

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

TARGA DOWNSTREAM LLC

AI # 30168

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

* Settlement Tracking No.
* SA-AE-24-0030
*
* Enforcement Tracking No.
* AE-CN-18-00956
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Targa Downstream LLC (“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 limited liability company that owns and/or operates a natural gas fractionation facility located in Sulphur, Calcasieu Parish, Louisiana (“the Facility”).

II

On April 3, 2023, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-18-00956 (Exhibit 1).

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

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 THIRTY THOUSAND AND NO/100 DOLLARS (\$30,000.00), of which One Thousand Seven Hundred Sixty-Four and 16/100 Dollars (\$1,764.16) 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).

V

Respondent further agrees that the Department may consider the inspection report(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.

VI

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.

VII

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.

VIII

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.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Calcasieu 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.

X

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. The Respondent shall provide its tax identification number when submitting payment. 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.

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in

accordance with the terms of this Settlement Agreement.

XII

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.

TARGA DOWNSTREAM LLC

JP

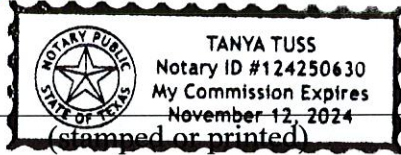
BY: Bill [Signature]
(Signature)

Bill Grantham
(Printed)

TITLE: Vice President Operations

THUS DONE AND SIGNED in duplicate original before me this 20 day of August, 20 24, at Harris County.

[Signature]
NOTARY PUBLIC (ID # 124250630)



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Aurelia S. Giacometto, Secretary

BY: [Signature]
Jerrie "Jerry" Lang, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 11th day of February, 20 25, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 51205)
DEIDRA JOHNSON
NOTARY PUBLIC
EAST BATON ROUGE PARISH
LOUISIANA
NOTARY ID NO. 51205

(stamped or printed)

Approved: [Signature]
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

APR 03 2023

CERTIFIED MAIL (7020 2450 0001 6670 2884)
RETURN RECEIPT REQUESTED

TARGA DOWNSTREAM LLC
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Drive
Baton Rouge, LA 70816

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-18-00956
AGENCY INTEREST NO. 30168**

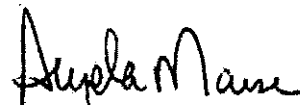
Dear Sir/Madam:

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 **TARGA DOWNSTREAM LLC (RESPONDENT)** for the violations described therein.

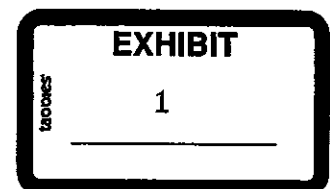
Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed Courtney Tolbert at 225-219-3347 or Courtney.Tolbert@la.gov.

Sincerely,


Angela Marse
Administrator
Enforcement Division

AM/CJT/cjt
Alt ID No. 0520-00194
Attachment



c: Targa Downstream, LLC
c/o David Smith
1399 Davison Road
Sulphur, LA 70665

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

<p>IN THE MATTER OF</p> <p>TARGA DOWNSTREAM LLC CALCASIEU PARISH ALT ID NO. 0520-00194</p> <p>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</p>	<p>* * * * * * * * *</p>	<p>ENFORCEMENT TRACKING NO.</p> <p style="text-align: center;">AE-CN-18-00956</p> <p>AGENCY INTEREST NO.</p> <p style="text-align: center;">30168</p>
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**CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **TARGA DOWNSTREAM LLC (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 Lake Charles Fractionation Facility (facility), a natural gas fractionation facility, located at 1399 Davison Road in Sulphur, Calcasieu Parish, Louisiana. The facility is defined as Program Level 3 under the Chemical Accident Prevention Provisions (CAPP) regulations due to gas fractionation. The Respondent has operated/currently operates under the following Minor Source Air Permits:

0520-00194-05	December 28, 2016	December 28, 2026	December 28, 2016 – August 9, 2018
0520-00194-06	August 10, 2018	August 10, 2028	August 10, 2018 – April 12, 2022
0520-00194-07	April 13, 2022	April 13, 2032	Currently Effective

II.

