

**Executive Summary – Enforcement Matter – Case No. 62663**

**SJRR Power, LLC**

**RN110723897**

**Docket No. 2022-0902-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

Yes

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

SJRR Power Peaking Facility, 18511 Beaumont Highway, Channelview, Harris County

**Type of Operation:**

Natural gas power station

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** November 15, 2024

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$7,700

**Amount Deferred for Expedited Settlement:** \$1,540

**Total Paid to General Revenue:** \$6,160

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

Payment Plan: N/A

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** January 2021

***Investigation Information***

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

**Complaint Information:** N/A

**Date(s) of Investigation:** June 15, 2022 through July 1, 2022

**Date(s) of NOE(s):** July 7, 2022

**Executive Summary – Enforcement Matter – Case No. 62663**

**SJRR Power, LLC**

**RN110723897**

**Docket No. 2022-0902-AIR-E**

***Violation Information***

1. Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a PCC within 30 days of any certification period. Specifically, the permit compliance certification ("PCC") for the February 5, 2020 through February 4, 2021 certification period was due by March 6, 2021, but was not submitted until June 30, 2022 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (2), Federal Operating Permit ("FOP") No. O4153, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a PCC within 30 days of any certification period. Specifically, the PCC for the February 5, 2021 through February 4, 2022 certification period was due by March 6, 2022, but was not submitted until June 30, 2022 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (2), FOP No. O4153, GTC and STC No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

On June 30, 2022, the Respondent submitted the PCCs for the February 5, 2020 through February 4, 2021 and February 5, 2021 through February 4, 2022 certification periods.

**Technical Requirements:**

N/A

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Johnnie Wu, Enforcement Division, Enforcement Team 2, MC 219, (512) 239-2524; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

**Respondent:** Ryan Castleman, Owner, SJRR Power, LLC, 18511 Beaumont Highway, Houston, Texas 77049-1220

Michael Tulk, Asset Manager, SJRR Power, LLC, 18511 Beaumont Highway, Houston, Texas 77049-1220

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



# Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

<b>DATES</b>	<b>Assigned</b>	11-Jul-2022	<b>Screening</b>	19-Jul-2022	<b>EPA Due</b>	
	<b>PCW</b>	26-Sep-2024				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	SJRR Power, LLC				
<b>Reg. Ent. Ref. No.</b>	RN110723897				
<b>Facility/Site Region</b>	12-Houston		<b>Major/Minor Source</b>	Major	

## CASE INFORMATION

<b>Enf./Case ID No.</b>	62663	<b>No. of Violations</b>	2
<b>Docket No.</b>	2022-0902-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Johnnie Wu
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$10,000
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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.

<b>Compliance History</b>	2.0%	<b>Adjustment</b>	<b>Subtotals 2, 3, &amp; 7</b>	\$200
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<b>Notes</b>	Enhancement for one NOV with dissimilar violations.			
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<b>Culpability</b>	No	0.0%	<b>Enhancement</b>	<b>Subtotal 4</b>	\$0
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<b>Notes</b>	The Respondent does not meet the culpability criteria.			
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<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	-\$2,500
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<b>Economic Benefit</b>	0.0%	<b>Enhancement*</b>	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$20	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$500	

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$7,700
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

<b>Notes</b>				
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<b>Final Penalty Amount</b>	\$7,700
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$7,700
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<b>DEFERRAL</b>	20.0%	<b>Reduction</b>	<b>Adjustment</b>	-\$1,540
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Reduces the Final Assessed Penalty by the indicated percentage.

<b>Notes</b>	Deferral offered for expedited settlement.			
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<b>PAYABLE PENALTY</b>	\$6,160
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<b>Screening Date</b>	19-Jul-2022	<b>Docket No.</b>	2022-0902-AIR-E	<b>PCW</b>
<b>Respondent</b>	SJRR Power, LLC			
<b>Case ID No.</b>	62663			
<b>Reg. Ent. Reference No.</b>	RN110723897			
<b>Media</b>	Air			
<b>Enf. Coordinator</b>	Johnnie Wu			

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

## Compliance History Worksheet

### >> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

**Adjustment Percentage (Subtotal 2)** 2%

### >> 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 dissimilar violations.

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

### >> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 2%

<b>Screening Date</b> 19-Jul-2022 <b>Respondent</b> SJRR Power, LLC <b>Case ID No.</b> 62663 <b>Reg. Ent. Reference No.</b> RN110723897 <b>Media</b> Air <b>Enf. Coordinator</b> Johnnie Wu	<b>Docket No.</b> 2022-0902-AIR-E	<b>PCW</b> <i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i>
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<b>Violation Number</b>	1	<b>Rule Cite(s)</b>		
		30 Tex. Admin. Code §§ 122.143(4) and 122.146(1) and (2), Federal Operating Permit ("FOP") No. O4153, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 9, and Tex. Health & Safety Code § 382.085(b)		
<b>Violation Description</b>		Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a permit compliance certification ("PCC") within 30 days of any certification period. Specifically, the PCC for the February 5, 2020 through February 4, 2021 certification period was due by March 6, 2021, but was not submitted until June 30, 2022.		
<b>Base Penalty</b>			\$25,000	

  

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

<b>OR</b>		<b>Harm</b>			
	<b>Release</b>	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="0.0%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

  

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input type="text" value="x"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="20.0%"/>
<b>Matrix Notes</b>	100% of the rule requirements were not met.				
<b>Adjustment</b>					\$20,000

  

	\$5,000
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**Violation Events**

Number of Violation Events	1	481	Number of violation days
	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$5,000"/>
	weekly	<input type="text"/>	
	monthly	<input type="text"/>	
	quarterly	<input type="text"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text" value="x"/>	
One single event is recommended.			

