two disclosures of violations, and a High Performer classification.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 59%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 59%

Screening Date 8-Sep-2021 Respondent Fairway Methanol LLC Case ID No. 61304 Reg. Ent. Reference No. RN100227016 Media Air Enf. Coordinator Danielle Porras Violation Number 1	Docket No. 2021-1251-AIR-E	PCW <small>Policy Revision 5 (January 28, 2021)</small> <small>PCW Revision February 11, 2021</small>
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Rule Cite(s)	30 Tex. Admin. Code §§ 101.20(3), 116.115(c), and 122.143(4), New Source Review ("NSR") Permit Nos. 103626, PSDTX1296, and N164, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. 03678, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 19, and Tex. Health & Safety Code § 382.085(b)
Violation Description	Failed to prevent unauthorized emissions. Specifically, the Respondent released 656.00 pounds of ammonia from the Methanol Reformer, Emissions Point Number ("EPN") REFORM, during an emissions event (Incident No. 331568) that occurred on March 5, 2020 and lasted nine hours. The emissions event occurred when the reference density on the ammonia flow meter was programmed incorrectly that caused excess ammonia to be fed to the system, 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
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>> Environmental, Property and Human Health Matrix

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

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
				Percent	0.0%

Matrix Notes	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.
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Adjustment	\$17,500
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Adjustment	\$7,500
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Violation Events

Number of Violation Events	1		1	Number of violation days
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	daily				
	weekly				
	monthly	x			
	quarterly				
	semiannual				
	annual				
	single event				

Violation Base Penalty	\$7,500
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One monthly event is recommended.

Good Faith Efforts to Comply

	10.0%				
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer			
Extraordinary					
Ordinary		x			
N/A					
Notes	The Respondent completed the corrective measures by April 5, 2022, after the Notice of Enforcement ("NOE") dated August 27, 2021.				

Violation Subtotal	\$6,750
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Economic Benefit (EB) for this violation

Estimated EB Amount	\$1,042
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Statutory Limit Test

Violation Final Penalty Total	\$11,175
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This violation Final Assessed Penalty (adjusted for limits)	\$11,175
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Economic Benefit Worksheet

Respondent Fairway Methanol LLC
Case ID No. 61304
Reg. Ent. Reference No. RN100227016
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)	\$10,000	5-Mar-2020	5-Apr-2022	2.08	\$1,042	n/a	\$1,042

Notes for DELAYED costs

Estimated cost to change the density parameter to 0.0448875 pound per cubic feet using the Emerson Configurator, create a PI display with a critical system variable for the ammonia injection and selective catalytic reduction, improve the alarm management within the nitrogen oxides reduction system, conducted a "Safety Flash" training that described the incident and actions to be taken, and publish a "Reliability Flash" training specific to the Methanol Reformer in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 331568. Date Required is the date the emissions event occurred. Final Date is the date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$1,042

Screening Date 8-Sep-2021 Respondent Fairway Methanol LLC Case ID No. 61304 Reg. Ent. Reference No. RN100227016 Media Air Enf. Coordinator Danielle Porras	Docket No. 2021-1251-AIR-E	PCW <i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i>																
Violation Number 2																		
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), NSR Permit Nos. 103626, PSDTX1296, and N164, SC No. 1, FOP No. O3678, GTC and STC No. 19, and Tex. Health & Safety Code § 382.085(b)																		
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Base Penalty		\$25,000																
>> Environmental, Property and Human Health Matrix																		
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Adjustment		\$17,500																
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Violation Events																		
Number of Violation Events 1 31 Number of violation days																		
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daily																		
weekly																		
monthly	x																	
quarterly																		
semiannual																		
annual																		
single event																		
Violation Base Penalty		\$7,500																
One monthly event is recommended for the period of non-compliance from August 1, 2020 through August 31, 2020.																		
Good Faith Efforts to Comply																		
25.0%		Reduction \$1,875																
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Extraordinary																		
Ordinary	x																	
N/A																		
Notes The Respondent completed the corrective measures on July 20, 2021, prior to the NOE dated February 17, 2022.																		
Violation Subtotal		\$5,625																
Economic Benefit (EB) for this violation																		
Statutory Limit Test																		
Estimated EB Amount		\$44																
Violation Final Penalty Total		\$10,050																
This violation Final Assessed Penalty (adjusted for limits)		\$10,050																

