

Executive Summary – Enforcement Matter – Case No. 61510
Sekisui Specialty Chemicals America, LLC
RN103012183
Docket No. 2021-1496-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Sekisui Specialty Chemicals America Pasadena Plant, 1423 Pasadena Freeway,
Pasadena, Harris County

Type of Operation:

Chemical manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket No. 2021-0963-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: February 24, 2023

Comments Received: No

Penalty Information

Total Penalty Assessed: \$27,200

Amount Deferred for Expedited Settlement: \$5,440

Total Paid to General Revenue: \$10,880

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$10,880

Name of SEP: Texas Congress of Parents and Teachers dba Texas PTA (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: May 17, 2021 through June 1, 2021

Date(s) of NOE(s): October 15, 2021

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RN103012183
Docket No. 2021-1496-AIR-E

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 11,348.75 pounds ("lbs") of volatile organic compounds ("VOC") and 436.90 lbs of methyl acetate from the Flare, Emissions Point Number ("EPN") 1012, and released 25,714.32 lbs of VOC and 12,625.55 lbs of methyl acetate as fugitive emissions, during an emissions event (Incident No. 355290) that began on May 3, 2021 and lasted six hours and 38 minutes. The emissions event occurred when the Lab Air Conditioning Unit breaker was reset during a maintenance activity that caused a fault, the power to shut down at the Administrative Motor Control Center and the backup flare, and the initiation of the temporary Uninterruptable Power Supply ("UPS") for the Distributed Control System, resulting in releases to the atmosphere, in flaring, and in the Respondent initiating a precautionary shelter-in-place for a neighboring facility. 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 the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review ("NSR") Permit No. 19618, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. O1675, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to operate each flare with a flame present at all times. Specifically, the Flare, EPN 1012, was operated without a flame present for a total of six hours and 41 minutes from May 3, 2021 through May 4, 2021 [30 TEX. ADMIN. CODE §§ 101.20(1) and (2), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS §§ 60.18(c)(2) and 63.11(b)(5), NSR Permit No. 19618, SC No. 29.C, FOP No. O1675, GTC and STC Nos. 7 and 9, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. By July 16, 2021, replaced the batteries and repaired internal wiring in the UPS System and implemented a maintenance contract to regularly inspect all of the Plant's UPS Systems in order to ensure that the flare is operated with a flame is present at all times; and
- b. By October 15, 2021, replaced the damaged compressors in the Lab Air Conditioning Unit, added a ground circuit and breaker for the Lab Air Conditioning Unit, replaced the batteries and repaired the internal wiring in the UPS System, implement a maintenance contract to regularly inspect all of the Plant's UPS Systems, refined the Plant's safety procedures to minimize potential nitrogen flows while ensuring Plant safety, and implemented a critical gauge checklist for nitrogen safety feeds in order to

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Sekisui Specialty Chemicals America, LLC
RN103012183
Docket No. 2021-1496-AIR-E**

prevent the recurrence of emissions events due to the same or similar causes as Incident No. 355290.

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: Texas PTA, 408 West 11th Street, Austin, Texas 78701

Respondent: Charles O'Rear, Site Leader, Sekisui Specialty Chemicals America, LLC, 1423 Pasadena Freeway, Pasadena, Texas 77506

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	18-Oct-2021	Screening	28-Oct-2021	EPA Due	
	PCW	28-Nov-2022				

RESPONDENT/FACILITY INFORMATION	
Respondent	Sekisui Specialty Chemicals America, LLC
Reg. Ent. Ref. No.	RN103012183
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	61510	No. of Violations	2
Docket No.	2021-1496-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	\$20,000
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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	61.0%	Adjustment	Subtotals 2, 3, & 7	\$12,200
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Notes: Enhancement for one NOV with same/similar violations, one NOV with dissimilar violations, and three orders containing a denial of liability. Reduction for two notices of intent to conduct an audit and two disclosures of violations.

