

Executive Summary – Enforcement Matter – Case No. 62066
OQ Chemicals Corporation
RN105195655
Docket No. 2022-0284-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

OQ Chemicals Bay City Plant, 2001 Farm-to-Market Road 3057, Bay City, Matagorda County

Type of Operation:

Organic chemical manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: August 19, 2022

Comments Received: No

Penalty Information

Total Penalty Assessed: \$9,525

Amount Deferred for Expedited Settlement: \$1,905

Total Paid to General Revenue: \$3,810

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$3,810

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: October 21, 2021 through February 4, 2022

Date(s) of NOE(s): February 23, 2022

Executive Summary – Enforcement Matter – Case No. 62066
OQ Chemicals Corporation
RN105195655
Docket No. 2022-0284-AIR-E

Violation Information

Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,698.00 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 368014) that occurred on October 7, 2021 and lasted 15 minutes. The emissions event occurred when the O-ring failed that caused the actuator for Shutdown Valve SDV-7233 to not function as expected, resulting in the release to the atmosphere. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 6105, Special Conditions No. 1, Federal Operating Permit No. 02943, General Terms and Conditions and Special Terms and Conditions No. 25, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 368014 by January 15, 2022:

- a. Replacing the failed O-ring;
- b. Configuring an interlock in the basic process control system to close the Reboiler Steam Control Valve at a pressure approximately 80 percent below the Tower Pressure Safety Valve set point; and
- c. Improving the Preventative Maintenance scope to increase the probability of identifying O-ring failure by replacing them in accordance with the Class A Repair procedures.

Technical Requirements:

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

Executive Summary – Enforcement Matter – Case No. 62066
OQ Chemicals Corporation
RN105195655
Docket No. 2022-0284-AIR-E

Contact Information

TCEQ Attorney: N/A

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

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: Fred Gaytan, Vice President of Operations, OQ Chemicals Corporation, P.O. Box 1141, Bay City, Texas 77414

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	8-Mar-2022	Screening	8-Mar-2022	EPA Due	
	PCW	13-May-2022				

RESPONDENT/FACILITY INFORMATION

Respondent	QQ Chemicals Corporation				
Reg. Ent. Ref. No.	RN105195655				
Facility/Site Region	12-Houston	Major/Minor Source	Major		

CASE INFORMATION

Enf./Case ID No.	62066	No. of Violations	1
Docket No.	2022-0284-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Yuliya Dunaway
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$7,500
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	52.0%	Adjustment	Subtotals 2, 3, & 7	\$3,900
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Notes: Enhancement for one NOV with same/similar violations, two NOVs with dissimilar violations, one order containing a denial of liability, and one order without a denial of liability. Reduction for one disclosure 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	-\$1,875
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$137
Estimated Cost of Compliance	\$10,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$9,525
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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	\$9,525
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$9,525
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DEFERRAL	20.0%	Reduction	Adjustment	-\$1,905
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$7,620
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Screening Date	8-Mar-2022	Docket No.	2022-0284-AIR-E	PCW
Respondent	OQ Chemicals Corporation			<i>Policy Revision 5 (January 28, 2021)</i>
Case ID No.	62066			<i>PCW Revision February 11, 2021</i>
Reg. Ent. Reference No.	RN105195655			
Media	Air			
Enf. Coordinator	Yuliya Dunaway			

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	1	-2%
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) 52%

>> 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, two NOVs with dissimilar violations, one order containing a denial of liability, and one order without a denial of liability. Reduction for one disclosure of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 52%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 52%

