

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

SHELL CHEMICAL LP

AI # 1136

**PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.**

* **Settlement Tracking No.**
* **SA-AE-23-0080**
*
* **Enforcement Tracking No.**
* **AE-CN-20-00156**
*
*
* **Docket No. 2022-5235-DEQ**
*

SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Shell Chemical LP (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a partnership that owns and/or operates a chemical manufacturing complex located in Geismar, Ascension Parish, Louisiana (“the Facility”).

II

On March 11, 2021, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-20-00156 (Exhibit 1).

III

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures

and/or penalties.

V

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of TWENTY THOUSAND EIGHT HUNDRED FIFTY AND NO/100 DOLLARS (\$20,850.00), of which Three Thousand Six Hundred Forty-Six and 35/100 Dollars (\$3,646.35) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement Agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

VI

Respondent further agrees that the Department may consider the inspection report(s), permit record(s), the Consolidated Compliance Order & Notice of Potential Penalty and this Settlement Agreement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This Settlement Agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this Settlement Agreement in any action by the

Department to enforce this Settlement Agreement.

VIII

This Settlement Agreement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and Settlement Agreement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

IX

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Ascension Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement Agreement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

XI

Payment is to be made within thirty (30) days from notice of the Secretary's signature. If payment is not received within that time, this Settlement Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services

Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form attached hereto.

XII

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement Agreement.

XIII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

SHELL CHEMICAL LP

BY: _____
(Signature)

(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20_____, at _____.

NOTARY PUBLIC (ID # _____)

(stamped or printed)


LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Aurelia S. Giacometto, Secretary

BY: _____
Jerrie "Jerry" Lang, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20_____, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

Approved: 

Jerrie "Jerry" Lang, Assistant Secretary



JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

March 11, 2021

CERTIFIED MAIL (7018 1130 0001 5655 0911)
RETURN RECEIPT REQUESTED

SHELL CHEMICAL LP
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Dr.
Baton Rouge, LA 70816

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-20-00156
AGENCY INTEREST NO. 1136**

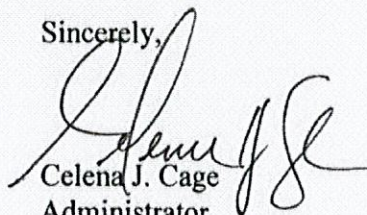
Dear Sir/Madam:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **SHELL CHEMICAL LP (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Jacob Danielson at (225) 219-3703 or jacob.danielson@la.gov.

Sincerely,


Celena J. Cage
Administrator
Enforcement Division

CJC/JDD/jdd
Alt ID No. 0180-00010
Attachment



c: Shell Chemical LP
c/o Rhoman J. Hardy, General Manager
7594 Louisiana Highway 75
Geismar, LA 70734

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

<p>IN THE MATTER OF</p> <p>SHELL CHEMICAL LP ASCENSION PARISH ALT ID NO. 0180-00010</p> <p>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</p>	<p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p>	<p>ENFORCEMENT TRACKING NO.</p> <p style="text-align: center;">AE-CN-20-00156</p> <p>AGENCY INTEREST NO.</p> <p style="text-align: center;">1136</p>
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CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **SHELL CHEMICAL LP (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates the Geismar Plant, a chemical manufacturing complex, located at 7594 Louisiana Highway 75 in Geismar, Ascension Parish, Louisiana. The facility operates or has operated under the authority of the following Title V Air Permits and Prevention of Significant Deterioration (PSD) Permits:

UNIT	PERMIT NO.	ISSUE DATE	EXPIRATION DATE
Logistics Unit	2727-V9	6/15/2017	4/4/2022
Logistics Unit	2727-V8	4/4/2017	4/4/2022
Logistics Unit	2727-V7	9/21/2015	1/27/2017
Olefins Unit	2669-V11	12/19/2019	12/12/2024