On or about April 17, 2018 through April 19, 2018, and April 30, 2018, the Department conducted a full compliance audit for the CAPP regulations set forth in LAC 33:III.5901. While the investigation is not yet complete, the following violations were noted during the course of the inspection:

- A. The Respondent failed to perform a complete initial process hazard analysis (PHA) on processes covered by 40 CFR Part 68. Specifically, the initial PHA was performed in April of 1998 and did not include an evaluation of human factors, facility siting, a qualitative evaluation of a range of possible safety and health effects of failure of controls, or a schedule of when actions are to be completed. Additionally, the PHA actions were not communicated to affected employees. This is a violation of 40 CFR 68.67(a), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2). In correspondence dated January 17, 2019, the Respondent stated that as a corrective action, the facility utilizes a Corrective & Preventative Action tool as part of its Maximo Online System to ensure all Process Safety Management/Risk Management Plan (PSM/RMP) related action items are scheduled and completed in a timely manner.
- B. The Respondent failed to establish a system to promptly address the findings and recommendation of the PHA and failed to communicate the actions to operating, maintenance and other employees who work in the process. Specifically, the Respondent conducted PHA revalidations in 2003, 2008, and 2013; however, failed to communicate the PHA actions to affected personnel for any of the PHAs reviewed. Additionally, the PHA revalidation conducted in 2008 documented four (4) action items; however, two (2) of the four (4) action items were not documented as resolved and it was unclear if they had been completed at the time of the Department's inspection. Each failure to promptly address the findings of the recommendation and communicate the actions of the PHA is a violation of 40 CFR 68.67(e), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).
- C. The Respondent failed to conduct a proper PHA to assure that the PHA is consistent with the current process, updated and revalidated by a team with expertise in engineering and process operations, and to ensure the PHA is consistent with the

current process. Specifically, the Respondent conducted PHA revalidations in 2003, 2008, and 2013; however, failed to include qualitative evaluations of a range of the possible safety and health effects of failure of controls. Additionally, the initial PHA conducted in 1998 included hazards of the process; however, the 2008 and 2013 revalidations only covered previous 2003 revalidation. The 2003 revalidation did not address hazards of the process. Each failure to conduct proper PHAs and to ensure the PHAs are consistent with current processes is a violation of 40 CFR 68.67(f), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

- D. The Respondent failed to establish and implement written procedures to maintain the on-going integrity of rotating equipment and instrumentation. Specifically, the Respondent uses a work order system to schedule mechanical integrity of rotating and instrumentation equipment, but did not have written procedures for the mechanical integrity for CM-103C, CM-103D, FQX-7801, FQX-1500, VT-2203, and VT-2403. The failure to establish and implement written procedures to maintain the ongoing integrity of process equipment is a violation 40 CFR 68.73(b), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).
- E. The Respondent failed to perform the following inspections and tests on process equipment:
 - 1. The Respondent failed to perform external visual inspections on any process piping or pressure vessel (PV-129). The American Petroleum Institute (API) 570 requires the performance of external visual inspections every five (5) years, and for the records to be maintained for the life of the equipment. At the time of the inspection, the most recent two (2) piping external visual inspection reports were requested by the Department; however, the facility did not have any records of this type of inspection for any process piping. Additionally, PV-129 had been in use since September of 1998; however, the Respondent did not have any records of external visual inspection reports for PV-129. The Department's inspection report documented most of the process piping has been in use since September 1998; therefore, the Respondent should have conducted

at least three (3) external visual inspection on process piping and PV-129, in 2003, 2008, and 2013.

2. The Respondent failed to conduct thickness monitoring on pressure vessels (PV), PV-120 and PV-129. Specifically, API 510 requires the performance of thickness monitoring inspections every ten (10) years, and for the records to be maintained for the life of the equipment. PV-120 and PV-129 had been in use since September of 1998; therefore, the Respondent should have conducted at least one (1) thickness monitoring inspection on each pressure vessel.