Screening Date 8-Mar-2022 Respondent OQ Chemicals Corporation Case ID No. 62066 Reg. Ent. Reference No. RN105195655 Media Air Enf. Coordinator Yuliya Dunaway Violation Number 1	Docket No. 2022-0284-AIR-E	PCW <small>Policy Revision 5 (January 28, 2021) PCW Revision February 11, 2021</small>														
Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review Permit No. 6105, Special Conditions No. 1, Federal Operating Permit No. 02943, General Terms and Conditions and Special Terms and Conditions No. 25, and Tex. Health & Safety Code § 382.085(b)																
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,698.00 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 368014) that occurred on October 7, 2021 and lasted 15 minutes. The emissions event occurred when the O-ring failed that caused the actuator for Shutdown Valve SDV-7233 to not function as expected, resulting in the release to the atmosphere. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.																
Base Penalty		\$25,000														
>> Environmental, Property and Human Health Matrix																
OR	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Release</td> <td style="text-align: center;">Harm</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">Major Moderate Minor</td> <td></td> </tr> <tr> <td style="text-align: center;">Actual</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px; text-align: center;">x</div></td> </tr> <tr> <td style="text-align: center;">Potential</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> </tr> </table>	Release	Harm			Major Moderate Minor		Actual	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>	<div style="border: 1px solid black; width: 50px; height: 15px; text-align: center;">x</div>	Potential	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>	Percent 30.0%		
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	Major Moderate Minor															
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>> Programmatic Matrix																
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Matrix Notes	<div style="border: 1px solid black; padding: 5px;">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.</div>															
Adjustment		\$17,500														
		\$7,500														
Violation Events																
<div style="display: flex; justify-content: space-between;"> <div> Number of Violation Events 1 </div> <div> Number of violation days 1 </div> </div>																
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">daily</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> </tr> <tr> <td style="text-align: center;">weekly</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> </tr> <tr> <td style="text-align: center;">monthly</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px; text-align: center;">x</div></td> </tr> <tr> <td style="text-align: center;">quarterly</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> </tr> <tr> <td style="text-align: center;">semiannual</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> </tr> <tr> <td style="text-align: center;">annual</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> </tr> <tr> <td style="text-align: center;">single event</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> </tr> </table>			daily	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>	weekly	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>	monthly	<div style="border: 1px solid black; width: 50px; height: 15px; text-align: center;">x</div>	quarterly	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>	semiannual	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>	annual	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>	single event	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>
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annual	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>															
single event	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>															
Violation Base Penalty		\$7,500														
<div style="border: 1px solid black; padding: 10px; background-color: #ffffcc;">One monthly event is recommended.</div>																
Good Faith Efforts to Comply																
<div style="display: flex; justify-content: space-between;"> <div> 25.0% <small>Before NOE/NOV NOE/NOV to EDRP/Settlement Offer</small> </div> <div> Reduction </div> </div>																
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Extraordinary</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> </tr> <tr> <td style="text-align: center;">Ordinary</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px; text-align: center;">x</div></td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;"><div style="border: 1px solid black; width: 50px; height: 15px;"></div></td> </tr> </table>		Extraordinary	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>	Ordinary	<div style="border: 1px solid black; width: 50px; height: 15px; text-align: center;">x</div>	N/A	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>	Violation Subtotal								
Extraordinary	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>															
Ordinary	<div style="border: 1px solid black; width: 50px; height: 15px; text-align: center;">x</div>															
N/A	<div style="border: 1px solid black; width: 50px; height: 15px;"></div>															
Notes		<div style="border: 1px solid black; padding: 5px;">The Respondent completed the corrective measures by January 15, 2022, prior the Notice of Enforcement dated February 23, 2022.</div>														
Violation Subtotal		\$5,625														
Economic Benefit (EB) for this violation																
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Estimated EB Amount</td> <td style="text-align: center;">\$137</td> <td style="text-align: right;">Violation Final Penalty Total</td> <td style="text-align: right;">\$9,525</td> </tr> <tr> <td colspan="2" style="text-align: right;">This violation Final Assessed Penalty (adjusted for limits)</td> <td colspan="2" style="text-align: right;">\$9,525</td> </tr> </table>			Estimated EB Amount	\$137	Violation Final Penalty Total	\$9,525	This violation Final Assessed Penalty (adjusted for limits)		\$9,525							
Estimated EB Amount	\$137	Violation Final Penalty Total	\$9,525													
This violation Final Assessed Penalty (adjusted for limits)		\$9,525														

Economic Benefit Worksheet

Respondent OQ Chemicals Corporation
Case ID No. 62066
Reg. Ent. Reference No. RN105195655
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	7-Oct-2021	15-Jan-2022	0.27	\$137	n/a	\$137

Notes for DELAYED costs

Estimated cost to replace the failed O-ring, configure an interlock in the basic process control system to close the Reboiler Steam Control Valve at a pressure approximately 80 percent below the Tower Pressure Safety Valve set point, and improve the Preventative Maintenance scope to increase the probability of identifying O-ring failure by replacing them in accordance with the Class A Repair procedures in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 368014. The Date Required is the date the emissions event occurred and the Final Date is the date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$137



Compliance History Report

Compliance History Report for CN603164716, RN105195655, Rating Year 2021 which includes Compliance History (CH) components from September 1, 2016, through August 31, 2021.

