

**Executive Summary – Enforcement Matter – Case No. 63403**  
**INEOS US Chemicals Company**  
**RN102536307**  
**Docket No. 2023-0121-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

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

INEOS US CHEMICALS, 2800 Farm-to-Market Road 519 East, Texas City, Galveston County

**Type of Operation:**

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:** March 22, 2024

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$10,800

**Amount Deferred for Expedited Settlement:** \$2,160

**Total Paid to General Revenue:** \$4,320

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

Payment Plan: N/A

**Supplemental Environmental Project (“SEP”) Conditional Offset:** \$4,320

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

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** January 2021

***Investigation Information***

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

**Complaint Information:** N/A

**Date(s) of Investigation:** September 27, 2022 through November 4, 2022

**Date(s) of NOE(s):** November 8, 2022

**Executive Summary – Enforcement Matter – Case No. 63403**  
**INEOS US Chemicals Company**  
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**Docket No. 2023-0121-AIR-E**

***Violation Information***

Failed to prevent unauthorized emissions. Specifically, the Respondent released 117.34 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 387525) that occurred on September 15, 2022 and lasted two hours and 24 minutes. The emissions event occurred when corrosion in the Hot Flush header piping caused a pin hole leak 65 feet above the ground, resulting in the release to the atmosphere. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(c), 116.715(a), and 122.143(4), Flexible Permit Nos. 1176 and PSDTX782, Special Conditions No. 1, Federal Operating Permit No. O1513, General Terms and Conditions and Special Terms and Conditions No. 20, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

By June 9, 2023, the Respondent permanently removed the section of the pipe from service, performed a lab analysis to verify the corrosion mechanism on the failed section of the hot flush line, updated the Inspection Department Quality Assurance Manual to include documenting compliance with paint specifications and the National Association of Corrosion Engineers/Association for Materials Protection and Performance surface preparation requirements, and completed a full inspection of the hot flush line in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 387525.

**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 City Independent School District SEP, 2901 Turtle Creek Drive, Suite 445, Port Arthur, Texas 77642

**Executive Summary – Enforcement Matter – Case No. 63403**  
**INEOS US Chemicals Company**  
**RN102536307**  
**Docket No. 2023-0121-AIR-E**

**Respondent:** Julio Rodriguez, Site Director, INEOS US Chemicals Company, Post Office Box 1688, Texas City, Texas 77592

**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>	28-Nov-2022			
	<b>PCW</b>	19-Jan-2024	<b>Screening</b>	6-Dec-2022	<b>EPA Due</b>

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	INEOS US Chemicals Company				
<b>Reg. Ent. Ref. No.</b>	RN102536307				
<b>Facility/Site Region</b>	12-Houston		<b>Major/Minor Source</b>	Major	

## CASE INFORMATION

<b>Enf./Case ID No.</b>	63403	<b>No. of Violations</b>	1
<b>Docket No.</b>	2023-0121-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>	Danielle Porras
		<b>EC's Team</b>	Enforcement Team 2
<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>	\$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.

<b>Compliance History</b>	44.0%	Adjustment	<b>Subtotals 2, 3, &amp; 7</b>	\$3,300
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Notes

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

<b>Culpability</b>	No	0.0%	Enhancement	<b>Subtotal 4</b>	\$0
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Notes

The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	\$0
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<b>Economic Benefit</b>	0.0%	Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$366
Estimated Cost of Compliance	\$10,000

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$10,800
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

<b>Final Penalty Amount</b>	\$10,800
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$10,800
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<b>DEFERRAL</b>	20.0%	Reduction	<b>Adjustment</b>	-\$2,160
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$8,640
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Screening Date6-Dec-2022

RespondentINEOS US Chemicals Company

Case ID No.63403

Reg. Ent. Reference No.RN102536307

MediaAir

Enf. CoordinatorDanielle Porras

Docket No.2023-0121-AIR-E

PCW

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 (number of NOVs meeting criteria)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	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 (number of judgments or consent decrees meeting criteria)	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 (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	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 (number of audits for which notices were submitted)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	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)44%

>> 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 and two orders containing a denial of liability. Reduction for one notice of intent to conduct an audit.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)44%

>> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100%44%

<b>Screening Date</b>	6-Dec-2022	<b>Docket No.</b>	2023-0121-AIR-E	<b>PCW</b>
<b>Respondent</b>	INEOS US Chemicals Company			Policy Revision 5 (January 28, 2021)
<b>Case ID No.</b>	63403			PCW Revision February 11, 2021
<b>Reg. Ent. Reference No.</b>	RN102536307			
<b>Media</b>	Air			
<b>Enf. Coordinator</b>	Danielle Porras			
<b>Violation Number</b>	1			
<b>Rule Cite(s)</b>	30 Tex. Admin. Code §§ 101.20(3), 116.115(c), 116.715(a), and 122.143(4), Flexible Permit Nos. 1176 and PSDTX782, Special Conditions No. 1, Federal Operating Permit No. O1513, General Terms and Conditions and Special Terms and Conditions No. 20, and Tex. Health & Safety Code § 382.085(b)			
<b>Violation Description</b>	Failed to prevent unauthorized emissions. Specifically, the Respondent released 117.34 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 387525) that occurred on September 15, 2022 and lasted two hours and 24 minutes. The emissions event occurred when corrosion in the Hot Flush header piping caused a pin hole leak 65 feet above the ground, 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.			
		<b>Base Penalty</b>	\$25,000	
>> Environmental, Property and Human Health Matrix				
OR	<b>Release</b>	<b>Harm</b>		
		Major Moderate Minor		
	Actual			x
Potential				
		<b>Percent</b>	30.0%	
>>Programmatic Matrix				
	Falsification	Major	Moderate	Minor
	<b>Percent</b>	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.			
	<b>Adjustment</b>	\$17,500		
			\$7,500	
Violation Events				
	Number of Violation Events	1	1	Number of violation days
	daily			
	weekly			
	monthly	x		
	quarterly			
	semiannual			
	annual			
	single event			
	<b>Violation Base Penalty</b>	\$7,500		
	One monthly event is recommended.			
<b>Good Faith Efforts to Comply</b>	0.0%		<b>Reduction</b>	\$0
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
Extraordinary				
Ordinary				
N/A	x			
Notes	The Respondent does not meet the good faith criteria for this violation.			
	<b>Violation Subtotal</b>	\$7,500		
Economic Benefit (EB) for this violation				
	<b>Statutory Limit Test</b>			
<b>Estimated EB Amount</b>	\$366	<b>Violation Final Penalty Total</b>	\$10,800	
	<b>This violation Final Assessed Penalty (adjusted for limits)</b>	\$10,800		

# Economic Benefit Worksheet

**Respondent** INEOS US Chemicals Company  
**Case ID No.** 63403  
**Reg. Ent. Reference No.** RN102536307  
**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	15-Sep-2022	9-Jun-2023	0.73	\$366	n/a	\$366

Notes for DELAYED costs

Estimated cost to permanently remove the section of the pipe from service, perform a lab analysis to verify the corrosion mechanism on the failed section of the hot flush line, update the Inspection Department Quality Assurance Manual to include documenting compliance with paint specifications and the National Association of Corrosion Engineers/Association for Materials Protection and Performance surface preparation requirements, and complete a full inspection of the hot flush line in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 387525. 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

\$366



# Compliance History Report

Compliance History Report for CN600126775, RN102536307, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

**Customer, Respondent, or Owner/Operator:** CN600126775, INEOS US Chemicals Company **Classification:** SATISFACTORY **Rating:** 5.03