Economic Benefit Worksheet

Respondent Fairway Methanol LLC
Case ID No. 61304
Reg. Ent. Reference No. RN100227016
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$900	1-Aug-2020	20-Jul-2021	0.97	\$44	n/a	\$44
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	Actual cost to obtain an amendment for NSR Permit Nos. 103626, PSDTX1296, and N164 that increased the VOC annual MAER for the Methanol MSS Flare, EPN MEOHFLR. The Date Required is the first date of non-compliance 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	\$900			TOTAL		\$44	



Compliance History Report

Compliance History Report for CN604543223, RN100227016, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

Customer, Respondent, or Owner/Operator:	CN604543223, Fairway Methanol LLC	Classification:	HIGH	Rating:	0.02
Regulated Entity:	RN100227016, Celanese Clear Lake Plant	Classification:	HIGH	Rating:	0.02
Complexity Points:	40	Repeat Violator:	NO		
CH Group:	05 - Chemical Manufacturing				
Location:	9502 Bayport Boulevard, Pasadena, Harris County, Texas				
TCEQ Region:	REGION 12 - HOUSTON				

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HG0126Q

AIR OPERATING PERMITS PERMIT 1986

AIR OPERATING PERMITS PERMIT 1329

PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1011168

AIR NEW SOURCE PERMITS PERMIT 53313

AIR NEW SOURCE PERMITS REGISTRATION 34446

AIR NEW SOURCE PERMITS REGISTRATION 41476

AIR NEW SOURCE PERMITS REGISTRATION 43682

AIR NEW SOURCE PERMITS REGISTRATION 46313

AIR NEW SOURCE PERMITS REGISTRATION 46827

AIR NEW SOURCE PERMITS REGISTRATION 49694

AIR NEW SOURCE PERMITS REGISTRATION 50197

AIR NEW SOURCE PERMITS PERMIT 264A

AIR NEW SOURCE PERMITS REGISTRATION 13044

AIR NEW SOURCE PERMITS REGISTRATION 13620

AIR NEW SOURCE PERMITS REGISTRATION 24099

AIR NEW SOURCE PERMITS REGISTRATION 54885

AIR NEW SOURCE PERMITS REGISTRATION 55630

AIR NEW SOURCE PERMITS REGISTRATION 55644

AIR NEW SOURCE PERMITS REGISTRATION 169598

AIR NEW SOURCE PERMITS REGISTRATION 70430

AIR NEW SOURCE PERMITS REGISTRATION 70825

AIR NEW SOURCE PERMITS REGISTRATION 53505

AIR NEW SOURCE PERMITS REGISTRATION 53282

AIR NEW SOURCE PERMITS REGISTRATION 53445

AIR NEW SOURCE PERMITS REGISTRATION 75086

AIR NEW SOURCE PERMITS PERMIT 103626

AIR NEW SOURCE PERMITS REGISTRATION 106401

AIR NEW SOURCE PERMITS EPA PERMIT GHGSPDXTX25

AIR NEW SOURCE PERMITS REGISTRATION 106397

AIR NEW SOURCE PERMITS REGISTRATION 164112

AIR NEW SOURCE PERMITS REGISTRATION 168350

AIR NEW SOURCE PERMITS REGISTRATION 143641

AIR NEW SOURCE PERMITS REGISTRATION 160847

AIR NEW SOURCE PERMITS REGISTRATION 158944

AIR NEW SOURCE PERMITS REGISTRATION 152289