  

**Good Faith Efforts to Comply**

	<b>25.0%</b>		
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer	<b>Reduction</b> <input type="text" value="\$1,250"/>
Extraordinary	<input type="text"/>	<input type="text"/>	
Ordinary	<input type="text" value="x"/>	<input type="text"/>	
N/A	<input type="text"/>	<input type="text"/>	
<b>Notes</b>	The Respondent achieved compliance on June 30, 2022, prior to the Notice of Enforcement ("NOE") dated July 7, 2022.		
<b>Violation Subtotal</b>			\$3,750

  

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
<b>Estimated EB Amount</b> <input type="text" value="\$16"/>	<b>Violation Final Penalty Total</b> <input type="text" value="\$3,850"/>
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$3,850"/>	

# Economic Benefit Worksheet

**Respondent** SJRR Power, LLC  
**Case ID No.** 62663  
**Reg. Ent. Reference No.** RN110723897  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

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

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	6-Mar-2021	30-Jun-2022	1.32	\$16	n/a	\$16

Notes for DELAYED costs

Estimated cost to submit the PCC for the February 5, 2020 through February 4, 2021 certification period.  
The Date Required is the date the PCC was due and the Final Date is the date of compliance.

## Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

**TOTAL**

\$16

<b>Screening Date</b> 19-Jul-2022 <b>Respondent</b> SJRR Power, LLC <b>Case ID No.</b> 62663 <b>Reg. Ent. Reference No.</b> RN110723897 <b>Media</b> Air <b>Enf. Coordinator</b> Johnnie Wu	<b>Docket No.</b> 2022-0902-AIR-E	<b>PCW</b> <i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i>
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<b>Violation Number</b>	2		<b>Rule Cite(s)</b>
30 Tex. Admin. Code §§ 122.143(4) and 122.146(1) and (2), FOP No. 04153, GTC and STC No. 9, and Tex. Health & Safety Code § 382.085(b)			
<b>Violation Description</b>		Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a PCC within 30 days of any certification period. Specifically, the PCC for the February 5, 2021 through February 4, 2022 certification period was due by March 6, 2022, but was not submitted until June 30, 2022.	

  

<b>Base Penalty</b>	\$25,000
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**>> Environmental, Property and Human Health Matrix**

<b>OR</b>	<b>Release</b>	<b>Harm</b>			<b>Percent</b>
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

0.0%

  

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	<b>Percent</b>
	<input type="text"/>	<input checked="" type="text"/>	<input type="text"/>	<input type="text"/>	

20.0%

  

Matrix Notes	100% of the rule requirements were not met.
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<b>Adjustment</b>	\$20,000
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<b>Adjustment</b>	\$5,000
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**Violation Events**

Number of Violation Events	1		Number of violation days	116
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	daily	<input type="text"/>	<b>Violation Base Penalty</b>
	weekly	<input type="text"/>	
	monthly	<input type="text"/>	
	quarterly	<input type="text"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input checked="" type="text"/>	

\$5,000

  

One single event is recommended.
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**Good Faith Efforts to Comply**

	<b>25.0%</b>	
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input checked="" type="text"/>	<input type="text"/>
N/A	<input type="text"/>	<input type="text"/>
Notes	The Respondent achieved compliance on June 30, 2022, prior to the NOE dated July 7, 2022.	

Reduction \$1,250

  

<b>Violation Subtotal</b>	\$3,750
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**Economic Benefit (EB) for this violation**

<b>Estimated EB Amount</b>	\$4	
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**Statutory Limit Test**

<b>Violation Final Penalty Total</b>	\$3,850	
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<b>This violation Final Assessed Penalty (adjusted for limits)</b>	\$3,850
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# Economic Benefit Worksheet

**Respondent** SJRR Power, LLC  
**Case ID No.** 62663  
**Reg. Ent. Reference No.** RN110723897  
**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)	\$250	6-Mar-2022	30-Jun-2022	0.32	\$4	n/a	\$4

Notes for DELAYED costs

Estimated cost to submit the PCC for the February 5, 2021 through February 4, 2022 certification period. The Date Required is the date the PCC was due and the Final Date is the date of compliance.

## Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$4





# Compliance History Report

Compliance History Report for CN605633882, SJRR Power, LLC, Rating Year 2023 which includes Compliance History (CH) components from September 1, 2018, through August 31, 2023.