**Regulated Entity:** RN102536307, INEOS US CHEMICALS **Classification:** SATISFACTORY **Rating:** 3.86

**Complexity Points:** 26

**Repeat Violator:** NO

**CH Group:** 05 - Chemical Manufacturing

**Location:** 2800 Farm-to-Market Road 519 East, Texas City, Galveston County, Texas

**TCEQ Region:** REGION 12 - HOUSTON

## ID Number(s):

**AIR OPERATING PERMITS** ACCOUNT NUMBER GB0001R

**AIR NEW SOURCE PERMITS** PERMIT 31936

**AIR NEW SOURCE PERMITS** PERMIT 47273

**AIR NEW SOURCE PERMITS** PERMIT 1176

**AIR NEW SOURCE PERMITS** REGISTRATION 10070

**AIR NEW SOURCE PERMITS** REGISTRATION 11987

**AIR NEW SOURCE PERMITS** REGISTRATION 12225

**AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX619

**AIR NEW SOURCE PERMITS** REGISTRATION 90000

**AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX459M2

**AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX782

**AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX782M1

**AIR NEW SOURCE PERMITS** REGISTRATION 163395

**AIR NEW SOURCE PERMITS** REGISTRATION 167595

**AIR NEW SOURCE PERMITS** REGISTRATION 168039

**AIR NEW SOURCE PERMITS** REGISTRATION 150150

**AIR NEW SOURCE PERMITS** REGISTRATION 155479

**AIR NEW SOURCE PERMITS** REGISTRATION 156003

**WASTEWATER LICENSING** LICENSE WQ0000452000

**STORMWATER** PERMIT WQ0000452000

**STORMWATER** PERMIT TXR05DY94

**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER

GB0001R

**INDUSTRIAL AND HAZARDOUS WASTE** EPA ID

TXD005942438

**AIR OPERATING PERMITS** PERMIT 1513

**AIR NEW SOURCE PERMITS** REGISTRATION 47876

**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER GB0001R

**AIR NEW SOURCE PERMITS** PERMIT 6841

**AIR NEW SOURCE PERMITS** REGISTRATION 11911

**AIR NEW SOURCE PERMITS** REGISTRATION 12181

**AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX459

**AIR NEW SOURCE PERMITS** AFS NUM 4816700002

**AIR NEW SOURCE PERMITS** REGISTRATION 89999

**AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX984

**AIR NEW SOURCE PERMITS** REGISTRATION 83420

**AIR NEW SOURCE PERMITS** REGISTRATION 89998

**AIR NEW SOURCE PERMITS** REGISTRATION 161914

**AIR NEW SOURCE PERMITS** REGISTRATION 164509

**AIR NEW SOURCE PERMITS** REGISTRATION 170120

**AIR NEW SOURCE PERMITS** REGISTRATION 159609

**AIR NEW SOURCE PERMITS** REGISTRATION 159263

**AIR NEW SOURCE PERMITS** REGISTRATION 172085

**IHW CORRECTIVE ACTION** SOLID WASTE REGISTRATION # (SWR) 30373

**STORMWATER** EPA ID TX0004766

**WASTEWATER** PERMIT TXG670297

**POLLUTION PREVENTION PLANNING** ID NUMBER

P00030

**INDUSTRIAL AND HAZARDOUS WASTE** SOLID WASTE

REGISTRATION # (SWR) 30373

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

**Date Compliance History Report Prepared:** April 13, 2023

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** April 13, 2018 to April 13, 2023

**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: 01/15/2019 ADMINORDER 2018-0628-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Major  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: 1176, Special Condition 1 PERMIT  
Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 79.5 pounds of benzene as fugitive emissions during an avoidable emissions event (Incident No. 248803) that began on December 15, 2016 and lasted 15 minutes. The emissions event occurred due to a leak from a corroded tube in a heat exchanger located in the Paraxylene No. 1 Unit, resulting in a release to the atmosphere.
- 2 Effective Date: 08/11/2021 ADMINORDER 2020-0304-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: FOP Special Term & Condition (ST&C) 20 OP  
NSR Special Condition (SC) 1 PERMIT  
Description: Failure to maintain tons per year emissions of NOx and CO within the limits of the Maximum Allowable Emissions Rate (MAER). (Category A8, Criterion 2)  
Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: FOP General Term & Condition OP  
Description: Failure report all deviations. (Category B3)

### **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 08, 2018	(1500564)
Item 2	June 11, 2018	(1507681)
Item 3	July 09, 2018	(1513998)
Item 4	August 14, 2018	(1520060)
Item 5	August 29, 2018	(1466250)
Item 6	September 11, 2018	(1527225)
Item 7	October 15, 2018	(1533583)
Item 8	November 15, 2018	(1541418)
Item 9	December 06, 2018	(1545202)
Item 10	January 15, 2019	(1568926)
Item 11	February 11, 2019	(1559579)
Item 12	March 11, 2019	(1559580)
Item 13	April 10, 2019	(1571799)
Item 14	April 15, 2019	(1555576)
Item 15	April 25, 2019	(1550349)
Item 16	May 09, 2019	(1583207)
Item 17	June 12, 2019	(1583208)
Item 18	August 02, 2019	(1580875)
Item 19	August 07, 2019	(1599458)
Item 20	September 11, 2019	(1606363)
Item 21	October 10, 2019	(1613209)
Item 22	November 12, 2019	(1619023)
Item 23	December 10, 2019	(1626375)
Item 24	January 02, 2020	(1634016)