UNIT	PERMIT NO.	ISSUE DATE	EXPIRATION DATE
Olefins Unit	2669-V10	12/12/2019	12/12/2024
Olefins Unit	2669-V9	6/15/2017	9/17/2020
Olefins Unit	2669-V8	4/28/2016	9/17/2020
Utilities Unit	2136-V9	6/30/2017	6/30/2022
EOEG-2, EOEG-3 & EOEG-5 Units	2057-V11	12/12/2019	1/18/2022
EOEG-2, EOEG-3 & EOEG-5 Units	2057-V10	1/18/2017	1/18/2022
K Units (Alcohol) and OFP Unit	2151-V7	8/10/2017	8/10/2022
M Unit	3001-V9	9/26/2019	4/10/2022
M Unit	3001-V8	4/17/2018	4/10/2022
M Unit	3001-V7	8/10/2017	4/10/2022
M Unit	3001-V6	5/23/2017	4/10/2022
M Unit	3001-V5	4/10/2017	4/10/2022
M Unit	3001-V4	7/3/2012	7/3/2017
Cogeneration Units	2729-V3	1/19/2017	1/19/2022
Cogeneration Units	2729-V2	6/5/2012	6/5/2017
PSD Permits	PSD-LA-647 (M-7)	12/19/2019	
	PSD-LA-832	12/12/2019	6/12/2021
	PSD-LA-611 (M-2)	5/25/2018	

II.

On or about May 31 and June 7 - 22, 2016, the Department performed inspections of the Respondent's facility to determine the degree of compliance with the Act and Air Quality regulations. While the Department's investigation is not yet complete, the following violations were noted during the course of the inspections and subsequent file review on December 14, 2020:

A. The Respondent reported the following open-ended lines at the facility:

REPORT ID	REPORT NUMBER	EMISSIONS CODE	REPORT DATE	DESCRIPTION OF FINDING	COMPLIANCE ACTION	REGULATORY REQUIREMENTS	
1.	2015 Second Title V Semiannual Monitoring Report (March 23, 2016) and correspondence dated June 23, 2020	2727-V7	FUG 0010 (46-92 – Fugitive Emissions Logistics/ Shipping)	December 9, 2015	One (1) open ended line found. Specifically, a flow path between tank T-EG998 and the atmosphere existed due to the bleeder valve being cracked open and the plug being removed from P-EG999 suction line. According to the root cause analysis, the following led to the condition: vibrations caused the bleeder valve to open and plug to back out, the bleeder was cracked open and the plug removed when preparing pump P-EG999 for the loading, and the bleeder was left cracked open with the plug out from last maintenance activity.	Management reviewed the O-31 procedure with operations to ensure valves and caps/plugs are sufficiently tight before starting the equipment or after maintenance is complete.	40 CFR 63.167 Specific Requirement 209
2.	2017 First Title V Semiannual Monitoring Report (September 27, 2017) and correspondence dated May 19 and June 23, 2020	2669-V8	FUG 0013 (03-86 – SHOP-2 Fugitive Emissions)	February 13, 2017	One (1) open ended line found. Specifically, a technician observed a bleed valve with plug missing while performing fugitive emissions monitoring in Alpha Olefin Isomerization Disproportionation [(AOID)-2]. The bleed valve was located on the inlet line to the V-S2997 vessel. The plug was most likely removed for prior maintenance purposes. Normally, this bleed is utilized to check for water in the butane sphere. The exact time in which the plug was removed could not be determined. Monitoring was last conducted in March 2016, and the plug was in place at the time of monitoring.	Technician notified the operating technician immediately and a plug was installed. The investigation team recommended providing the AOID technicians with refresher training on Fugitive Emissions and Regulated Service requirements. Training was completed for all four shifts on April 19, 2017. Additionally, the investigation team recommended implementing an operations quarterly cap and plug audit in AOID and Logistics.	40 CFR 60.482-6a Specific Requirement 625
3.	2018 First Title V Semiannual Monitoring Report (September 12, 2018) and correspondence dated May 19 and June 23, 2020	2057-V10	FUG 0009 (10-92 – Fugitive Emissions EOEG-2&3)	April 19 - 20, 2018	One (1) open ended line found. Specifically, a manually operated bleed valve on the diethylene glycol (DEG) column in EOEG-2 was utilized during a unit start up activity, but was inadvertently left open without a plug installed. The open-ended condition caused a loss of primary containment (LOPC) to secondary containment.	Refresher training was provided to operations personnel on open bleeds procedure and equipment leaks. The training was completed in May of 2018.	40 CFR 63.167 Specific Requirement 308