AIR NEW SOURCE PERMITS AFS NUM 4820101556

IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 30022

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HG0126Q

AIR OPERATING PERMITS PERMIT 1893

AIR OPERATING PERMITS PERMIT 3678

AIR OPERATING PERMITS ACCOUNT NUMBER HGA002B

AIR NEW SOURCE PERMITS AFS NUM 4820100003

AIR NEW SOURCE PERMITS PERMIT 4056

AIR NEW SOURCE PERMITS PERMIT 38296

AIR NEW SOURCE PERMITS REGISTRATION 43208

AIR NEW SOURCE PERMITS REGISTRATION 44401

AIR NEW SOURCE PERMITS REGISTRATION 46828

AIR NEW SOURCE PERMITS REGISTRATION 48863

AIR NEW SOURCE PERMITS REGISTRATION 49679

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HG0126Q

AIR NEW SOURCE PERMITS REGISTRATION 11301

AIR NEW SOURCE PERMITS REGISTRATION 13597

AIR NEW SOURCE PERMITS REGISTRATION 14705

AIR NEW SOURCE PERMITS REGISTRATION 29626

AIR NEW SOURCE PERMITS PERMIT 55046

AIR NEW SOURCE PERMITS REGISTRATION 55628

AIR NEW SOURCE PERMITS REGISTRATION 76314

AIR NEW SOURCE PERMITS REGISTRATION 76164

AIR NEW SOURCE PERMITS PERMIT 52041

AIR NEW SOURCE PERMITS REGISTRATION 70595

AIR NEW SOURCE PERMITS REGISTRATION 50657

AIR NEW SOURCE PERMITS REGISTRATION 71710

AIR NEW SOURCE PERMITS REGISTRATION 55615

AIR NEW SOURCE PERMITS EPA PERMIT N164

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1296

AIR NEW SOURCE PERMITS REGISTRATION 106403

AIR NEW SOURCE PERMITS REGISTRATION 106402

AIR NEW SOURCE PERMITS REGISTRATION 106396

AIR NEW SOURCE PERMITS REGISTRATION 168453

AIR NEW SOURCE PERMITS REGISTRATION 164113

AIR NEW SOURCE PERMITS REGISTRATION 159269

AIR NEW SOURCE PERMITS REGISTRATION 160622

AIR NEW SOURCE PERMITS REGISTRATION 161062

AIR NEW SOURCE PERMITS PERMIT 154884

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HGA002B

STORMWATER PERMIT TXR05V084

POLLUTION PREVENTION PLANNING ID NUMBER P00313

INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50201

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE

REGISTRATION # (SWR) 30022

TAX RELIEF ID NUMBER 19584

TAX RELIEF ID NUMBER 20479

TAX RELIEF ID NUMBER 20494

TAX RELIEF ID NUMBER 20473

TAX RELIEF ID NUMBER 20495

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD078432457

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXR000052175

TAX RELIEF ID NUMBER 20478

TAX RELIEF ID NUMBER 19585

TAX RELIEF ID NUMBER 20320

TAX RELIEF ID NUMBER 20853

TAX RELIEF ID NUMBER 20482

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

Date Compliance History Report Prepared: December 21, 2022

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: December 21, 2017 to December 21, 2022