Item 25	February 10, 2020	(1640635)
Item 26	February 11, 2020	(1623391)
Item 27	March 11, 2020	(1647155)
Item 28	April 03, 2020	(1653491)
Item 29	May 11, 2020	(1660077)
Item 30	June 11, 2020	(1666582)
Item 31	July 14, 2020	(1673539)
Item 32	August 17, 2020	(1680314)
Item 33	September 14, 2020	(1686883)
Item 34	October 20, 2020	(1693229)
Item 35	October 21, 2020	(1696402)
Item 36	November 16, 2020	(1712380)
Item 37	December 18, 2020	(1712381)
Item 38	January 20, 2021	(1712382)
Item 39	February 18, 2021	(1725435)
Item 40	March 17, 2021	(1725436)
Item 41	April 19, 2021	(1734952)
Item 42	April 20, 2021	(1725437)
Item 43	May 19, 2021	(1744826)
Item 44	May 20, 2021	(1740029)
Item 45	May 28, 2021	(1724249)
Item 46	June 18, 2021	(1725011)
Item 47	June 21, 2021	(1747561)
Item 48	July 20, 2021	(1751679)
Item 49	August 20, 2021	(1757143)
Item 50	September 20, 2021	(1766223)
Item 51	September 27, 2021	(1683724)
Item 52	October 21, 2021	(1776626)
Item 53	November 19, 2021	(1783595)
Item 54	January 19, 2022	(1790619)
Item 55	February 09, 2022	(1806289)
Item 56	March 18, 2022	(1813354)
Item 57	April 19, 2022	(1819926)
Item 58	April 21, 2022	(1783377)
Item 59	May 16, 2022	(1828766)
Item 60	June 15, 2022	(1835056)
Item 61	July 19, 2022	(1842262)
Item 62	August 18, 2022	(1848396)
Item 63	September 19, 2022	(1856192)
Item 64	October 18, 2022	(1862550)
Item 65	November 21, 2022	(1869465)
Item 66	December 19, 2022	(1875312)
Item 67	January 19, 2023	(1882134)

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

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

1	Date:	11/29/2022	(1841025)		
	Self Report?	NO		Classification:	Minor
	Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Condition 7C PERMIT Special Term and Condition 24 OP			
	Description:	Failure to perform weekly cooling water sampling for TDS from PX-2 Cooling Tower (EPN: CT-451). (Category C1)			
	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 6D PERMIT Special Term and Condition 20 OP			
	Description:	Failure to operate flare composition analyzer with downtime less than 5% for			

	Flare M-302 (EPN: FL-601). (Category B17)	
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 117, SubChapter B 117.310(f) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Term and Condition 1A OP	
Description:	Failure to prevent testing of a stationary diesel engine Fire Water System Pump (ID: FWPUMP1302) before noon. (Category C1)	
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 117, SubChapter B 117.310(f) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Term and Condition 1A OP	
Description:	Failure to prevent testing of a stationary diesel engine Emergency Engine PX3 (ID: EMERGENPX3) before noon. (Category C1)	
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) Special Term and Condition 1A OP	
Description:	Failure to maintain carbon monoxide (CO) concentration within permit limits for PX-2 H-Reboilers 1103/1104 (EPN: HF-453). (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) Special Term and Condition 1A OP	
Description:	Failure to maintain carbon monoxide (CO) concentration within permit limits for PX-1 Reboilers H-103/104 (EPN: HF-203). (Category B13)	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 30 TAC Chapter 122, SubChapter B 122.145(2)(A) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP	
Description:	Failure to report all deviations. (Category B3)	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 115, SubChapter H 115.764(b)(4) 30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Condition 6 PERMIT Special Terms and Conditions 1A and 24 OP	
Description:	Failure to conduct the monthly HRVOC sample from PX-2 Cooling Tower (EPN: CT-451). (Category B17)	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Condition 2 PERMIT Special Term and Condition 24 OP	
Description:	Failure to maintain emissions within permit limits for PX-2 Flare (EPN: FL-401). (Category B12)	

**F. Environmental audits:**

Notice of Intent Date: 04/30/2020 (1652578)  
No DOV Associated

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

N/A

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

N/A

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

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
INEOS US CHEMICALS COMPANY  
RN102536307