NO.	REPORT TITLE	REPORT NUMBER	EMISSION POINT	DATE OF INCIDENT	DESCRIPTION OF INCIDENT	CAUSE OF INCIDENT	REGULATORY REQUIREMENT
4.	2018 First Title V Semiannual Monitoring Report (September 12, 2018) and correspondence dated June 23, 2020	2727-V9	FUG 0010 (46-92 – Fugitive Emissions Logistics/ Shipping)	May 10 - 11, 2018	One (1) open ended line found. Specifically, pump P-M929 required degassing to return to normal service after a previous product transfer was completed. The suction bleed was utilized to prime the pump for service and was inadvertently left open, without the plug reinstalled.	The sample system has been outfitted with an auto return-to-close type valve. Refresher training was given to operations personnel on open bleeds procedure and training for mastery on the specifics of degassing centrifugal pumps.	40 CFR 63.167 Specific Requirement 197
5.	2018 First Title V Semiannual Monitoring Report (September 12, 2018) and correspondence dated June 23, 2020	2057-V10	FUG 0009 (10-92 – Fugitive Emissions EOEG-2&3)	July 30 - 31, 2018	One (1) open ended line found. Specifically, a sampling system on the EG3 Dehydrator bottoms was not returned to normal line up after a routine process sample was obtained. The open-ended condition caused a loss of primary containment to secondary containment.	The sample system has been outfitted with an auto return-to-close type valve. Refresher training was given to operations personnel on open bleeds procedure and training for mastery on the specifics of sampling systems.	40 CFR 63.167 Specific Requirement 308
6.	2018 First Title V Semiannual Monitoring Report (September 12, 2018) and correspondence dated June 23, 2020	2669-V9	FUG 0012 (31-83 – SHOP-1 Fugitive Emissions), a group member of CRG 0017 (LCF – Louisiana Consolidated Fugitives)	August 12, 2018	One (1) open ended line found. Specifically, a sampling system on the C-SS80 bottoms was not returned to normal line up after a routine process sample was obtained. The open-ended condition caused a loss of primary containment to secondary containment.	The sample system has been outfitted with an auto return-to-close type valve. Refresher training was given to operations personnel on open bleeds procedure.	40 CFR 63.167 Specific Requirement 64
7.	2019 First Title V Semiannual Monitoring Report (September 23, 2019) and correspondence dated May 19 and June 23, 2020	2669-V9	FUG 0012 (31-83 – SHOP-1 Fugitive Emissions), a group member of CRG 0017 (LCF – Louisiana Consolidated Fugitives)	February 5, 2019	One (1) open ended line found. Specifically, a bleed valve on the seal flush cooler of P-S282 was found open-ended and partially open to the chemical sewer. An investigation into the incident could not specifically identify the action or activity that caused the bleed to be in this condition.	The bleed valve was immediately closed once the operating technician was informed. The incident was communicated through front line leadership and placed into Fountain Incident Management (FIM) system. The valve was removed and replaced with a tubing cap.	40 CFR 63.167 Specific Requirement 64
8.	2019 First Title V Semiannual Monitoring Report (September 23, 2019) and correspondence dated June 23, 2020	2669-V9	FUG 0012 (31-83 – SHOP-1 Fugitive Emissions), a group member of CRG 0017 (LCF – Louisiana Consolidated Fugitives)	February 23, 2019	One (1) open ended line found. Specifically, the P-S4183 valve was left open without a plug after completing a maintenance wash procedure. An operator missed several steps outlined in the procedure which allowed a path to the chemical sewer from P-S4183 pump seal system.	The return to service procedure for P-S4183 was modified to include the identification of the specific bleed valves instead of the series.	40 CFR 63.167 Specific Requirement 64