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	-\$5,000
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$1,004
 Estimated Cost of Compliance \$53,127
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$27,200
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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	\$27,200
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$27,200
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DEFERRAL	20.0%	Reduction	Adjustment	-\$5,440
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$21,760
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Screening Date 28-Oct-2021

Docket No. 2021-1496-AIR-E

PCW

Respondent Sekisui Specialty Chemicals America, LLC

Policy Revision 5 (January 28, 2021)

Case ID No. 61510

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN103012183

Media Air

Enf. Coordinator Danielle Porras

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	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>)	2	-2%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	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) 61%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

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

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 61%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 61%

Screening Date 28-Oct-2021 **Docket No.** 2021-1496-AIR-E **PCW**
Respondent Sekisui Specialty Chemicals America, LLC *Policy Revision 5 (January 28, 2021)*
Case ID No. 61510 *PCW Revision February 11, 2021*
Reg. Ent. Reference No. RN103012183
Media Air
Enf. Coordinator Danielle Porras

Violation Number 1
Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review ("NSR") Permit No. 19618, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. O1675, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 9, and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 11,348.75 pounds ("lbs") of volatile organic compounds ("VOC") and 436.90 lbs of methyl acetate from the Flare, Emissions Point Number ("EPN") 1012, and released 25,714.32 lbs of VOC and 12,625.55 lbs of methyl acetate as fugitive emissions, during an emissions event (Incident No. 355290) that began on May 3, 2021 and lasted six hours and 38 minutes. The emissions event occurred when the Lab Air Conditioning ("AC") Unit breaker was reset during a maintenance activity that caused a fault, the power to shut down at the Administrative Motor Control Center and the backup flare, and the initiation of the temporary Uninterruptible Power Supply ("UPS") for the Distributed Control System, resulting in releases to the atmosphere, in flaring, and in the Respondent initiating a precautionary shelter-in-place for a neighboring facility. 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 the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual		x		50.0%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0.0%

Matrix Notes Based on the air dispersion modeling submitted by the Respondent, human health or the environment has been exposed to significant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation

Adjustment \$12,500

\$12,500

Violation Events

Number of Violation Events 1 1 Number of violation days

daily	
weekly	x
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$12,500

One weekly event is recommended.

Good Faith Efforts to Comply 25.0% Reduction \$3,125

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

Extraordinary		
Ordinary	x	
N/A		

Notes The Respondent completed the corrective measures by October 15, 2021, prior to the Notice of Enforcement ("NOE") dated October 15, 2021.

Violation Subtotal \$9,375

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

Estimated EB Amount \$844 **Violation Final Penalty Total** \$17,000

This violation Final Assessed Penalty (adjusted for limits) \$17,000

Economic Benefit Worksheet

Respondent Sekisui Specialty Chemicals America, LLC
Case ID No. 61510
Reg. Ent. Reference No. RN103012183
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)	\$37,341	3-May-2021	15-Oct-2021	0.45	\$844	n/a	\$844

Notes for DELAYED costs

Actual cost to replace the damaged compressors in the Lab AC Unit, add a ground circuit and breaker for the Lab AC Unit, replace the batteries and repair the internal wiring in the UPS System, implement a maintenance contract to regularly inspect all of the Plant's UPS Systems, refine the Plant's safety procedures to minimize potential nitrogen flows while ensuring Plant safety, and implement a critical gauge checklist for nitrogen safety feeds in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 355290. The Date Required is the date the emissions event began 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

\$37,341

TOTAL

\$844

Screening Date	28-Oct-2021	Docket No.	2021-1496-AIR-E	PCW
Respondent	Sekisui Specialty Chemicals America, LLC			<i>Policy Revision 5 (January 28, 2021)</i>
Case ID No.	61510			<i>PCW Revision February 11, 2021</i>
Reg. Ent. Reference No.	RN103012183			
Media	Air			
Enf. Coordinator	Danielle Porras			
Violation Number	2			
Rule Cite(s)	30 Tex. Admin. Code §§ 101.20(1) and (2), 116.115(c), and 122.143(4), 40 Code of Federal Regulations §§ 60.18(c)(2) and 63.11(b)(5), NSR Permit No. 19618, SC No. 29.C, FOP No. O1675, GTC and STC Nos. 7 and 9, and Tex. Health & Safety Code § 382.085(b)			
Violation Description	Failed to operate each flare with a flame present at all times. Specifically, the Flare, EPN 1012, was operated without a flame present for a total of six hours and 41 minutes from May 3, 2021 through May 4, 2021.			
		Base Penalty	\$25,000	

>> Environmental, Property and Human Health Matrix

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

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
					Percent 0.0%

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

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$7,500

One monthly event is recommended for the instances of non-compliance that occurred from May 3, 2021 to May 4, 2021.

Good Faith Efforts to Comply Reduction

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

Notes
The Respondent completed the corrective measures by July 16, 2021, prior to the NOE dated October 15, 2021.

