

Executive Summary – Enforcement Matter – Case No. 65064
Freeport LNG Development, L.P.
RN103196689
Docket No. 2023-1670-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

Unauthorized emissions which are excessive emissions events.

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Freeport LNG Liquefaction Plant, 1500 Lamar Street, Quintana, Brazoria County

Type of Operation:

Liquefied natural gas regasification terminal

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket No. 2022-1255-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: Casey A. Bell and Celina Romero of Duggins Wren
Mann & Romero wished to be placed on the mailing list for this case.

Texas Register Publication Date: July 12, 2024

Comments Received: No

Penalty Information

Total Penalty Assessed: \$330,750

Total Paid to General Revenue: \$330,750

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: August 7, 2023

Date(s) of NOE(s): November 21, 2023

Violation Information

Failed to prevent unauthorized emissions. The emissions event was determined to be an excessive emissions event [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review ("NSR") Permit No. 55464, Special Conditions ("SC") No. 1, NSR Permit

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No. 100114, SC No. 1, Federal Operating Permit No. O2878, General Terms and Conditions and Special Terms and Conditions No. 13, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, submit a corrective action plan ("CAP") in accordance with the TCEQ letter dated November 21, 2023 to address the excessive emissions event that occurred on June 8, 2022 (Incident No. 381191);
- b. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the CAP submittal in connection with the June 8, 2022 excessive emissions event within 15 days after the date of such requests, or by any other deadline specified in writing;
- c. Within 45 days, submit written certification to demonstrate compliance with a.
- d. Upon Executive Director approval of the CAP, implement the CAP in accordance with the approved schedule.
- e. Within 15 days after the completion of the CAP implementation, submit written certification to demonstrate compliance with d.

Contact Information

TCEQ Attorney: N/A

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

Respondent: William Henry, Vice President, Freeport LNG Development, L.P., 333 Clay Street, Suite 5050, Houston, Texas 77002-4173

Michael Moppert, Chief Operating Officer, Freeport LNG Development, L.P., 333 Clay Street, Suite 5050, Houston, Texas 77002-4173

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	27-Nov-2023	
	PCW	16-May-2024	Screening 28-Nov-2023 EPA Due

RESPONDENT/FACILITY INFORMATION			
Respondent	Freeport LNG Development, L.P.		
Reg. Ent. Ref. No.	RN103196689		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	65064	No. of Violations	1
Docket No.	2023-1670-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Yuliya Dunaway
		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$225,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	47.0%	Adjustment	Subtotals 2, 3, & 7	\$105,750
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Notes

Enhancement for one NOV with same or similar violations, one NOV with dissimilar violations, and two agreed orders containing a denial of liability.

Culpability	No	0.0%	Enhancement	Subtotal 4	\$0
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Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$1,575
Estimated Cost of Compliance	\$10,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$330,750
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount	\$330,750
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$330,750
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DEFERRAL	0.0%	Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes

No deferral for orders in which the Respondent has two or more prior administrative penalty orders as set out in Tex. Water Code § 7.105(b)(2), (b)(4), and (b)(6).

PAYABLE PENALTY	\$330,750
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Screening Date

28-Nov-2023

Docket No.

2023-1670-AIR-E

PCW

Respondent

Freeport LNG Development, L.P.

Case ID No.

65064

Reg. Ent. Reference No.

RN103196689

Media

Air

Enf. Coordinator

Yuliya Dunaway

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>)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	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 (<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)

47%

>> 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 or similar violations, one NOV with dissimilar violations, and two agreed orders containing a denial of liability.