INCIDENT NUMBER	PERMIT NUMBER	INCIDENT DATE	INCIDENT CAUSE	CONSEQUENCES	APPLICABLE PERMIT REQUIREMENTS		
9.	2019 First Title V Semiannual Monitoring Report (September 23, 2019) and correspondence dated June 23, 2020	2727-V9	FUG 0010 (46-92 – Fugitive Emissions Logistics/ Shipping)	March 1, 2019	One (1) open ended line found. P-K993 sample line was found open-ended with the plug missing while in service. An investigation into the incident could not identify the exact activity that caused the open-ended line condition.	An auto-return-to close valve was installed in the sample system to avoid a similar event in the future. Refresher training was given to operations personnel on open bleeds procedure.	40 CFR 63.167 Specific Requirement 197
10.	2019 First Title V Semiannual Monitoring Report (September 23, 2019) & 2019 Second Title V Semiannual Monitoring Report (April 27, 2020) and correspondence dated June 23, 2020	2669-V9	FUG 0012 (31-83 – SHOP-1 Fugitive Emissions), a group member of CRG 0017 (LCF – Louisiana Consolidated Fugitives)	August 19, 2019	One (1) open ended line found. Specifically, two (2) valves on a C6 treater regeneration line to the plant flare system were partially open to the atmosphere during the initial phase of the regeneration step. Personnel involved failed to verify or validate this manual alignment prior to moving through steps of the procedure and failed to comply with the required sign offs.	An environmental alert was presented to the site which described the incident and consequences. Since process safety fundamentals and the open bleeds policy had been reinforced and refreshed recently, performance management was enacted for this incident.	40 CFR 63.167 Specific Requirement 64

The failure to ensure that the cap, blind flange, plug, or second valve seals the open end at all times is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- B. In the 2016 2nd Semiannual Monitoring Report dated March 27, 2017, and correspondence dated June 23, 2020, the Respondent reported the failure to operate with a flame present at all times for the 03-73a Elevated Flare, which is a member of the Plant Flare System (EQT 0362) on July 12, 2016, for approximately one (1) hour. Specifically, there was a discrepancy between the primary flame monitor (Infrared camera/scanner) and one (1) of the secondary monitors (pilot flame acoustic detectors) for the elevated flare. In an attempt to resolve the discrepancy, operations de-staged the enclosed ground flare (03-73b) to force vent flow to the elevated flare. During troubleshooting of the monitoring systems, vent gas flows were manipulated and caused a loss of pilot flame. The failure to operate with a flame present at all times is a violation of Specific Requirement 61 of Title V Permit No. 2669-V8, 40 CFR 60.18(c)(2), which language has been adopted as a Louisiana regulation by LAC 33:III.3003, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2). According to the 2016 2nd Semiannual Monitoring Report dated March 27, 2017, the elevated flare pilot ignition procedure was immediately utilized to relight the pilots. Both primary and secondary monitoring systems sufficiently detected a flame at the

elevated flare once the ignition procedure commenced. To maintain the monitoring system integrity, a more stringent preventative maintenance plan was instituted in the Reliability Centered Maintenance (RCM) program.