Customer, Respondent, or Owner/Operator: CN603164716, OQ Chemicals Corporation **Classification:** SATISFACTORY **Rating:** 1.61

Regulated Entity: RN105195655, OQ CHEMICALS BAY CITY PLANT **Classification:** SATISFACTORY **Rating:** 1.61

Complexity Points: 40 **Repeat Violator:** NO

CH Group: 05 - Chemical Manufacturing

Location: 2001 FM 3057, BAY CITY, MATAGORDA COUNTY, TX

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER MHA002B
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION
1610055

AIR NEW SOURCE PERMITS PERMIT 5546
AIR NEW SOURCE PERMITS PERMIT 2175
AIR NEW SOURCE PERMITS REGISTRATION 83278
AIR NEW SOURCE PERMITS REGISTRATION 91133
AIR NEW SOURCE PERMITS AFS NUM 4832100074
AIR NEW SOURCE PERMITS REGISTRATION 92863
AIR NEW SOURCE PERMITS PERMIT 118403
AIR NEW SOURCE PERMITS REGISTRATION 150197
AIR NEW SOURCE PERMITS REGISTRATION 144023
AIR NEW SOURCE PERMITS REGISTRATION 84776

UNDERGROUND INJECTION CONTROL PERMIT WDW463
STORMWATER PERMIT TXR05V929
WASTEWATER EPA ID TX0006017

POLLUTION PREVENTION PLANNING ID NUMBER
P07184

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXR000077784

TAX RELIEF ID NUMBER 22678

TAX RELIEF ID NUMBER 22677

TAX RELIEF ID NUMBER 22680

AIR OPERATING PERMITS PERMIT 2943
AIR NEW SOURCE PERMITS PERMIT 25299

AIR NEW SOURCE PERMITS PERMIT 6105
AIR NEW SOURCE PERMITS REGISTRATION 82500
AIR NEW SOURCE PERMITS ACCOUNT NUMBER MHA002B
AIR NEW SOURCE PERMITS REGISTRATION 85516
AIR NEW SOURCE PERMITS REGISTRATION 91134
AIR NEW SOURCE PERMITS REGISTRATION 97091
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1400
AIR NEW SOURCE PERMITS REGISTRATION 166708
AIR NEW SOURCE PERMITS REGISTRATION 84782
IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION
(SWR) 50398
UNDERGROUND INJECTION CONTROL PERMIT WDW464
WASTEWATER PERMIT WQ0000455000
AIR EMISSIONS INVENTORY ACCOUNT NUMBER
MHA002B
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 50398
INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50398

TAX RELIEF ID NUMBER 22676

TAX RELIEF ID NUMBER 22679

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

Date Compliance History Report Prepared: March 08, 2022

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: March 08, 2017 to March 08, 2022

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

Name: Yuliya Dunaway

Phone: (210) 403-4077

Site and Owner/Operator History:

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

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

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

1	Effective Date: 08/18/2020	ADMINORDER 2020-0354-AIR-E (1660 Order-Agreed Order With Denial)
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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)

Rqmt Prov: FOP No. 02943 GTC and STC No. 29 OP
General Terms & Conditions OP

Description: Failure to submit a Permit Compliance Certification (PCC) within 30 days of the end of certification period (Category A12(i)(7)).

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 10(F) PERMIT
Special Term & Condition 25 OP

Description: Failure to collect a total dissolved solid (TDS) sample on a weekly basis (Category C1).

Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Terms & Conditions OP

Description: Failure to report all instances of deviation (Category B3).

- 2 Effective Date: 12/21/2021 ADMINORDER 2020-1582-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: FOP, Special Term & Condition 25 OP
NSR, Special Condition 3 PERMIT
Description: Failure to prevent exceedance of the concentration limits for Boiler 8 (EPN: 302M3069).

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 04, 2017	(1390326)
Item 2	July 31, 2017	(1417490)
Item 3	March 09, 2018	(1464925)
Item 4	February 18, 2020	(1597716)
Item 5	April 06, 2021	(1708058)
Item 6	July 22, 2021	(1739070)
Item 7	December 13, 2021	(1771222)
Item 8	February 22, 2022	(1795294)

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: 07/27/2021 (1746877)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)(2)
Description: Failure to provide public water system's operating records for review during inspection.
- 2 Date: 10/01/2021 (1762471)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)(2)
Description: Failure to provide public water system's operating records for review during

inspection.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(4)
Description: Failure to maintain the water treatment units, storage and pressure maintenance facilities, distribution system lines, and related appurtenances in good condition and watertight condition.

3 Date: 02/28/2022 (1775564)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 1 PERMIT
Special Term and Condition 25 OP
Description: Failure to prevent exceedance of the Maximum Allowable Emission Rate (MAER) for Boiler 5 (EPN: 302M331).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 1 PERMIT
Special Term and Condition 25 OP
Description: Failure to prevent exceedance of the Maximum Allowable Emission Rate (MAER) for Boiler 9 (EPN: 302M3077).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 3 PERMIT
Special Term and Condition 25 OP
Description: Failure to prevent exceedance of the concentration limits for Boiler 8 (EPN: 302M3069).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 3 PERMIT
Special Term and Condition 25 OP
Description: Failure to prevent exceedance of the concentration limits for Boiler 9 (EPN: 302M3077).
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 7(D)(4) PERMIT
Special Term and Condition 25 OP
Description: Failure to maintain steam load of Boiler 5 (EPN: 302M331) greater than 40% of the maximum rated load.

