

**Executive Summary – Enforcement Matter – Case No. 64243**  
**Shell Pipeline Company LP**  
**RN102525987**  
**Docket No. 2023-0838-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

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

Colex Terminal Pasadena, 304 Jefferson Road, Pasadena, Harris County

**Type of Operation:**

Petroleum storage facility

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** July 19, 2024

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$9,438

**Amount Deferred for Expedited Settlement:** \$1,887

**Total Paid to General Revenue:** \$7,551

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

Payment Plan: N/A

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - High

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** January 2021

***Investigation Information***

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

**Complaint Information:** N/A

**Date(s) of Investigation:** April 4, 2023 through May 3, 2023 and May 2, 2023 through September 25, 2023

**Date(s) of NOE(s):** June 22, 2023 and October 5, 2023

**Executive Summary – Enforcement Matter – Case No. 64243**  
**Shell Pipeline Company LP**  
**RN102525987**  
**Docket No. 2023-0838-AIR-E**

***Violation Information***

1. Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event. Specifically, the initial notification for Incident No. 399762 was due by June 9, 2022 at 11:24 p.m., but was not submitted until May 2, 2023 at 8:59 a.m. [30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O2758, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 2.F., and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to report all instances of deviations. Specifically, the deviation report for the March 27, 2022 through September 26, 2022 reporting period did not include the deviation for the reportable emissions event that occurred on June 8, 2022 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O2758, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
3. Failed to prevent unauthorized emissions. Specifically, the Respondent released 285.47 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 399762) that occurred on June 8, 2022 and lasted 44 minutes [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 16, Special Conditions No. 1, FOP No. O2758, GTC and STC No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent implemented the following corrective measures:

- a. On April 21, 2023, submitted a revised deviation report for the March 27, 2022 through September 26, 2022 reporting period to report the deviation for the reportable emissions event that occurred on June 8, 2022; and
- b. On May 2, 2023, submitted the initial notification for Incident No. 399762.

**Technical Requirements:**

The Order will require the Respondent to:

- a. Within 30 days:
  - i. Implement measures designed to ensure that all instances of deviations are reported in a timely manner; and
  - ii. Implement measures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 399762.

**Executive Summary – Enforcement Matter – Case No. 64243**  
**Shell Pipeline Company LP**  
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**Docket No. 2023-0838-AIR-E**

b. Within 45 days, submit written certification to demonstrate compliance with a.

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Desmond Martin, Enforcement Division, Enforcement Team 2, MC 219, (512) 239-2814; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

**Respondent:** Matt Lyle, Operations Manager, Shell Pipeline Company LP, 404 Jefferson Road, Pasadena, Texas 77506-3145

**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>	27-Jun-2023		
	<b>PCW</b>	29-Apr-2024	<b>Screening</b>	29-Jun-2023
			<b>EPA Due</b>	

<b>RESPONDENT/FACILITY INFORMATION</b>				
<b>Respondent</b>	Shell Pipeline Company LP			
<b>Reg. Ent. Ref. No.</b>	RN102525987			
<b>Facility/Site Region</b>	12-Houston	<b>Major/Minor Source</b>	Major	

<b>CASE INFORMATION</b>				
<b>Enf./Case ID No.</b>	64243	<b>No. of Violations</b>	3	
<b>Docket No.</b>	2023-0838-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>	Desmond Martin	
		<b>EC's Team</b>	Enforcement Team 2	
<b>Admin. Penalty \$</b>	<b>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>	\$9,500
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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>	0.0%	Adjustment	<b>Subtotals 2, 3, &amp; 7</b>	\$0
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Notes	No adjustment for compliance history.
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<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.
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<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	-\$62
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<b>Economic Benefit</b>	0.0%	Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$1,466
Estimated Cost of Compliance	\$12,000

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$9,438
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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>	\$9,438
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$9,438
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<b>DEFERRAL</b>	20.0%	Reduction	Adjustment	-\$1,887
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$7,551
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Screening Date

29-Jun-2023

Docket No.

2023-0838-AIR-E

PCW

Respondent

Shell Pipeline Company LP

Case ID No.

64243

Reg. Ent. Reference No.

RN102525987

Media

Air

Enf. Coordinator

Desmond Martin

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	0	0%
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)0%

>> Repeat Violator (Subtotal 3)

NoAdjustment Percentage (Subtotal 3)0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory PerformerAdjustment Percentage (Subtotal 7)0%

>> Compliance History Summary

Compliance History Notes

No adjustment for compliance history.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)0%

>> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100%0%

Screening Date

29-Jun-2023

Docket No.