Each failure to perform inspections and tests on process equipment is a violation of 40 CFR 68.73(d)(1), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

- F. The Respondent failed to ensure the frequency of inspections and tests of process equipment were consistent with good engineering practices for the following pieces of equipment:

1. The Respondent failed to ensure the internal inspections on pressure vessels (PV): PV-101, PV-102, and PV-120 were conducted in a timely manner. Per API 510, internal inspections are required every ten (10) years and records be maintained for the life of the equipment. Specifically, the internal inspections on PV-101, PV-102, and PV-120 were initially conducted in February 2017, which is approximately nine (9) years after an internal inspection should have been conducted. These vessels have been operational since September 1998; therefore, at least one (1) internal inspection should have been performed on each vessel by September 2008.

2. The Respondent failed to ensure the external visual inspection on PV-120 was conducted in a timely manner. Per API 510, external visual inspections are required every five (5) years and records be maintained for the life of the equipment. Specifically, the external visual inspection PV-120 was initially conducted in February 2017. PV-120 has been operational since September 1998; therefore, at least three (3) external visual inspections should have been performed in September of 2003,

2008, and 2013. In correspondence dated January 17, 2019, the Respondent stated PV-120 was inadvertently not included on the equipment list for 5-year piping inspections due to being labeled a "process vessel", PV-120 will now be inspected during 5-year API 570 piping inspections.

3. The Respondent failed to timely conduct annual refrigeration compressor vibration switch tests on the following pieces of equipment: VT-2203, VT-2303, and VT-2403 (PM 99774). Specifically, the previous testing was conducted on January 19, 2016. Therefore, the vibration switch tests on VT-2203, VT-2303, and VT-2403 were due on January 19, 2017; however, the tests were not conducted until August 1, 2017, which is approximately seven (7) months passed the annual due date.
4. The Respondent failed to timely conduct quarterly flow computer calibrations for FQX-1500 (PM 21836). Specifically, the previous calibration was conducted on October 9, 2017. Therefore, the calibration was due on January 9, 2018; however, the calibration was not performed until March 2, 2018, which is approximately two (2) months passed the quarterly due date.
5. The Respondent failed to conduct preventative maintenance (PM) on compressor 103-C (PM 24206) in a timely manner. Specifically, compressor 103-C has been in service since August 2000 and was due for the six (6) month PM on July 31, 2016 and January 31, 2017; however, the tests were not conducted until December 5, 2016 and August 8, 2017. Additionally, the next PM was due February 2018 and was not completed at the time of the Department's inspection.

Each failure to ensure the frequency of inspections and to ensure tests on process equipment were consistent with good engineering practices is a violation of 40 CFR 68.73(d)(3), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

- G. The Respondent failed to document each inspection and test that has been performed on process equipment. The documentation shall identify the date of the inspection or

test, the name of the person who performed the inspection or test, the serial number or other identifier of the equipment on which the inspection or test was performed, a description of the inspection or test performed, and the results of the inspection or test. Specifically, the Respondent failed to document the results of compressor inspections and instrument tests/calibrations. The Respondent uses a work order system to document the date of the compressor inspections and instrument tests/calibrations and the person performing the task; however, the results are not documented. The failure to document the results of inspections or tests on instruments and rotating equipment is a violation of 40 CFR 68.73(d)(4), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

- H. The Respondent failed to correct deficiencies in equipment that are outside acceptable limits before further use or in a safe and timely manner when necessary means are taken to assure safe operation. Specifically, the Respondent did not document if equipment deficiencies noted in internal inspection reports were corrected on PV-101. The Respondent verified only three (3) out of nine (9) recommendations from an internal inspection performed on February 8, 2017, were completed. The failure to document if equipment deficiencies noted in an internal inspection were corrected is a violation of 40 CFR 68.73(e), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2). In correspondence dated January 17, 2019, the Respondent stated the deficiencies noted in 2017 internal vessel inspection were corrected prior to the vessels being closed; however, there is no documentation on the corrected deficiencies. As a corrective action, the Respondent stated the facility will document corrected deficiencies during all future internal vessel inspections.
- I. The Respondent failed to update the process safety information affected by a change. Specifically, the piping and instrumentation diagrams (P&IDs) were redlined for the following management of changes (MOCs): 2016-002, 2017-002, 2017-003, and 2017-004 and attached to the MOCs. However, the official copies that are kept in the Drawing Record Book were not updated. Additionally, MOC 2017-004 was missing from the updated process flow diagrams. At the time of the inspection, all copies of necessary redlined P&IDs were added to the Drawing Record Book. Additionally, the Respondent amended the P&ID revision process on November 18, 2018, to ensure