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

## AGREED ORDER DOCKET NO. 2023-0121-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 INEOS US Chemicals Company (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 2800 Farm-to-Market Road 519 East in Texas City, Galveston 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 \$10,800 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$4,320 of the penalty and \$2,160 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, \$4,320 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 by June 9, 2023, the Respondent permanently removed the section of the pipe from service, performed a lab analysis to verify the corrosion mechanism on the failed section of the hot flush line, updated the Inspection Department Quality Assurance Manual to include documenting compliance with paint specifications and the National Association of Corrosion Engineers/Association for Materials Protection and Performance surface preparation requirements, and completed a full inspection of the hot flush line in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 387525.

## II. ALLEGATIONS

During a record review for the Plant conducted from September 27, 2022 through November 4, 2022, an investigator documented that the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(c), 116.715(a), and 122.143(4), Flexible Permit Nos. 1176 and PSDTX782, Special Conditions No. 1, Federal Operating Permit No. O1513, General Terms and Conditions and Special Terms and Conditions No. 20, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 117.34 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 387525) that occurred on September 15, 2022 and lasted two hours and 24 minutes. The emissions event occurred when corrosion in the Hot Flush header piping caused a pin hole leak 65 feet above the ground, 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: INEOS US Chemicals Company, Docket No. 2023-0121-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 \$4,320 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. 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.
6. 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.
7. 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.

8. 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

  
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For the Executive Director

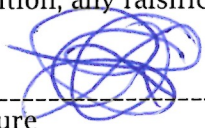
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4/2/2024  
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Date

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

-----  
Date

Julio A. Rodriguez  
-----  
Name (Printed or typed)  
Authorized Representative of  
INEOS US Chemicals Company

02/07/24  
-----  
Date  
Site Director  
-----  
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: 2023-0121-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>INEOS US Chemicals Company</b>
<b>Payable Penalty Amount:</b>	<b>\$8,640</b>
<b>SEP Offset Amount:</b>	<b>\$4,320</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Texas City Independent School District</b>
<b>Project Name:</b>	<b><i>TCISD Alternative Fuel School Bus Program</i></b>
<b>Location of SEP:</b>	<b>Texas Air Quality Control Region 216: Houston-Galveston</b>

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

**1. Project Description**

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Texas City Independent School District** for the *TCISD Alternative Fuel School Bus Program* project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to purchase lower-emission propane fueled school buses that are model year 2010 or newer (“Replacement Bus(es)”) to replace buses currently in the fleet that are model year 2006 or older (“Older Bus(es)”). The Older Buses will then be decommissioned, thus permanently removing them from the roads. The SEP Offset Amount shall only be used for the purchase of a base model propane fueled Replacement Bus. The Third-Party Administrator shall own and operate each Replacement Bus for at least five years following the date of purchase.

The Third-Party Administrator shall give preference to replacing the oldest, most polluting buses within its fleet. Only Older Buses that are currently in regular use, driven on a regular route on a weekly basis for at least the past two years are eligible for replacement.

The Third-Party Administrator shall ensure that each Replacement Bus purchased has an engine that meets the Environmental Protection Agency’s 2010 emissions standards. Additionally, all Older Buses that are replaced shall be fully decommissioned as required in the SEP Vehicle Disposition Form. All funds received for the scrap value of the Older Bus shall be deposited into the SEP Account and become part of the SEP. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

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

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

b. Environmental Benefit

The Project will directly benefit air quality in Third-Party Administrator's region by reducing harmful exhaust emissions from older school buses by replacing them with lower-emission propane buses. Older school bus engines emit greater amounts of harmful pollutants such as nitrous oxides, particulate matter, volatile organic compounds, and carbon monoxide than newer, lower-emission buses. These pollutants contribute to the formation of ground level ozone which damages vegetation and ecosystems and may cause or exacerbate a number of respiratory diseases, including asthma, especially in children.

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 City Independent School District SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas City Independent School District SEP  
Attention: John Johnson, Consultant  
2901 Turtle Creek Drive, Suite 445  
Port Arthur, Texas 77642

## 3. Records and Reporting

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

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

#### **4. Failure to Fully Perform**

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

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

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

#### **5. Publicity**

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

#### **6. Recognition**

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

#### **7. Other SEPs by TCEQ or Other Agencies**

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