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

47%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100%

47%

Screening Date	28-Nov-2023	Docket No.	2023-1670-AIR-E	PCW	
Respondent	Freeport LNG Development, L.P.			Policy Revision 5 (January 28, 2021)	
Case ID No.	65064	PCW Revision February 11, 2021			
Reg. Ent. Reference No.	RN103196689				
Media	Air				
Enf. Coordinator	Yuliya Dunaway				
Violation Number	1				
Rule Cite(s)	30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review ("NSR") Permit No. 55464, Special Conditions ("SC") No. 1, NSR Permit No. 100114, SC No. 1, Federal Operating Permit No. O2878, General Terms and Conditions and Special Terms and Conditions No. 13, and Tex. Health & Safety Code § 382.085(b)				
Violation Description	Failed to prevent unauthorized emissions. Specifically, the Respondent released 80,036.00 pounds ("lbs") of carbon monoxide ("CO"), 16,638.00 lbs of nitrogen oxides ("NOx"), and 47,674.05 lbs of volatile organic compounds from the Liquefaction Flare, Emissions Point Number ("EPN") LIQFLARE, and released 476,698.00 lbs of CO and 55,597.00 lbs of NOx from the Flare, EPN FLR, during an emissions event (Incident No. 381191) that began on June 8, 2022 and lasted 5,912 hours. The emissions event was determined to be an excessive emissions event.				
Base Penalty				\$25,000	
>> Environmental, Property and Human Health Matrix					
OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	x			
Potential					
>> Programmatic Matrix					
	Falsification	Major	Moderate	Minor	Percent
					0.0%
Matrix Notes	Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of this violation.				
Adjustment				\$0	
				\$25,000	
Violation Events					
Number of Violation Events		9	247	Number of violation days	
	daily			Violation Base Penalty	
	weekly				
	monthly	x			
	quarterly				
	semiannual				
	annual				
	single event			\$225,000	
Nine monthly events are 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				\$225,000	
Economic Benefit (EB) for this violation					Statutory Limit Test
Estimated EB Amount		\$1,575	Violation Final Penalty Total		\$330,750
This violation Final Assessed Penalty (adjusted for limits)				\$330,750	

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Freeport LNG Development, L.P. 65064 RN103196689 Air 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	8-Jun-2022	1-Aug-2025	3.15	\$1,575	n/a	\$1,575
Notes for DELAYED costs	Estimated cost to implement an approved corrective action plan to address the excessive emissions event that began on June 8, 2022 (Incident No. 381191). The Date Required is the date the emissions event began 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	\$1,575
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The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



Compliance History Report

Compliance History Report for CN601720345, RN103196689, Rating Year 2023 which includes Compliance History (CH) components from September 1, 2018, through August 31, 2023.

Customer, Respondent, or Owner/Operator:	CN601720345, Freeport LNG Development, L.P.	Classification:	SATISFACTORY	Rating:	5.26
Regulated Entity:	RN103196689, FREEPORT LNG LIQUEFACTION PLANT	Classification:	SATISFACTORY	Rating:	3.76
Complexity Points:	17	Repeat Violator:	NO		
CH Group:	14 - Other				
Location:	1500 Lamar Street, Quintana, Brazoria County, Texas				
TCEQ Region:	REGION 12 - HOUSTON				

ID Number(s):

AIR OPERATING PERMITS PERMIT 2878

AIR NEW SOURCE PERMITS PERMIT 55464

AIR NEW SOURCE PERMITS PERMIT 100114

AIR NEW SOURCE PERMITS ACCOUNT NUMBER BLA014N

WASTEWATER EPA ID TX0127566

AIR EMISSIONS INVENTORY ACCOUNT NUMBER BLA014N

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 98570

TAX RELIEF ID NUMBER 20153

TAX RELIEF ID NUMBER 19480

TAX RELIEF ID NUMBER 22007

TAX RELIEF ID NUMBER 24498

TAX RELIEF ID NUMBER 20641

TAX RELIEF ID NUMBER 20599

TAX RELIEF ID NUMBER 21139

TAX RELIEF ID NUMBER 20817

TAX RELIEF ID NUMBER 20605

TAX RELIEF ID NUMBER 21951

TAX RELIEF ID NUMBER 23285

TAX RELIEF ID NUMBER 23288

TAX RELIEF ID NUMBER 24496

AIR OPERATING PERMITS ACCOUNT NUMBER BLA014N

AIR NEW SOURCE PERMITS EPA PERMIT N304

AIR NEW SOURCE PERMITS PERMIT AMOC70

AIR NEW SOURCE PERMITS AFS NUM 4803900729

WASTEWATER PERMIT WQ0005364000

INDUSTRIAL AND HAZARDOUS WASTE OTS REQUEST 42507

TAX RELIEF ID NUMBER 20118

TAX RELIEF ID NUMBER 20393

TAX RELIEF ID NUMBER 21936

TAX RELIEF ID NUMBER 24497

TAX RELIEF ID NUMBER 20123

TAX RELIEF ID NUMBER 20769

TAX RELIEF ID NUMBER 20802

TAX RELIEF ID NUMBER 20938

TAX RELIEF ID NUMBER 20623

TAX RELIEF ID NUMBER 20815

TAX RELIEF ID NUMBER 23286

TAX RELIEF ID NUMBER 23287

TAX RELIEF ID NUMBER 22516

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

Date Compliance History Report Prepared: May 15, 2024

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: May 15, 2019 to May 15, 2024