timely and accurate drawing updates. Each failure to update the process safety information when a change occurs is a violation of 40 CFR 68.75(d), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2). In correspondence dated January 17, 2019, the Respondent stated that on November 15, 2018, the facility revised and updated the P&ID process to ensure timely and accurate drawing updates. Additionally, the Respondent stated that as corrective action, an MOC Coordinator is now tracking MOC progress for the Lake Charles Fractionation plant as well as all of Targa's West Louisiana Assets. The MOC Coordinator ensures that MOC reviews and activities such as updates to operating procedures are in place prior to the start-up of the change documented by the MOC. Also, the MOC Coordinator reviews the progress of the open MOCs at monthly management meetings with the Area Manager and Regional ESH Supervisor.

- J. The Respondent failed to update the operating procedures affected by change. Specifically, the operating procedures were not updated in the Startup Manual for the following MOCs: 2015-001, 2016-001, 2016-002, 2017-002, 2017-003, and 2017-004. The Startup Manual is supposed to contain the most current procedures; however, MOCs 2015-001, 2017-003, and 2017-004 indicated that an operating procedure needed to be updated but did not list which procedure. Each failure to update the operating procedures that are affected by change is a violation of 40 CFR 68.75(e), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2). In correspondence dated January 17, 2019, the Respondent stated that as corrective action, an MOC Coordinator is now tracking MOC progress for the Lake Charles Fractionation plant as well as all of Targa's West Louisiana Assets. Additionally, the MOC Coordinator ensures that MOC reviews and activities such as updates to operating procedures are in place prior to the start-up of the change documented by the MOC. The MOC Coordinator reviews the progress of the open MOCs at monthly management meetings with the Area Manager and Regional ESH Supervisor.
- K. The Respondent failed perform a pre-startup safety review for new stationary sources and for modified stationary sources when the modification is significant enough to require a change in the process safety information. Specifically, the Respondent failed

to perform a pre-startup safety review (PSSR) for MOC 2016-001. This is a violation of 40 CFR 68.77(a), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2). In correspondence dated, January 17, 2019, the Respondent stated that as corrective action, an MOC Coordinator is now tracking MOC progress for the Lake Charles Fractionation plant as well as all of Targa's West Louisiana Assets. Additionally, the MOC Coordinator ensures that MOC reviews and activities such as updates to operating procedures are in place prior to the start-up of the change documented by the MOC. The MOC Coordinator reviews the progress of the open MOCs at monthly management meetings with the Area Manager and Regional ESH Supervisor.

- L. The Respondent failed to ensure safety, operating, maintenance, and emergency procedures were in place prior to startup for MOCs: 2015-001, 2017-003, and 2017-004. Specifically, the MOCs 2015-001, 2017-003, and 2017-004 indicated that an operating procedure needed to be updated but did not list which procedure. Each failure to ensure operating procedures were in place prior to startup is a violation of 40 CFR 68.77(b)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2). In correspondence dated, January 17, 2019, the Respondent stated that as corrective action, an MOC Coordinator is now tracking MOC progress for the Lake Charles Fractionation plant as well as all of Targa's West Louisiana Assets. Additionally, the MOC Coordinator ensures that MOC reviews and activities such as updates to operating procedures are in place prior to the start-up of the change documented by the MOC. The MOC Coordinator reviews the progress of the open MOCs at monthly management meetings with the Area Manager and Regional ESH Supervisor.
- M. The Respondent failed to train employees involved in the operating process before MOC 2017-002 was authorized for startup. Specifically, the training for MOC 2017-002 was conducted on June 16, 2017 through June 18, 2017; however, startup was authorized for May 16, 2017 on the PSSR. Additionally, this training was documented on the MOC acknowledgement sheet. The failure to complete training for each employee involved in an operating process prior to the introduction of regulated substances to a process is a violation of 40 CFR 68.77(b)(4), which language has been

adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2). In correspondence dated, January 17, 2019, the Respondent stated that as corrective action, an MOC Coordinator is now tracking MOC progress for the Lake Charles Fractionation plant as well as all of Targa's West Louisiana Assets. Additionally, the MOC Coordinator ensures that MOC reviews and activities such as updates to operating procedures are in place prior to the start-up of the change documented by the MOC. The MOC Coordinator reviews the progress of the open MOCs at monthly management meetings with the Area Manager and Regional ESH Supervisor.