F. Environmental audits:

Notice of Intent Date: 12/12/2016 (1382457)

Disclosure Date: 06/30/2017

Viol. Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Part 60, Subpart VV 60.482-6
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1033

Rqmt Prov: PERMIT SC 17E
PERMIT SC 18E
PERMIT SC 3C
PERMIT SC 4B
OP STC 1
OP STC 25

Description: The audit revealed open-ended lines (OELs) in VOC service that were not equipped with a cap, blind flange, plug, or a second valve.

Viol. 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 VV 60.480

Rqmt Prov: PERMIT SC 11
PERMIT SC 17
PERMIT SC 18
PERMIT SC 3C
PERMIT SC 4B
PERMIT SC 9
OP STC 1
OP STC 25
OP STC 7

Description: The audit discovered fugitive components for which leak detection and repair monitoring was not being conducted.

Viol. Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.340

Rqmt Prov: PERMIT SC 11
PERMIT SC 17
PERMIT SC 18
PERMIT SC 3.C.
PERMIT SC 4.B.
PERMIT SC 9
OP STC 1
OP STC 25
OP STC 7

Description: It was discovered that fugitive components that are tagged and in the fugitive component database do not have all applicable permit and federal rule requirements identified in the database, which has resulted in some work practice standards and reporting criteria not being met.

Viol. Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.356(e)(1)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.356(f)

Rqmt Prov: OP STC 7

Description: Failed to maintain signed and dated statement that Boiler No. 8 and Boiler No. 9 are designed to operate at the documented performance level when the entering waste stream is at the highest waste stream flow rate and the highest benzene content expected to occur.

Viol. Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.345(a)

Rqmt Prov: OP STC 8

Description: Failure to ensure that all applicable standards in 40 CFR 61.345 are met for each container in which waste is placed in accordance with 40 CFR 61.342(c)(1)(ii).

Viol. Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.342(f)(2)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.356(c)

Rqmt Prov: OP STC 7

Description: Failed to include with each off-site waste shipment a notice stating that the waste contains benzene and is required to be managed and treated in accordance with the provisions of 40 CFR Part 61, Subpart FF, and failed to maintain a copy of such notice in the site's records.

Viol. Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.346(b)(4)(iv)

Rqmt Prov: OP STC 9;

Description: Failed to visually inspect above ground sewer lines that transport wastewater from Celanese to the site on a quarterly basis using Method 21 for indication of cracks, gaps, or other problems that could result in benzene emissions.

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
OQ CHEMICALS CORPORATION
RN105195655

§ BEFORE THE
§ TEXAS COMMISSION ON
§ ENVIRONMENTAL QUALITY
§

AGREED ORDER DOCKET NO. 2022-0284-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 OQ Chemicals Corporation (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 an organic chemical manufacturing plant located at 2001 Farm-to-Market Road 3057 near Bay City, Matagorda 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 \$9,525 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$3,810 of the penalty and \$1,905 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, \$3,810 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 in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 368014 by January 15, 2022:
 - a. By replacing the failed O-ring;
 - b. By configuring an interlock in the basic process control system to close the Reboiler Steam Control Valve at a pressure approximately 80 percent below the Tower Pressure Safety Valve set point; and
 - c. By improving the Preventative Maintenance scope to increase the probability of identifying O-ring failure by replacing them in accordance with the Class A Repair procedures.

II. ALLEGATIONS

During a record review conducted from October 21, 2021 through February 4, 2022, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 6105, Special Conditions No. 1, Federal Operating Permit No. O2943, General Terms and Conditions and Special Terms and Conditions No. 25, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 2,698.00 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 368014) that occurred on October 7, 2021 and lasted 15 minutes. The emissions event occurred when the O-ring failed that caused the actuator for Shutdown Valve SDV-7233 to not function as expected, 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.

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: OQ Chemicals Corporation, Docket No. 2022-0284-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 a SEP as set forth in Section I, Paragraph No. 4. The amount of \$3,810 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

11/7/2022

Date

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

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

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

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



Signature

7-18-22

Date

FRED GAYTAN

Name (Printed or typed)
Authorized Representative of
OQ Chemicals Corporation

VP OF OPERATIONS N.A.

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: 2022-0284-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	OQ Chemicals Corporation
Payable Penalty Amount:	\$7,620
SEP Offset Amount:	\$3,810
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 Matagorda 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:

OQ Chemicals Corporation
Docket No. 2022-0284-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.