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

Name: Yuliya Dunaway

Phone: (210) 403-4077

Site and Owner/Operator History:

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

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

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

- 1 Effective Date: 12/14/2021 ADMINORDER 2021-0284-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: NSR Permit Special Condition 1 PERMIT
Description: Failure to prevent unauthorized emissions to the atmosphere during an emissions event that was discovered on October 21, 2020, TCEQ/STEERS Incident No. 344670. [Category A12.i.(6)]
- 2 Effective Date: 03/29/2022 ADMINORDER 2021-0917-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: General Term and Conditions OP
Special Conditions No. 1 PERMIT
Special Terms and Conditions No. 13 OP
Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 251.5 pounds ("lbs") of volatile organic compounds ("VOC"), 343.0 lbs of carbon monoxide, and 172.0 lbs of nitrogen oxides from the Liquefaction Flare, Emissions Point Number LIQFLARE, and 1,433.0 lbs of VOC as fugitive emissions, during an emission event (Incident No. 318780) that occurred on August 13, 2019 and lasted one hour and four minutes.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	July 18, 2019	(1779140)
Item 2	August 12, 2019	(1517630)
Item 3	October 23, 2019	(1592445)
Item 4	October 24, 2019	(1779155)
Item 5	January 23, 2020	(1779171)
Item 6	April 22, 2020	(1779136)
Item 7	April 23, 2020	(1779132)
Item 8	July 23, 2020	(1779146)
Item 9	July 24, 2020	(1779141)
Item 10	October 22, 2020	(1779156)
Item 11	January 25, 2021	(1779172)
Item 12	April 19, 2021	(1779137)
Item 13	April 20, 2021	(1779127)
Item 14	July 30, 2021	(1779147)
Item 15	August 30, 2021	(1755072)
Item 16	September 29, 2021	(1686485)
Item 17	October 27, 2021	(1779157)
Item 18	November 17, 2021	(1643780)
Item 19	January 18, 2022	(1792661)
Item 20	April 07, 2022	(1815377)
Item 21	May 20, 2022	(1796428)
Item 22	July 28, 2022	(1837088)
Item 23	October 26, 2022	(1858203)
Item 24	November 22, 2022	(1841310)
Item 25	January 13, 2023	(1877323)
Item 26	April 18, 2023	(1900516)
Item 27	July 10, 2023	(1903255)
Item 28	July 14, 2023	(1921075)
Item 29	July 27, 2023	(1841021)

Item 30	August 08, 2023	(1909078)
Item 31	August 22, 2023	(1903273)
Item 32	August 23, 2023	(1918851)
Item 33	August 24, 2023	(1903276)
Item 34	August 28, 2023	(1923920)
Item 35	September 07, 2023	(1911127)
Item 36	October 11, 2023	(1917490)
Item 37	October 12, 2023	(1941213)
Item 38	October 18, 2023	(1917493)
Item 39	November 16, 2023	(1931473)
Item 40	December 18, 2023	(1938393)
Item 41	January 10, 2024	(1963449)
Item 42	January 12, 2024	(1949670)
Item 43	February 08, 2024	(1942821)
Item 44	February 14, 2024	(1960977)
Item 45	February 20, 2024	(1951362)
Item 46	February 23, 2024	(1959091)
Item 47	March 15, 2024	(1966213)
Item 48	March 25, 2024	(1973468)
Item 49	March 28, 2024	(1924812)
Item 50	April 17, 2024	(1979104)