<b>Customer, Respondent, or Owner/Operator:</b>	CN605633882, SJRR Power, LLC	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	2.86
<b>Regulated Entity:</b>	RN110723897, SJRR POWER PEAKING FACILITY	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	2.86
<b>Complexity Points:</b>	7	<b>Repeat Violator:</b>	NO		
<b>CH Group:</b>	06 - Electric Power Generation				
<b>Location:</b>	18511 Beaumont Highway, Channelview, Harris County, Texas				
<b>TCEQ Region:</b>	REGION 12 - HOUSTON				
<b>ID Number(s):</b>					
<b>AIR OPERATING PERMITS</b>	PERMIT 4153	<b>AIR NEW SOURCE PERMITS</b>	REGISTRATION 155895		
<b>AIR NEW SOURCE PERMITS</b>	AFS NUM 4820102065	<b>AIR EMISSIONS INVENTORY</b>	ACCOUNT NUMBER HGA213E		
<b>TAX RELIEF</b>	ID NUMBER 25935				
<b>Compliance History Period:</b>	September 01, 2018 to August 31, 2023	<b>Rating Year:</b>	2023	<b>Rating Date:</b>	09/01/2023
<b>Date Compliance History Report Prepared:</b>	August 30, 2024				
<b>Agency Decision Requiring Compliance History:</b>	Enforcement				
<b>Component Period Selected:</b>	August 30, 2019 to August 30, 2024				
<b>TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.</b>					
<b>Name:</b>	Johnnie Wu	<b>Phone:</b>	(512) 239-2524		

## Site and Owner/Operator History:

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

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

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

N/A

### **B. Criminal convictions:**

N/A

### **C. Chronic excessive emissions events:**

N/A

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

N/A

### **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:        | 08/19/2024 (1989052)                              |                 |          |
|   | Self Report? | NO  | Classification: | Moderate |
|   | Citation:    | 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F) |                 |          |
|   |              | 30 TAC Chapter 116, SubChapter B 116.115(c)       |                 |          |
|   |              | 30 TAC Chapter 122, SubChapter B 122.143(4)       |                 |          |

5C THSC Chapter 382 382.085(b)  
SC 4(E)(i) PERMIT  
ST&C 5 OP

Description: Failure to prevent an exceedance of the Lb/hr MAER and the Lb/MWhr limit for NOx for the Unit 1 turbine (EPN 1-N). (Category B13)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC 4(E)(i) PERMIT  
ST&C 5 OP

Description: Failure to prevent an exceedance of the Lb/hr MAER and the Lb/MWhr limit for NOx for the Unit 2 turbine. (Category B13)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
ST&C 1A OP

Description: Failure to conduct monthly ammonia testing for the Unit 1 and 2 turbines (EPN 1-N and 2-N). (Category B1)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
ST&C 1A OP

Description: Failure to conduct weekly testing for CO concentration for the Unit 1 and 2 turbines (EPN 1-N and 2-N). (Category B1)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
ST&C 5 OP

Description: Failure to prevent an exceedance of the NOx MAER for MSS activities for the Unit 1 Turbine (EPN 1-SS). (Category B13)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
ST&C 5 OP

Description: Failure to prevent an exceedance of the NOx MAER for MSS activities for the Unit 2 Turbine (EPN 2-SS). (Category B13)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter B 117.310(c)(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
ST&C 1A OP

Description: Failure to prevent an exceedance of the maximum CO concentration for the Unit 2 turbine (EPN N-2). (Category B13)

**F. Environmental audits:**

N/A

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
SJRR POWER, LLC  
RN110723897

§ BEFORE THE  
§  
§ TEXAS COMMISSION ON  
§  
§ ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2022-0902-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 SJRR Power, LLC (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas power station located at 18511 Beaumont Highway in Channelview, Harris County, Texas (the "Site"). The Site consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$7,700 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$6,160 of the penalty and \$1,540 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.
5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that on June 30, 2022, the Respondent submitted the permit compliance certifications ("PCCs") for the February 5, 2020 through February 4, 2021 and February 5, 2021 through February 4, 2022 certification periods.

## **II. ALLEGATIONS**

During a record review for the Site conducted from June 15, 2022 through July 1, 2022, an investigator documented that the Respondent:

1. Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a PCC within 30 days of any certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (2), Federal Operating Permit ("FOP") No. O4153, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the PCC for the February 5, 2020 through February 4, 2021 certification period was due by March 6, 2021, but was not submitted until June 30, 2022.
2. Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a PCC within 30 days of any certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (2), FOP No. O4153, GTC and STC No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the PCC for the February 5, 2021 through February 4, 2022 certification period was due by March 6, 2022, but was not submitted until June 30, 2022.

## **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: SJRR Power, LLC, Docket No. 2022-0902-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. All relief not expressly granted in this Order is denied.
3. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Site operations referenced in this Order.
4. 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.
5. 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.
6. 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.
7. 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

11/20/2024

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, <sup>any future</sup> violation of any compliance documents may result in criminal prosecution.

Signature

Date

10/9/24

Michael Talk

Asset Manager

Name (Printed or typed)  
Authorized Representative of  
SJRR Power, LLC

Title

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

SJRR Power  
18511 Beaumont HWY  
Houston, TX 77049

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.