- N. The Respondent failed to certify that they have evaluated compliance with the provisions of 40 CFR 68 Subpart D at least every three (3) years to verify that procedures and practices developed under 40 CFR 68 Subpart D are adequate and are being followed. Specifically, the Respondent failed to certify the 2015 compliance audit. This is a violation of 40 CFR 68.79(a), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2). During the Department's inspection, the Respondent certified the 2015 compliance audit.
- O. The Respondent failed to promptly determine and document an appropriate response to each of the findings of the compliance audit, and document that deficiencies have been corrected. Specifically, the Respondent failed to document that the five (5) findings from the 2012 compliance audit and one (1) finding from the 2015 compliance audit findings were corrected. Additionally, during a compliance audit conducted on August 7, 2008, the facility was cited for not correcting deficiencies found in the 2006 compliance audit. This is a violation of 40 CFR 68.79(d), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2). In correspondence dated, June 28, 2018, the facility sent documentation that a safety meeting took place discussing the audit findings and actions to prevent reoccurrence. In electronic correspondence dated July 12, 2018, the Respondent submitted documentation that all the 2012 and 2015 compliance audit findings were addressed.
- P. The Respondent failed to document that the fire prevention and protection requirements in 29 CFR 1910.252(a) have been implemented prior to beginning the hot work operations in the permit. The permit shall indicate the date(s) authorized for hot work; identify the object on which hot work is to be performed; and shall be kept on file until

completion of the hot work operations. Specifically, the following deficiencies were noted from the permits during the Department's inspection:

1. Hot Work Permit No. 0406 was missing the name of the fire watch and the name of the atmospheric tester.
2. Hot Work Permit Nos. 0294 and 0345 were missing the percent (%) lower explosive limit (LEL) and the tester's signature.
3. Hot Work Permit Nos. 0297 and 0411 did not indicate that fire extinguishers were on site during the time how work was being performed.
4. Hot Work Permit Nos. 0294, 0295, 0296, 0297, and 0406 were missing the "permit closed" signature and the date and time that the permit was closed.
5. Hot Work Permit Nos. 0296, 0297, 0406, and 0411 were not filled out for the "Work Completion" list.

Each failure to document that the fire prevention and protection is a violation of 40 CFR 68.85(b), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2).

- Q. The Respondent failed to periodically evaluate the performance of the contract owner or operator in fulfilling their obligations. Specifically, the Respondent evaluated only one (1) of three (3) contractors reviewed during the Department's inspection. The Respondent's policy requires the evaluation of the contractor's performance at the conclusion of the work or in the case of continuous service by the contractor no less than once per year. Each failure to periodically evaluate the performance of the contract owner or operator is a violation of 40 CFR 68.87(b)(5), which language has been adopted as a Louisiana regulation in LAC 33:III.5901, and La. R.S. 30:2057(A)(2). In correspondence dated June 1, 2018, the Respondent stated the facility will complete the contractor evaluation form on a more frequent basis and will include the evaluation form with the MOCs. Additionally, the Respondent evaluates all contractors before coming on-site using a program called ISNetwork.

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 CAPP requirements.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a copy of the process hazard analysis (PHA), which includes documentation demonstrating that human factors, facility-siting study, and a qualitative evaluation of a range of possible safety and health effects of failure of controls were evaluated during the initial PHA, as referenced in Paragraph II.A of the Findings of Fact portion of this **COMPLIANCE ORDER**.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a copy of documentation of how the facility addressed the findings of the recommendations and how they communicated the actions of the PHA to the operating, maintenance and other employees who work in the process, as referenced in Paragraph II.B of the Findings of Fact portion of this **COMPLIANCE ORDER**.

IV.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, written procedures for the rotating and instrumentation equipment as referenced in Paragraph II.D of the Findings of Fact portion of this **COMPLIANCE ORDER**.