2023-0838-AIR-E

PCW

Respondent

Shell Pipeline Company LP

Case ID No.

64243

Reg. Ent. Reference No.

RN102525987

Media

Air

Enf. Coordinator

Desmond Martin

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

Violation Number

1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. 02758, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 2.F., and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event. Specifically, the initial notification for Incident No. 399762 was due by June 9, 2022 at 11:24 p.m., but was not submitted until May 2, 2023 at 8:59 a.m.

Base Penalty

\$25,000

>> Environmental, Property and Human Health Matrix

OR

Release

Major

Moderate

Minor

Actual

Potential

Percent

0.0%

>>Programmatic Matrix

Falsification

Major

Moderate

Minor

x

Percent

1.0%

Matrix Notes

Less than 30% of the rule requirements were not met.

Adjustment

\$24,750

\$250

Violation Events

Number of Violation Events

1

327

Number of violation days

daily

weekly

monthly

quarterly

semiannual

annual

single event

x

Violation Base Penalty

\$250

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction

\$62

Before NOE/NOV

NOE/NOV to EDPRP/Settlement Offer

Extraordinary

Ordinary

x

N/A

Notes

The Respondent completed the corrective measures on May 2, 2023, prior to the Notice of Enforcement dated June 22, 2023.

Violation Subtotal

\$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

\$11

Violation Final Penalty Total

\$188

This violation Final Assessed Penalty (adjusted for limits)

\$188

# Economic Benefit Worksheet

**Respondent** Shell Pipeline Company LP  
**Case ID No.** 64243  
**Reg. Ent. Reference No.** RN102525987  
**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	9-Jun-2022	2-May-2023	0.90	\$11	n/a	\$11
Notes for DELAYED costs	Estimated cost to submit the initial notification for Incident No. 399762. The Date Required is the date the initial notification 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	\$11
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Screening Date		29-Jun-2023		Docket No.		2023-0838-AIR-E		PCW					
Respondent		Shell Pipeline Company LP		Policy Revision 5 (January 28, 2021)									
Case ID No.		64243		PCW Revision February 11, 2021									
Reg. Ent. Reference No.		RN102525987											
Media		Air											
Enf. Coordinator		Desmond Martin											
Violation Number		2											
Rule Cite(s)		30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), FOP No. O2758, GTC, and Tex. Health & Safety Code § 382.085(b)											
Violation Description		Failed to report all instances of deviations. Specifically, the deviation report for the March 27, 2022 through September 26, 2022 reporting period did not include the deviation for the reportable emissions event that occurred on June 8, 2022.											
				Base Penalty		\$25,000							
>> Environmental, Property and Human Health Matrix													
OR		Release		Harm									
		Major		Moderate		Minor							
		Actual											
		Potential						Percent		0.0%			
>> Programmatic Matrix													
		Falsification		Major		Moderate		Minor					
						x				Percent		7.0%	
Matrix Notes		More than 30% but less than 70% of the rule requirements were not met.											
				Adjustment		\$23,250							
										\$1,750			
Violation Events													
		Number of Violation Events		1		246		Number of violation days					
		daily											
		weekly											
		monthly											
		quarterly											
		semiannual											
		annual											
		single event		x						Violation Base Penalty		\$1,750	
		One single event is recommended.											
Good Faith Efforts to Comply													
		0.0%						Reduction		\$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.									
				Violation Subtotal		\$1,750							
Economic Benefit (EB) for this violation													
		Estimated EB Amount		\$170		Violation Final Penalty Total		\$1,750					
				This violation Final Assessed Penalty (adjusted for limits)		\$1,750							