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

Name: Danielle Porras

Phone: (713) 767-3682

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: 03/20/2018 | ADMINORDER 2017-1076-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: 55046, Special Condition 1 PERMIT | | |
| | Description: Failed to prevent unauthorized emissions. | | |
| 2 | Effective Date: 04/26/2019 | ADMINORDER 2018-0124-AIR-E | (1660 Order-Agreed Order With Denial) |
| | Classification: Moderate | | |
| | Citation: 30 TAC Chapter 115, SubChapter C 115.212(a)(3)(B) | | |
| | 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 CONDITIONS 1 PERMIT | | |
| | SPECIAL TERMS AND CONDITIONS 1A OP | | |
| | Description: Failed to load tank trucks with the required vapor controls [Category A.12.i.6 VIOLATION]. | | |
| 3 | Effective Date: 02/11/2020 | ADMINORDER 2019-0706-AIR-E | (1660 Order-Agreed Order With Denial) |
| | Classification: Major | | |
| | Citation: 30 TAC Chapter 116, SubChapter B 116.115(c) | | |
| | 30 TAC Chapter 122, SubChapter B 122.143(4) | | |
| | 5C THSC Chapter 382 382.085(b) | | |
| | Rqmt Prov: 55046, Special Condition 1 PERMIT | | |
| | Description: Failure to prevent unauthorized emissions. Specifically, the Respondent released 686.24 pounds of ethylene and 4.33 pounds of ethylene oxide from the Carbon Dioxide Vent, Emissions Point Number 32V176, during an emissions event (Incident No. 266268) that began on August 27, 2017 and lasted 38 minutes. The emissions event occurred when Analyzer AT4261 failed due to inclement weather and caused a false high ethylene concentration reading, resulting in the isolation of the Carbon Dioxide Vent fro | | |

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	April 13, 2018	(1472531)
Item 2	May 30, 2018	(1479170)
Item 3	January 16, 2020	(1580129)
Item 4	August 13, 2020	(1663500)
Item 5	January 07, 2021	(1686695)
Item 6	February 26, 2021	(1702551)
Item 7	June 02, 2021	(1724607)
Item 8	August 05, 2021	(1749986)
Item 9	August 31, 2021	(1683744)
Item 10	September 10, 2021	(1760224)
Item 11	October 12, 2021	(1684349)
Item 12	October 26, 2021	(1685586)
Item 13	November 12, 2021	(1773258)

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

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

- 1

Date: 02/17/2022 (1775569)

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 63, SubChapter C, PT 63, SubPT H 63.167(a)
 5C THSC Chapter 382 382.085(b)
 Special Condition 23E PERMIT
 Special Term and Condition 19 OP
 Special Term and Condition 1A OP

Description: Failure to prevent Open Ended Lines (OEL).
- 2

Date: 02/25/2022 (1775654)

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 A 60.18(c)(3)(ii)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(6)(ii)
 5C THSC Chapter 382 382.085(b)
 Special Condition 7A PERMIT
 Special Term and Condition 1A OP
 Special Term and Condition 29 OP

Description: Failure to maintain the minimum net heating value for the Acetic Acid Unit Flare (EPN: 49MN138ST). (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 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 7B PERMIT
 Special Term and Condition 1A OP
 Special Term and Condition 29 OP

Description: Failure to maintain the pilot flame for the Acetic Acid Unit Flare (EPN: 49MN138ST). (Category C4)
- 3

Date: 04/01/2022 (1762603)

Self Report? NO Classification: Minor

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 A 60.18(c)(3)(ii)
 5C THSC Chapter 382 382.085(b)
 FOP, ST&C 12 OP
 FOP, ST&C 1A OP
 NSR, SC 24A PERMIT

Description: Failure to maintain minimum net heating value for the carbon monoxide flare (EPN: 51MN157ST). (Category C4)

Date: 06/16/2022 (1796961)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.146(2)
 5C THSC Chapter 382 382.085(b)
 General Terms & Conditions (GT&C) PERMIT
 Description: Failure to submit the Permit Compliance Certification within 30 days. (Category B3)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.145(2)(C)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions (GT&C) OP
 Description: Failure to submit the Deviation Report (DR) within 30 days. (Category B3)