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: | 11/30/2023 | (1924869) | |
| | Self Report? | YES | | Classification: Minor |
| | Citation: | 100114 PERMIT
30 TAC Chapter 115, SubChapter D 115.352(2)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b) | | |
| | Description: | Failure to repair LDAR component within 15-days of leak detection (Category B18g7) | | |
| | Self Report? | YES | | Classification: Moderate |
| | Citation: | 2878 OP
30 TAC Chapter 117, SubChapter B 117.345(d)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b) | | |
| | Description: | Failure to submit semi-annual NOx CEMS Report no later than 30 days from end of reporting period (Category B3) | | |
| | Self Report? | YES | | Classification: Moderate |
| | Citation: | 2878 OP
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Db 60.49b(w)
5C THSC Chapter 382 382.085(b) | | |
| | Description: | Failure to submit semi-annual NSPS Db Report no later than 30 days from end of reporting period (Category B3 Violation) | | |
| 2 | Date: | 02/29/2024 | (1985660) | |
| | Self Report? | YES | | Classification: Moderate |
| | Citation: | 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1) | | |
| | Description: | Failure to meet the limit for one or more permit parameter | | |

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
FREEPORT LNG DEVELOPMENT, L.P.
RN103196689

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

AGREED ORDER DOCKET NO. 2023-1670-AIR-E

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Freeport LNG Development, L.P. (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 presented this Order to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that 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. The duties and responsibilities imposed by this Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a liquified natural gas regasification terminal located at 1500 Lamar Street in Quintana, Brazoria 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. During a record review for the Site conducted on August 7, 2023, an investigator documented that the Respondent released 80,036.00 pounds ("lbs") of carbon monoxide ("CO"), 16,638.00 lbs of nitrogen oxides ("NOx"), and 47,674.05 lbs of volatile organic compounds from the Liquefaction Flare, Emissions Point Number ("EPN") LIQFLARE, and released 476,698.00 lbs of CO and 55,597.00 lbs of NOx from the Flare, EPN FLR, during an emissions event (Incident No. 381191) that began on June 8, 2022 and lasted 5,912 hours. TCEQ staff determined that the emissions event was an excessive emissions event.

II. CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact No. 1, the Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
2. As evidenced by Finding of Fact No. 2, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review ("NSR") Permit No. 55464, Special Conditions ("SC") No. 1, NSR Permit No. 100114, SC No. 1, Federal Operating Permit No. O2878, General Terms and Conditions and Special Terms and Conditions No. 13, and TEX. HEALTH & SAFETY CODE § 382.085(b). The emissions event was determined to be an excessive emissions event.
3. Pursuant to TEX. WATER CODE § 7.051, the TCEQ has the authority to assess an administrative penalty against the Respondent for violations of state statutes within the TCEQ's jurisdiction, for violations of rules adopted under such statutes, or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of \$330,750 is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent paid the \$330,750 penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Conclusion of Law No. 4 for violations of state statutes and rules of the TCEQ. The payment of this penalty and the Respondent's compliance with all the requirements set forth in this Order resolve only the matters set forth by this Order in this action. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations that are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Freeport LNG Development, L.P., Docket No. 2023-1670-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
12100 Park 35 Circle
Austin, Texas 78753

2. The Respondent shall undertake the following technical requirements at the Site:
 - a. Within 30 days after the effective date of this Order, submit a corrective action plan ("CAP") in accordance with the TCEQ letter dated November 21, 2023 to address the excessive emissions event that occurred on June 8, 2022 (Incident No. 381191).
 - b. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the CAP submittal in connection

with the June 8, 2022 excessive emissions event within 15 days after the date of such requests, or by any other deadline specified in writing.

- c. Within 45 days after the effective date of this Order, submit written certification, as described in Ordering Provision No. 2.e, to demonstrate compliance with Ordering Provision No. 2.a.
- d. Upon Executive Director approval of the CAP, implement the CAP in accordance with the approved schedule.
- e. Within 15 days after the completion of the CAP implementation, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.d. 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. 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 in this Order.
7. 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.
8. 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.
9. 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.
10. 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

7/16/2024

For the Executive Director

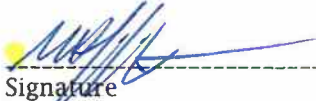
Date

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



Signature



Date



Name (Printed or typed)
Authorized Representative of
Freeport LNG Development, L.P.



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.