Violation Subtotal \$5,625

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

Estimated EB Amount \$160 **Violation Final Penalty Total** \$10,200

This violation Final Assessed Penalty (adjusted for limits) \$10,200

Economic Benefit Worksheet

Respondent Sekisui Specialty Chemicals America, LLC
Case ID No. 61510
Reg. Ent. Reference No. RN103012183
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 Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$15,786	3-May-2021	16-Jul-2021	0.20	\$160	n/a	\$160

Notes for DELAYED costs

Actual cost to replace the batteries and repair the internal wiring in the UPS System and to implement a maintenance contract to regularly inspect all of the Plant's UPS Systems in order to ensure that the flare is operated with a flame present at all times. 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

\$15,786

TOTAL

\$160



Compliance History Report

Compliance History Report for CN603507849, RN103012183, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

Customer, Respondent, or Owner/Operator: CN603507849, Sekisui Specialty Chemicals America, LLC
Classification: SATISFACTORY **Rating:** 2.42

Regulated Entity: RN103012183, Sekisui Specialty Chemicals America Pasadena Plant
Classification: SATISFACTORY **Rating:** 13.09

Complexity Points: 10 **Repeat Violator:** NO

CH Group: 05 - Chemical Manufacturing

Location: 1423 Pasadena Freeway, Pasadena, Harris County, Texas

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HX2763T	AIR OPERATING PERMITS PERMIT 2308
AIR OPERATING PERMITS PERMIT 1675	AIR NEW SOURCE PERMITS REGISTRATION 146138
AIR NEW SOURCE PERMITS PERMIT 19618	AIR NEW SOURCE PERMITS ACCOUNT NUMBER HX2763T
AIR NEW SOURCE PERMITS AFS NUM 4820101538	AIR NEW SOURCE PERMITS REGISTRATION 91492
AIR NEW SOURCE PERMITS REGISTRATION 140143	AIR NEW SOURCE PERMITS REGISTRATION 122351
AIR NEW SOURCE PERMITS REGISTRATION 140968	AIR NEW SOURCE PERMITS REGISTRATION 130255
AIR NEW SOURCE PERMITS REGISTRATION 169051	AIR NEW SOURCE PERMITS REGISTRATION 137861
AIR NEW SOURCE PERMITS REGISTRATION 120777	AIR NEW SOURCE PERMITS REGISTRATION 122185
AIR NEW SOURCE PERMITS REGISTRATION 162314	AIR NEW SOURCE PERMITS REGISTRATION 147154
AIR NEW SOURCE PERMITS REGISTRATION 151689	AIR NEW SOURCE PERMITS PERMIT 19681
AIR EMISSIONS INVENTORY ACCOUNT NUMBER HX2763T	POLLUTION PREVENTION PLANNING ID NUMBER P06556
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 86571	INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXR000039818

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

Date Compliance History Report Prepared: November 18, 2022

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: November 18, 2017 to November 18, 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: 04/23/2019 ADMINORDER 2018-0779-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: NSR 19618 SC 1 PERMIT
Description: Failure to meet the demonstration criteria for an affirmative defense for unauthorized emissions during an emissions event (A12(i)(6)).
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: NSR 19618 SC 1 PERMIT

Description: Failure to meet the demonstration criteria for an affirmative defense for unauthorized emissions during an emissions event (A12(i)(6)).

- 2 Effective Date: 05/07/2021 ADMINORDER 2020-0939-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 O2308 GTC and STC No. 17 OP
NSR Permit 19618, Special Conditions 1 PERMIT
Description: Failure to prevent unauthorized emissions to the atmosphere during an emissions event that was discovered on November 13, 2017, TCEQ/ STEERS Incident No. 272454.
- 3 Effective Date: 10/27/2021 ADMINORDER 2020-1580-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: General Terms and Conditions OP
Special Condition 1 PERMIT
Special Terms and Conditions No. 17 OP
Description: Failure to prevent unauthorized emissions. Specifically, the Respondent released 703.50 pounds of methyl acetate as fugitive emissions, during an emissions event (Incident No. 321913) that occurred on September 30, 2019 and lasted five hours and 27 minutes. The emissions event occurred when the Aldehyde Tower vent bleed valves were opened to the atmosphere before the startup of the Acetic Acid Recovery Unit in an attempt to purge the tower, resulting in the release to the atmosphere.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: General Terms and Conditions OP
Special Terms and Conditions No. 2.F OP
Description: Failed to identify all required information on the final record for a reportable emissions event. Specifically, the Respondent did not identify the proper authorization on the final record for Incident No. 321913.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	May 24, 2019	(1569605)
Item 2	December 16, 2020	(1692439)
Item 3	June 07, 2021	(1725173)
Item 4	November 17, 2021	(1773911)

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: 06/30/2022 (1776040)
Self Report? NO Classification: Moderate
Citation: 1675 OP
19681 PERMIT
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)
Description: Failure to conduct the quarterly cylinder gas audit (CGA) for Unit ID 800-B15 50
- 2 Date: 08/25/2022 (1818108)
Self Report? NO Classification: Minor
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)

Special Condition 24 PERMIT
Special Term and Condition 16 OP

Description: Failure to maintain the tank temperature within permitted limits for the Acetic Acid Storage Tank (EPN: TK-10.80)(Category C4).