# Economic Benefit Worksheet

**Respondent** Shell Pipeline Company LP  
**Case ID No.** 64243  
**Reg. Ent. Reference No.** RN102525987  
**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	\$1,500	26-Oct-2022	1-Jan-2025	2.19	\$164	n/a	\$164
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	26-Oct-2022	21-Apr-2023	0.48	\$6	n/a	\$6
Notes for DELAYED costs	Estimated cost to submit a revised deviation report for the March 27, 2022 through September 26, 2022 reporting period to report the deviation for the reportable emissions event that occurred on June 8, 2022 (\$250) and to implement measures designed to ensure that all instances of deviations are reported in a timely manner (\$1,500). The Dates Required is the date the deviation report was due and the Final Dates are the date the revised deviation report was submitted and the estimated 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	\$1,750	TOTAL	\$170
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<b>Screening Date</b> 29-Jun-2023		<b>Docket No.</b> 2023-0838-AIR-E		<b>PCW</b>	
<b>Respondent</b> Shell Pipeline Company LP		<i>Policy Revision 5 (January 28, 2021)</i>			
<b>Case ID No.</b> 64243		<i>PCW Revision February 11, 2021</i>			
<b>Reg. Ent. Reference No.</b> RN102525987					
<b>Media</b> Air					
<b>Enf. Coordinator</b> Desmond Martin					
<b>Violation Number</b>		<input type="text" value="3"/>			
<b>Rule Cite(s)</b>		<div>30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review Permit No. 16, Special Conditions No. 1, FOP No. 02758, GTC and STC No. 11, and Tex. Health &amp; Safety Code § 382.085(b)</div>			
<b>Violation Description</b>		<div>Failed to prevent unauthorized emissions. Specifically, the Respondent released 285.47 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 399762) that occurred on June 8, 2022 and lasted 44 minutes.</div>			
		<b>Base Penalty</b>		<input type="text" value="\$25,000"/>	
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>					
<b>OR</b>			<b>Harm</b>		
	<b>Release</b>	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="text" value="x"/>	<b>Percent</b> <input type="text" value="30.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>		
<b>&gt;&gt;Programmatic Matrix</b>					
	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="0.0%"/>
Matrix Notes	<div>Human health or the environment has been exposed to insignificant amounts of pollutants that did not exceed levels that are protective of human health or environmental receptors as a result of this violation.</div>				
<b>Adjustment</b>					<input type="text" value="\$17,500"/>
					<input type="text" value="\$7,500"/>
<b>Violation Events</b>					
Number of Violation Events		<input type="text" value="1"/>	<input type="text" value="1"/> Number of violation days		
	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$7,500"/>		
	weekly	<input type="text"/>			
	monthly	<input checked="" type="text" value="x"/>			
	quarterly	<input type="text"/>			
	semiannual	<input type="text"/>			
	annual	<input type="text"/>			
	single event	<input type="text"/>			
<div>One monthly event is recommended.</div>					
<b>Good Faith Efforts to Comply</b>		<b>0.0%</b>		<b>Reduction</b> <input type="text" value="\$0"/>	
		Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
	Extraordinary	<input type="text"/>	<input type="text"/>		
	Ordinary	<input type="text"/>	<input type="text"/>		
	N/A	<input checked="" type="text" value="x"/>			
Notes	<div>The Respondent does not meet the good faith criteria for this violation.</div>				
<b>Violation Subtotal</b>					<input type="text" value="\$7,500"/>
<b>Economic Benefit (EB) for this violation</b>					
<b>Statutory Limit Test</b>					
<b>Estimated EB Amount</b>		<input type="text" value="\$1,285"/>		<b>Violation Final Penalty Total</b> <input type="text" value="\$7,500"/>	
<b>This violation Final Assessed Penalty (adjusted for limits)</b>					<input type="text" value="\$7,500"/>

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Shell Pipeline Company LP 64243 RN102525987 Air 3

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	8-Jun-2022	1-Jan-2025	2.57	\$1,285	n/a	\$1,285
Notes for DELAYED costs	Estimated cost to implement measures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 399762. The Date Required is the date the emissions event occurred and the Final Date is the estimated date of compliance.						

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

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

Approx. Cost of Compliance	\$10,000	TOTAL	\$1,285
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# Compliance History Report

Compliance History Report for CN600123996, RN102525987, Rating Year 2023 which includes Compliance History (CH) components from September 1, 2018, through August 31, 2023.