F. Environmental audits:

Notice of Intent Date: 02/01/2018 (1472176)
 Disclosure Date: 02/16/2018
 Viol. Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter H 101.354(a)
 30 TAC Chapter 117, SubChapter B 117.340(c)(3)
 Description: Failure to conduct data substitution during period with the NOx continuous emission monitoring system analyzer was off-line for five boilers during calendar year 2016.
 Disclosure Date: 09/19/2018
 Viol. Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 Rqmt Prov: PERMIT SC No. 22
 PERMIT SC No. 5
 Description: Failure to include the additional 28LAER and 28MID Intensive Directed Maintenance Program in the LDAR program established in both the Methanol Unit and the EO/EG Unit.
 Viol. Classification: Minor
 Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(1)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.174(d)
 Rqmt Prov: PERMIT SC No. 22.H. and 24.H.
 Description: Failure to complete repairs as soon as practical but no later than 15 calendar days after a leak was detected for seven connectors, two valves, and one relief valve.
 Viol. Classification: Minor
 Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)(D)
 30 TAC Chapter 115, SubChapter H 115.781(b)(8)
 Rqmt Prov: PERMIT SC No. 17.G.
 PERMIT SC No. 18.F.
 Description: Failure to perform EPA Method 21 monitoring of seven relief valves.
 Notice of Intent Date: 02/11/2019 (1551210)
 Disclosure Date: 02/27/2019
 Viol. Classification: Moderate
 Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(b)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(6)(ii)
 Description: Failure to comply with the minimum net heating value of 200 Btu/scf for a non-assisted flare (EPN: 30LRFLR).
 Disclosure Date: 04/15/2019
 Viol. Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 Rqmt Prov: PERMIT GC 9 and SC 24.B.
 Description: Failure to maintain the thermocouples and IR monitor for Flare 51MN157ST which resulted in the loss of flare monitoring to ensure the presence of a flame at all times.
 Disclosure Date: 09/06/2019
 Viol. Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter H 115.725(c)
 Rqmt Prov: PERMIT SC 6
 Description: Failure to develop and implement a monitoring plan required by 30 TAC 115.725(c).
 Viol. Classification: Minor
 Citation: 30 TAC Chapter 115, SubChapter H 115.781(b)(8)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.171(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.181(d)(5)

Rqmt Prov: PERMIT SC 17
PERMIT SC 18
PERMIT SC 24 & 25
PERMIT SC 4 & 5

Description: Failure to ensure that follow-up inspections of LDAR components are conducted after being repaired.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)(D)
30 TAC Chapter 115, SubChapter H 115.781(b)(8)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162(c)

Rqmt Prov: PERMIT SC 17
PERMIT SC 18
PERMIT SC 4

Description: Failure to include multiple components in the site's LDAR program and ensure they are monitored as required and included in regulatory reports.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT SC 15

Description: Failure to ensure that all required weekly cooling tower sampling for TDS is conducted and calculate the TDS-to-conductivity correlation for the Vinyl Acetate unit.

Notice of Intent Date: 07/28/2021 (1755125)

No DOV Associated

Notice of Intent Date: 03/31/2022 (1810223)

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
FAIRWAY METHANOL LLC
RN100227016

§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2021-1251-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 Fairway Methanol 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 chemical manufacturing plant located at 9502 Bayport Boulevard 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 \$21,225 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$10,613 of the penalty.

Pursuant to TEX. WATER CODE § 7.067, \$10,612 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 July 20, 2021, obtained an amendment for New Source Review ("NSR") Permit Nos. 103626, PSDTX1296, and N164 that increased the volatile organic compounds ("VOC") annual maximum allowable emissions rate ("MAER") for the Methanol Maintenance, Startup, and Shutdown ("MSS") Flare, Emissions Point Number ("EPN") MEOHFLR; and
 - b. By April 5, 2022, changed the density parameter to 0.0448875 pound per cubic feet using the Emerson Configurator, created a PI display with a critical system variable for the ammonia injection and selective catalytic reduction, improved the alarm management within the nitrogen oxides reduction system, conducted a "Safety Flash" training that described the incident and actions to be taken, and published a "Reliability Flash" training specific to the Methanol Reformer in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 331568.