Self Report? NO Classification: Minor

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)
Special Condition 11 PERMIT
Special Term and Condition 16 OP

Description: Failure to maintain the water outlet temperature within permitted limits for the D-21.01 AB Initiator Preparation Drum Stack (EPN: 901)(Category C4).

Self Report? NO Classification: Minor

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)
Special Condition 11 PERMIT
Special Term and Condition 16 OP

Description: Failure to maintain the water outlet temperature within permitted limits for the D-21.07 Phosphoric Acid Preparation Drum (EPN: 904)(Category C4).

Self Report? NO Classification: Minor

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)
Special Condition 12 PERMIT
Special Term and Condition 16 OP

Description: Failure to maintain water outlet temperature data for the D-21.01 A/B Initiator Preparation Drum Stack (EPN: 901), D-51.06 Inhibitor Preparation Drum Stack (EPN: 902), D-21.04 Stopper Preparation Drum Stack (EPN: 903), and D-21.07 Phosphoric Acid Preparation Drum Stack (EPN: 904) (Category C3).

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)
5C THSC Chapter 382 382.085(b)
Special Condition 26(E) PERMIT
Special Term and Condition 1(A) OP
Special Term and Condition 16 OP

Description: Failure to prevent open-ended lines (Category C10).

Self Report? NO Classification: Minor

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)
Special Condition 29(E) PERMIT
Special Term and Condition 16 OP

Description: Failure to maintain the natural gas flow rate within permitted limits for the PVOH Backup Flare (EPN: 1012)(Category C4).

Self Report? NO Classification: Minor

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)
Special Condition 11 PERMIT
Special Term and Condition 16 OP

Description: Failure to maintain the water outlet temperature within permitted limits for the D-51.06 Inhibitor Preparation Drum Stack (EPN: 902)(Category C4).

Self Report? NO Classification: Minor

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)
Special Condition 11 PERMIT
Special Term and Condition 16 OP

Description: Failure to maintain the water outlet temperature within permitted limits for the D-21.04 Stopper Preparation Drum Stack (EPN: 903)(Category C4).

F. Environmental audits:

Notice of Intent Date: 10/30/2018 (1526536)
Disclosure Date: 08/02/2019
Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)(C)
30 TAC Chapter 116, SubChapter B 116.115(a)

Description: Failure to properly calculate percent leakers for valves in semiannual report.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT NNN 60.660(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT NNN 60.660(b)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT RRR 60.700(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT RRR 60.700(b)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT F 63.100(b)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT F 63.100(d)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT FFFF 63.2435(b)(3)

Description: Failure to update applicability determinations for all HON/ MON sources.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.114(b)(3)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.144(a)

Description: Failure to properly document wastewater determination.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT F 63.105

Description: Failure to provide sufficient detail in Maintenance Wastewater Plant.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.149
40 CFR Chapter 63, SubChapter C, PT 63, SubPT FFFF 63.2485

Description: Failure to assess all liquid streams in open systems.

Disclosure Date: 10/03/2019

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.480a(a)(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.481a

Description: Failure to document NSPS VVa applicability.

Notice of Intent Date: 12/17/2020 (1699649)

Disclosure Date: 07/02/2021

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.112(e)(1)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(A)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(B)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(C)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(D)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(F)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(G)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(I)
30 TAC Chapter 115, SubChapter B 115.114(a)(1)(A)

Description: Failure to update applicability for IFR VAM Tank (unit 900.10.10). Specifically, the unit currently has applicability to 30 TAC Chapter 115, but has not been updated.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.112(e)(1)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(A)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(B)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(C)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(D)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(F)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(G)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(I)

Description: Failure to update applicability for IFR Methanol Tanks (unit 900.10.40, 900.10.50, 900.10.60). Specifically, the units currently have applicability to 30 TAC Chapter 115, but has not been updated.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.112(e)(2)(A)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(B)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(C)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(D)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(F)
30 TAC Chapter 115, SubChapter B 115.112(e)(2)(G)