- C. In the 2016 2nd Semiannual Monitoring Report dated March 27, 2017, the Respondent reported a tune-up was not performed on 120-99 – C15/16 Column Reboiler Furnace, F-S595 (EQT 0399) within thirteen (13) months after the previous tune-up. The Respondent reported the tune-up was due on September 11, 2016. On December 7, 2016, the Respondent determined the tune-up for EQT 0399 was not completed because the furnace/heater inspector believed the equipment to be offline at the time of the inspection and the inspection was not rescheduled within the allowable inspection frequency. Additionally, no formal process was in place to follow this type of inspection to closure. The failure to conduct a tune-up no more than thirteen (13) months after the previous tune-up is a violation of Specific Requirement 109 of Title V Permit No. 2669-V8, 40 CFR 63.7515(d), which language has been adopted as a Louisiana regulation by LAC 33:III.5122, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). According to the 2016 2nd Semiannual Monitoring Report dated March 27, 2017, the Respondent immediately rescheduled the tune-up once it was recognized that the required tune-up was not performed. The tune-up was successfully completed on December 19, 2016, with no adjustments needed. The required tune-ups for the affected furnaces will be tracked and managed through the RCM program.
- D. In the 2017 1st Semiannual Monitoring Report dated September 28, 2017, the Respondent reported the maximum hourly emission rates were exceeded for ethylene oxide (EO), and there was an unauthorized release of carbon monoxide (CO) from the M Unit Vent A-M204, (EQT 0127) on June 14, 2017. In Title V Permit No. 3001-V6, the EO max limit for EQT 0127 was 1.00 lbs/hr and CO emissions were not permitted for this source. An engineering study to revalidate the A-M204 vent determination was conducted on June 20 and 21, 2017. The preliminary real-time results indicated the maximum hourly emission rate for EO was intermittently exceeded and the unexpected presence of CO was detected. Each emission exceedance is a violation of Title V Permit No. 3001-V6, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2). Each incident of unauthorized emissions is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1), and 30:2057(A)(2). According to the 2017 1st Semiannual Monitoring Report dated September 28, 2017, the facility reduced production rates to 55% of maximum, optimized soft water scrubber flow and made adjustments to certain parts of the batch process to reduce emissions as much as possible on June 21, 2017. An independent company was brought in to

perform detail analysis on June 29 and 30, 2017. Additional emission reduction measures were taken as a result of this round of testing. A testing company was used to provide continuous monitoring of the vent while additional measures were implemented to reduce emissions from July 11, 2017, through July 14, 2017, and on July 17 and 18, 2017. On July 21, 2017, a permit modification to include the emissions discovered from the study was hand-delivered to the Department. On August 10, 2017, the Department issued Title V Permit No. 3001-V7, which increased the EO max limit for EQT 0127 from 1.00 lbs/hr to 2.00 lbs/hr and from 1.17 tpy to 5.27 tpy, and permitted CO emissions at 39.40 tpy for EQT 0127. Additionally, the Respondent initiated a capital project to increase the control efficiency of the M-Scrubber.

- E. In the 2018 1st Semiannual Monitoring Report dated September 12, 2018, and correspondence dated August 20, 2020, the Respondent reported the manually operated effluent drain valve located on the discharge piping of the M Scrubber bottoms was found to be partially open on March 5, 2018 through March 23, 2018 on the M Unit Vent A-M204, (EQT 0127). An investigation was conducted and it was determined that the valve was bumped and inadvertently opened during previous maintenance activities conducted in the unit. The failure to keep all openings in a closed position at all times is a violation of Specific Requirement 10 of Title V Permit No. 3001-V7, 40 CFR 63.1433, which language has been adopted as a Louisiana regulation by LAC 33:III.5122, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). According to the 2018 1st Semiannual Monitoring Report dated September 12, 2018, the piping from the outlet of the valve directly to the chemical sewer hub was replaced with piping that included a second isolation valve and a plug. With this configuration, the Respondent reported that a repeat of this type of incident is not possible.
- F. In the 2018 1st Semiannual Monitoring Report dated September 12, 2018, and correspondence dated August 20, 2020, the Respondent reported emission exceedances of the 14.50 max lbs/hr limit for Nitrogen Oxides (NO_x) and the failure to maintain the NO_x concentration to five (5) ppmv with or without the duct burners during normal operations of 720-99 – Cogeneration Unit No. 1 (EQT 0553) on March 19, 2018, for approximately two (2) hours. Specifically, there was a communications failure between the turbine control system (Mark V) and the Distributed Control System (DCS) unit operations control system. This failure caused the turbine to be automatically placed into a lean mode, which is by design to prevent the likelihood of an unsafe condition. The lean mode operation caused an exceedance of NO_x emissions. The failure to maintain the NO_x concentration to five (5) ppmv with or without the duct burners during normal operations is a