V.

To conduct, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, an external visual inspection on PV-129 and thickness monitoring inspections on PV-120 and PV-129, as referenced in Findings of Fact paragraph II.E.1-2. Documentation of the external visual inspection PV-129 and thickness monitoring inspections for PV-120 and PV-129 shall be submitted to the Enforcement Division within ten (10) days of such completion.

VI.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, documentation demonstrating that the conditions established under API 510 6.5.2 were met at the time the on-stream in lieu of internals were conducted for PV-101, PV-102, and

PV-120, as well as providing the inspection records of the on-stream inspections which would have been due in 2008 (ten years from 1998) for PV-101, PV-102, and PV-120, as referenced in Paragraph II.F.1 of the Findings of Fact portion of this **COMPLIANCE ORDER**.

VII.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, the record of Compressor 103-C PM completion after the August 8, 2017 maintenance, as referenced in Paragraph II.F.5 of the Findings of Fact portion of this **COMPLIANCE ORDER**.

VIII.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, documentation that a system has been established to ensure the results of Mechanical Integrity (MI) inspections and tests for compressor inspections and instrument tests/calibrations are properly documented, as referenced in Paragraph II.G of the Findings of Fact portion of this **COMPLIANCE ORDER**.

IX.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, documentation the facility completes contractor evaluation forms at the conclusion of the contractor's work or in the case of continuous service by the contractor no less than once per year and includes the evaluation form with the MOCs, as referenced in Paragraph II.Q of the Findings of Fact portion of this **COMPLIANCE ORDER**.

X.

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: Courtney Tolbert
Re: Enforcement Tracking No. AE-CN-18-00956
Agency Interest No. 30168

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-18-00956
Agency Interest No. 30168

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 Courtney Tolbert at 225-219-3347 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 may submit the settlement offer within one hundred and eighty (180) days of receipt of this **NOTICE OF POTENTIAL PENALTY** portion but no later than ninety (90) days of achieving compliance with the **COMPLIANCE ORDER** portion. 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 3rd day of April, 2023.



Celena J. Cage
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: Courtney Tolbert

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION
 POST OFFICE BOX 4312
 BATON ROUGE, LOUISIANA 70821-4312

CONSOLIDATED COMPLIANCE ORDER &
 NOTICE OF POTENTIAL PENALTY
 REQUEST TO CLOSE



Enforcement Tracking No.	AE-CN-18-00956	Contact Name	Courtney Tolbert
Agency Interest (AI) No.	30168	Contact Phone No.	225-219-3347
Alternate ID No.	0520-00194		
Respondent:	Targa Downstream, LLC	Facility Name:	Lake Charles Fractionation
	c/o CT Corporation System	Physical Location:	1399 Davison Road
	Agent for Service of Process		
	3867 Plaza Tower Drive	City, State, Zip:	Sulphur, LA 70665
	Baton Rouge, LA 70816	Parish:	Calcasieu

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph X 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 - IX 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:		

(check the applicable option)

<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 33:1.Subpart 1.Chapter 7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-18-00956), 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"/>	<p>In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-18-00956), 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. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this NOTICE OF POTENTIAL PENALTY portion but no later than ninety (90) days of achieving compliance with the COMPLIANCE ORDER portion.</p> <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 CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-18-00956) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

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: Courtney Tolbert

WHAT IS A SETTLEMENT AGREEMENT?

Once the Department has determined that a penalty is warranted for a violation, the Assistant Secretary of the Department, with the concurrence of the Attorney General, may enter into a settlement agreement with the Respondent as a means to resolve the Department's claim for a penalty.

HOW DOES THE SETTLEMENT AGREEMENT PROCESS WORK?

To begin the settlement agreement process, the Department must receive a written settlement offer. Once this offer is submitted, it is sent for approval by the Assistant Secretary of the Office of Environmental Compliance. The formal Settlement Agreement is drafted and sent to the Attorney General's office where the Attorney General has a 90 day concurrence period. During this time, the Respondent is required to run a public notice in an official journal and/or newspaper of general circulation in each affected parish. After which, a 45 day public comment period is opened to allow the public to submit comments. Once the Department has received concurrence, the settlement agreement is signed by both parties. The Department then forwards a letter to the responsible party to establish a payment plan and/or beneficial environmental project (BEP).