**Customer, Respondent, or Owner/Operator:** CN600123996, Shell Pipeline Company LP **Classification:** SATISFACTORY **Rating:** 1.18

**Regulated Entity:** RN102525987, COLEX TERMINAL PASADENA **Classification:** HIGH **Rating:** 0.00

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

**CH Group:** 13 - Pipeline Transportation of Natural Gas, Refined Petroleum, and All Other Products

**Location:** 304 JEFFERSON ROAD, PASADENA, HARRIS COUNTY, TEXAS

**TCEQ Region:** REGION 12 - HOUSTON

**ID Number(s):**

**AIR OPERATING PERMITS** ACCOUNT NUMBER HG06600

**AIR NEW SOURCE PERMITS** PERMIT 16

**AIR NEW SOURCE PERMITS** REGISTRATION 42263

**AIR NEW SOURCE PERMITS** REGISTRATION 46309

**AIR NEW SOURCE PERMITS** REGISTRATION 52202

**AIR NEW SOURCE PERMITS** REGISTRATION 80895

**AIR NEW SOURCE PERMITS** REGISTRATION 151662

**ON SITE SEWAGE FACILITY** PERMIT 1010741

**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER HG06600

**AIR OPERATING PERMITS** PERMIT 2758

**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER HG06600

**AIR NEW SOURCE PERMITS** REGISTRATION 44560

**AIR NEW SOURCE PERMITS** REGISTRATION 52113

**AIR NEW SOURCE PERMITS** AFS NUM 4820100281

**AIR NEW SOURCE PERMITS** REGISTRATION 137899

**ON SITE SEWAGE FACILITY** PERMIT 1010436

**WASTEWATER** PERMIT TXG670083

**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER HX2360W

**Compliance History Period:** September 01, 2018 to August 31, 2023 **Rating Year:** 2023 **Rating Date:** 09/01/2023

**Date Compliance History Report Prepared:** April 26, 2024

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** April 26, 2019 to April 26, 2024

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

**Name:** Desmond Martin

**Phone:** (512) 239-2814

**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.):**

Item 1	February 28, 2020	(1625171)
Item 2	August 25, 2020	(1670395)
Item 3	April 16, 2021	(1704326)

Item 4	February 10, 2022	(1697160)
Item 5	March 31, 2022	(1788423)
Item 6	April 27, 2022	(1788770)
Item 7	February 28, 2024	(1965976)

**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.

N/A

**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  
SHELL PIPELINE COMPANY LP  
RN102525987

§  
§  
§  
§  
§

BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2023-0838-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 Shell Pipeline Company LP (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 petroleum storage facility located at 304 Jefferson Road in Pasadena, 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 \$9,438 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$7,551 of the penalty and \$1,887 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 the Respondent implemented the following corrective measures at the Site:
  - a. On April 21, 2023, submitted a revised deviation report for the March 27, 2022 through September 26, 2022 reporting period to report the deviation for the reportable emissions event that occurred on June 8, 2022; and
  - b. On May 2, 2023, submitted the initial notification for Incident No. 399762.

## II. ALLEGATIONS

1. During a record review for the Site conducted from April 4, 2023 through May 3, 2023, an investigator documented that the Respondent:
  - a. Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O2758, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 2.F., and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the initial notification for Incident No. 399762 was due by June 9, 2022 at 11:24 p.m., but was not submitted until May 2, 2023 at 8:59 a.m.
  - b. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O2758, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the deviation report for the March 27, 2022 through September 26, 2022 reporting period did not include the deviation for the reportable emissions event that occurred on June 8, 2022.
2. During a record review for the Site conducted from May 2, 2023 through September 25, 2023, 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. 16, Special Conditions No. 1, FOP No. O2758, GTC and STC No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 285.47 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 399762) that occurred on June 8, 2022 and lasted 44 minutes.

### 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: Shell Pipeline Company LP, Docket No. 2023-0838-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 undertake the following technical requirements at the Site:
  - a. Within 30 days after the effective date of this Order:
    - i. Implement measures designed to ensure that all instances of deviations are reported in a timely manner; and
    - ii. Implement measures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 399762.
  - b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be signed by the Respondent and shall include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."



The certification shall be submitted to:

Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Air Section Manager  
Houston Regional Office  
Texas Commission on Environmental Quality  
5425 Polk Street, Suite H  
Houston, Texas 77023-1452

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 Site 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. Extension requests shall be sent to the Enforcement Division at the address listed above.
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

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For the Commission

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Date

  
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For the Executive Director

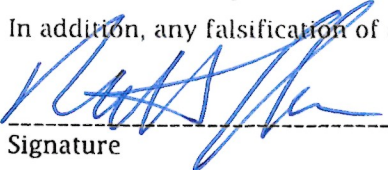
7/16/2024  
-----  
Date

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.

  
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Signature

6/12/24  
-----  
Date

Matt Lyle  
-----  
Name (Printed or typed)  
Authorized Representative of  
Shell Pipeline Company LP

Operations Manager  
-----  
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.