violation of Specific Requirement 3 of Title V Permit No. 2729-V3, PSD-LA-647 (M-4), LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2). Each emission exceedance is a violation of Title V Permit No. 2729-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2). The Respondent reported the communications link was repaired and reestablished. Additionally, the Respondent has since identified the control system as obsolete and initiated a business improvement tactic to upgrade and increase reliability of the turbine control system.

- G. In the 2018 1st Semiannual Monitoring Report dated September 12, 2018, the Respondent reported the 04-71 - M-Unit Vent A-M204 (EQT 0127) operated outside of the daily average soft water temperature on September 4 and September 5, 2018, for two (2) hours. The daily average soft water temperature is monitored as a control efficiency due to the results of a performance test conducted on EQT 0127 by the facility on October 19, 2017 per Specific Requirement 18 of Title V Permit 3001-V7. EQT 0127 is applicable to 40 CFR Part 63, Subpart PPP. Under 40 CFR 63.1438(f)(1)(i), EQT 0127 daily average soft water temperature is to be kept below 55 degrees Fahrenheit. The cooling unit for the EQT 0127 soft water tripped offline and caused the temperature increase. According to the Respondent, in this instance, immediate action was not taken to stop the process as prescribed in the operating instructions and operating procedures. The failure to maintain organic reduction and control efficiency for process vents is a violation of Specific Requirement 8 of Title V Permit No. 3001-V8, 40 CFR 63.1425, which language has been adopted as a Louisiana regulation by LAC 33:III.5122, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). According to the 2018 1st Semiannual Monitoring Report dated September 12, 2018, the M Unit support staff retrained all four (4) shifts on the M Scrubber operational procedures and actions required for this type of excursion. Additionally, implementation of an operational interlock was completed August 9, 2019. The interlock will eliminate the need for human action in the event of a potential temperature excursion.
- H. According to the Respondent's unauthorized discharge notification report dated December 19, 2019, an unauthorized release (incident T-194700) of 78 lbs of EO occurred at the facility over the course of seven (7) seconds on December 17, 2019. The release exceeded the Reportable Quantity (RQ) of 10 lbs for EO. According to the aforementioned report, the release occurred from the emergency vent stack at the EO tankfarm as a result of an isolation failure during EO storage vessel emergency vent system testing activities. The EO storage vessel was routed to the atmosphere via the emergency vent stack, and the automatic valve was immediately returned to the normally closed position. The Respondent's

field personnel verified that the automatic valve was in the closed position, and that the release was stopped. The Respondent determined the incident preventable due to an automatic valve that was opened to the emergency vent stack without closing the upstream manual block valve. The improper opening of the valve to the emergency vent stack without closing the upstream valve is a violation of LAC 33:III.905.A, La. R.S. 30:2057(A)(1), and 30:2057(A)(2). According to the unauthorized discharge notification report dated December 19, 2019, procedures are currently in place for conducting the EO storage vessel emergency vent system checks, and the individuals who conduct the system checks will be retrained on these procedures to ensure that the checks are conducted in proper sequence.