30 TAC Chapter 115, SubChapter B 115.112(e)(2)(I)

30 TAC Chapter 115, SubChapter B 115.114(a)(1)(A)

Description: Failure to update applicability for IFR Mother Liquor Tanks (unit GRP-MLTHKS). Specifically, the units currently have applicability to 30 TAC Chapter 115, but has not been updated.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.111(a)(1)

Description: Failure to update applicability for Acetic Acid Tank (unit 900.10.80). Specifically, the unit currently has applicability to 30 TAC Chapter 115, but has not been updated.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.111(a)(1)

Description: Failure to update applicability for the Fixed Roof Acetic Acid Tank (unit 900.10.70). Specifically, the unit currently has applicability to 30 TAC Chapter 115, but has not been updated.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.112(e)(1)

Description: Failure to update applicability for the Waste Water Tank (unit 900.10.01). Specifically, the unit currently has applicability to 30 TAC Chapter 115, but has not been updated.

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
SEKISUI SPECIALTY CHEMICALS
AMERICA, LLC
RN103012183

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§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2021-1496-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 Sekisui Specialty Chemicals America, 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 1423 Pasadena Freeway 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 \$27,200 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$10,880 of the penalty and \$5,440 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, \$10,880 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. By July 16, 2021, replaced the batteries and repaired internal wiring in the Uninterruptable Power Supply ("UPS") System and implemented a maintenance contract to regularly inspect all of the Plant's UPS Systems in order to ensure that the flare is operated with a flame is present at all times; and
 - b. By October 15, 2021, replaced the damaged compressors in the Lab Air Conditioning ("AC") Unit, added a ground circuit and breaker for the Lab AC Unit, replaced the batteries and repaired the internal wiring in the UPS System, implement a maintenance contract to regularly inspect all of the Plant's UPS Systems, refined the Plant's safety procedures to minimize potential nitrogen flows while ensuring Plant safety, and implemented a critical gauge checklist for nitrogen safety feeds in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 355290.

II. ALLEGATIONS

During a record review for the Plant conducted from May 17, 2021 through June 1, 2021, an investigator documented that the Respondent:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review ("NSR") Permit No. 19618, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. O1675, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 11,348.75 pounds ("lbs") of volatile organic compounds ("VOC") and 436.90 lbs of methyl acetate from the Flare, Emissions Point Number ("EPN") 1012, and released 25,714.32 lbs of VOC and 12,625.55 lbs of methyl acetate as fugitive emissions, during an emissions event (Incident No.

355290) that began on May 3, 2021 and lasted six hours and 38 minutes. The emissions event occurred when the Lab AC Unit breaker was reset during a maintenance activity that caused a fault, the power to shut down at the Administrative Motor Control Center and the backup flare, and the initiation of the temporary UPS for the Distributed Control System, resulting in releases to the atmosphere, in flaring, and in the Respondent initiating a precautionary shelter-in-place for a neighboring facility. 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 the emissions event could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

2. Failed to operate each flare with a flame present at all times, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1) and (2), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS §§ 60.18(c)(2) and 63.11(b)(5), NSR Permit No. 19618, SC No. 29.C, FOP No. O1675, GTC and STC Nos. 7 and 9, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Flare, EPN 1012, was operated without a flame present for a total of six hours and 41 minutes from May 3, 2021 through May 4, 2021.

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: Sekisui Specialty Chemicals America, LLC, Docket No. 2021-1496-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 \$10,880 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



4/12/2023

For the Executive Director

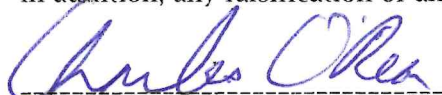
Date

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

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

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

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



01/19/2023

Signature

Date

Charles O'Rear

Site Leader

Name (Printed or typed)

Title

Authorized Representative of
Sekisui Specialty Chemicals America, LLC

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

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

Attachment A
Docket Number: 2021-1496-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Sekisui Specialty Chemicals America, LLC
Payable Penalty Amount:	\$21,760
SEP Offset Amount:	\$10,880
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Texas Congress of Parents and Teachers dba Texas PTA
Project Name:	<i>Texas PTA Clean School Bus Replacement Program</i>
Location of SEP:	Texas Air Quality Control Region 216: Houston-Galveston - Preference for 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 **Texas Congress of Parents and Teachers dba Texas PTA** for the *Texas PTA Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use the SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel school bus that is model year 2002 or older. 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 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 directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate many respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

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 **Texas Congress of Parents and Teachers SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas PTA
408 West 11th Street
Austin, Texas 78701

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:

Sekisui Specialty Chemicals America, LLC
Docket No. 2021-1496-AIR-E
Agreed Order - Attachment A

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 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.