WHAT SHOULD I INCLUDE IN A SETTLEMENT AGREEMENT?

The Department uses the penalty determination method defined in LAC 33:1.705 as a guideline to accepting settlement offers. The penalty matrix is used to determine a penalty range for each violation based on the two violation specific factors, the nature and gravity of the violation and the degree of risk/impact to human health and property.

NATURE AND GRAVITY OF THE VIOLATION			
	Major	Moderate	Minor
Major	\$32,500 to \$20,000	\$20,000 to \$15,000	\$15,000 to \$11,000
Moderate	\$11,000 to \$8,000	\$8,000 to \$5,000	\$5,000 to \$3,000
Minor	\$3,000 to \$1,500	\$1,500 to \$500	\$500 to \$100

Degree of Risk to Human Health or Property

Major: (actual measurable harm or substantial risk of harm) A violation of major impact to an environmental resource or a hazard characterized by high volume and/or frequent occurrence and/or high pollutant concentration.

Moderate: (potential for measurable detrimental impact) A violation of moderate impact and hazard may be one characterized by occasional occurrence and/or pollutant concentration that may be expected to have a detrimental effect under certain conditions

Minor: (no harm or risk of harm) A violation of minor impact are isolated single incidences and that cause no measurable detrimental effect or are administrative in nature.

Nature and Gravity of the Violation

Major: Violations of statutes, regulations, orders, permit limits, or permit requirements that result in negating the intent of the requirement to such an extent that little or no implementation of requirements occurred.

Moderate: Violations that result in substantially negating the intent of the requirements, but some implementation of the requirements occurred.

Minor: Violations that result in some deviation from the intent of the requirement; however, substantial implementation is demonstrated.

The range is adjusted using the following violator specific factors:

1. history of previous violations or repeated noncompliance;
2. gross revenues generated by the respondent;
3. degree of culpability, recalcitrance, defiance, or indifference to regulations or orders;
4. whether the Respondent has failed to mitigate or to make a reasonable attempt to mitigate the damages caused by the violation; and
5. whether the violation and the surrounding circumstances were immediately reported to the department, and whether the violation was concealed or there was an attempt to conceal by the Respondent.



Given the previous information, the following formula is used to obtain a penalty amount.

$$\text{Penalty Event Total} = \text{Penalty Event Minimum} + (\text{Adjustment Percentage} \times [\text{Penalty Event Maximum} - \text{Penalty Event Minimum}])$$

After this, the Department adds any monetary benefit of noncompliance to the penalty event. In the event that a monetary benefit is gained due to the delay of a cost that is ultimately paid, the Department adds the applicable judicial interest. Finally, the Department adds all response costs including, but not limited to, the cost of conducting inspections, and the staff time devoted to the preparation of reports and issuing enforcement actions.

WHAT IS A BEP?

A BEP is a project that provides for environmental mitigation which the respondent is not otherwise legally required to perform, but which the defendant/respondent agrees to undertake as a component of the settlement agreement. Project categories for BEPs include public health, pollution prevention, pollution reduction, environmental restoration and protection, assessments and audits, environmental compliance promotion, and emergency planning, preparedness and response. Other projects may be considered if the Department determines that these projects have environmental merit and is otherwise fully consistent with the intent of the BEP regulations.

WHAT HAPPENS IF MY OFFER IS REJECTED?

If an offer is rejected by the Assistant Secretary, the Legal Division will contact the responsible party, or anyone designated as an appropriate contact in the settlement offer, to discuss any discrepancies.

WHERE CAN I FIND EXAMPLES AND MORE INFORMATION?

Settlement Offers	searchable in <u>EDMS</u> using the following filters Media: Air Quality, Function: Enforcement, Description: Settlement
Settlement Agreements	<u>Enforcement Division's website</u> specific examples can be provided upon request
Penalty Determination Method	<u>LAC 33:1 Chapter 7</u>
Beneficial Environmental Projects	<u>LAC 33:1 Chapter 25</u> <u>FAQs</u>
Judicial Interest.....	<u>provided by the Louisiana State Bar Association</u>