- I. The Respondent failed to submit the Criteria Pollutant Emissions Certification Statement for 2019 by the May 30, 2020 deadline, in violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, and La. R.S. 30:2057(A)(2). Specifically, 2019 certification statement was postmarked June 2, 2020.
- J. The Respondent failed to submit the Toxic Air Pollutant Emissions Certification Statement for 2019 by the May 30, 2020 deadline, in violation of LAC33:III.501.C.4, LAC 33:III.5107.A, and La. R.S. 30:2057(A)(2). Specifically, 2019 certification statement was postmarked June 2, 2020.

COMPLIANCE ORDER

Based on the foregoing, the Respondent is hereby ordered:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Air Quality Regulations and all applicable Title V and PSD Permits.

II.

To submit to the Enforcement Division, within thirty (30) days of receipt of this **COMPLIANCE ORDER**, a written report that includes the ethylene oxide emissions in excess of the permitted limit (in lbs/hr and tpy) and the unpermitted carbon monoxide emissions from EQT 0127 as described in Paragraph II.D of the Findings of Fact portion of this **COMPLIANCE ORDER**.

III.

To submit to the Enforcement Division, within thirty (30) days of receipt of this **COMPLIANCE ORDER**, a written report that includes the NO_x emissions in excess of the permitted limit (in lbs.) which

occurred as a result of the event on March 19, 2018, described in Paragraph II.F of the Findings of Fact portion of this **COMPLIANCE ORDER**.

IV.

To submit to the Enforcement Division, within thirty (30) days of receipt of this **COMPLIANCE ORDER**, a written report that includes any emissions in excess of the permitted limit (in lbs.) which occurred as a result of the event described in Paragraph II.G of the Findings of Fact portion of this **COMPLIANCE ORDER**.

V.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: **Jacob Danielson**
Re: **Enforcement Tracking No. AE-CN-20-00156**
Agency Interest No. 1136

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-20-00156
Agency Interest No. 1136

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Division of Administrative Law (DAL) Procedural Rules. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in

an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Jacob Danielson at (225) 219-3703 or jacob.danielson@la.gov within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

IV.

The Department assesses civil penalties based on LAC 33:1.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY** portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may

offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

V.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.


Baton Rouge, Louisiana, this 11th day of March, 2021.



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Jacob Danielson

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION CONSOLIDATED COMPLIANCE ORDER & POST OFFICE BOX 4312 NOTICE OF POTENTIAL PENALTY BATON ROUGE, LOUISIANA 70821-4312 REQUEST TO CLOSE			
Enforcement Tracking No.	AE-CN-20-00156	Contact Name	Jacob Danielson
Agency Interest (AI) No.	1136	Contact Phone No.	(225) 219-3703
Alternate ID No.	0180-00010		
Respondent:	Shell Chemical LP	Facility Name:	Gelsmar Plant
	c/o C T Corporation System	Physical Location:	7594 Louisiana Highway 75
	Agent for Service of Process		
	3867 Plaza Tower Drive	City, State, Zip:	Gelsmar, LA 70734
	Baton Rouge, LA 70816	Parish:	Ascension
STATEMENT OF COMPLIANCE			
STATEMENT OF COMPLIANCE		Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph V of the "Order" portion of the COMPLIANCE ORDER.			
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraphs II, III & IV of the "Order" portion of the COMPLIANCE ORDER.			
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:			
SETTLEMENT OFFER (OPTIONAL)			
<i>(check the applicable option)</i>			
<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:I.Subpart 1.Chapter 7.		
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-20-00156), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.		
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-20-00156), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> • Monetary component = \$ _____ • Beneficial Environmental Project (BEP) component (optional)= \$ _____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted. 		
<input type="checkbox"/>	The Respondent has reviewed the violations noted in COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-20-00156) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.		
CERTIFICATION STATEMENT			
I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.			

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date
MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:		
Louisiana Department of Environmental Quality Office of Environmental Compliance Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Jacob Danielson		