II. ALLEGATIONS

1. During a record review for the Plant conducted on July 15, 2021, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(c), and 122.143(4), NSR Permit Nos. 103626, PSDTX1296, and N164, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. 03678, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 19, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 656.00 pounds of ammonia from the Methanol Reformer, EPN REFORM, during an emissions event (Incident No. 331568) that occurred on March 5, 2020 and lasted nine hours. The emissions event occurred when the reference density on the ammonia flow meter was programmed incorrectly that caused excess ammonia to be fed to the system, 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.

2. During a record review for the Plant conducted from December 15, 2021 through February 2, 2022, an investigator documented that the Respondent failed to comply with the MAER, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), NSR Permit Nos. 103626, PSDTX1296, and N164, SC No. 1, FOP No. O3678, GTC and STC No. 19, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent exceeded the VOC MAER of 2.49 tons per year based on a 12-month rolling period for the 12-month period ending on August 2020 for the Methanol MSS Flare, EPN MEOHFLR, resulting in 0.09 ton 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: Fairway Methanol LLC, Docket No. 2021-1251-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The Respondent shall implement and complete the SEP as set forth in Section I, Paragraph No. 4. The amount of \$10,612 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.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date

For the Executive Director

Date

7/5/2023

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

Name (Printed or typed)
Authorized Representative of
Fairway Methanol 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: 2021-1251-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Fairway Methanol LLC
Payable Penalty Amount:	\$21,225
SEP Offset Amount:	\$10,612
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Houston Regional Monitoring Corporation
Project Name:	<i>Houston Area Air Monitoring Project</i>
Location of SEP:	Harris County

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

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Houston Regional Monitoring Corporation** for the *Houston Area Air Monitoring Project* SEP. 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 operate a network of ambient air monitoring stations that continuously measure and record concentrations of ambient air pollutants. This network includes the Houston Regional Monitor (“HRM”) 617 Wallisville Road site, the HRM 615 Lynchburg Ferry site, and the HRM 3 Haden Road site. The Third-Party Administrator shall use the SEP Offset Amount to report data from these three existing sites in the Houston Regional Monitoring Corporation ambient air quality monitoring network in the Houston-Galveston Air Quality Control Region No. 216. The SEP will be performed 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 it has no prior commitment to make this contribution and that it is being contributed solely to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will provide TCEQ with near real-time access to high quality, short time resolution volatile organic compound, nitrogen oxide, ozone, and meteorological data sets that can be used to evaluate and track air pollution emission events as they occur, conduct source attribution studies, and to assess potential ambient community exposure to a limited number

of hazardous air pollutants. Data from the monitors can be used with data from other monitors to provide critical information that can be used to evaluate the effectiveness of current and proposed emission control strategies aimed at achieving compliance with the 8-hour ozone National Ambient Air Quality Standards. It also provides a key source of information that is essential to furthering our overall understanding of those emission sources that contribute to ambient community exposure to toxic air contaminants. Because the information is available in near real-time, it can be used to provide both agency staff and industry personnel with time critical information to investigate emission events in a timely fashion. Another key benefit is the ability to measure the change in the ambient air concentration of the individual target species and quantify control measure effectiveness. Data from these monitors will be publicly accessible through the TCEQ's website and will be used in evaluating air quality in the area, in ozone forecasts, and ozone warnings. Thus, the public will directly benefit by having access to the data and the forecasting and notification tools which can be used for public awareness.

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 contribution payable to **Houston Regional Monitoring Corporation SEP** and shall mail the contribution with a copy of the Agreed Order to:

Houston Regional Monitoring Corporation
c/o Christopher B. Amandes
Amandes PLLC
1800 Post Oak Boulevard, Suite 400
Houston, Texas 77056

3. Records and Reporting

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

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

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment 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 made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

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

7. Other SEPs by TCEQ or Other Agencies

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