

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

**INDORAMA VENTURES OLEFINS LLC**

**AI # 5337**

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

\* **Settlement Tracking No.**  
\* **SA-AE-24-0071**  
\*  
\* **Enforcement Tracking No.**  
\* **AE-CN-22-00614**  
\*  
\* **Docket No. 2024-50251-DEQ**  
\*

**SETTLEMENT AGREEMENT**

The following Settlement Agreement is hereby agreed to between Indorama Ventures Olefins 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 an ethylene/propylene manufacturing facility located in Westlake, Calcasieu Parish, Louisiana (“the Facility”).

**II**

On June 7, 2023, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-22-00614 (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 THIRTY-THREE THOUSAND EIGHT HUNDRED AND NO/100 DOLLARS (\$33,800.00), of which Two Thousand Three Hundred Eighty-Three and 95/100 Dollars (\$2,383.95) 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 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.

#### 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. 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.

## 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.

INDORAMA VENTURES OLEFINS LLC

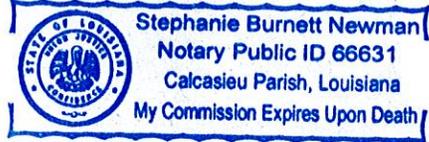
BY: David Hext  
(Signature)

David Hext  
(Printed)

TITLE: Plant Manager

THUS DONE AND SIGNED in duplicate original before me this 3 day of March, 20 25, at Sulphur LA.

[Signature]  
NOTARY PUBLIC (ID # 66631)



(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
Courtney J. Burdette, Secretary

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

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

[Signature]  
NOTARY PUBLIC (OFFICIAL SEAL)  
DETORA JOHNSON  
NOTARY ID # 81205  
STATE OF LOUISIANA  
PARISH OF EAST BATON ROUGE  
My Commission is for Life

(stamped or printed)

Approved: [Signature]  
Jerrie "Jerry" Lang, Assistant Secretary

JOHN BEL EDWARDS  
GOVERNOR



ROGER W. GINGLES  
SECRETARY

**State of Louisiana**  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

JUN 07 2023

**CERTIFIED MAIL (7019 2970 0000 6032 9708)**  
**RETURN RECEIPT REQUESTED**

**INDORAMA VENTURES OLEFINS LLC**  
c/o Corporation Service Company  
Agent for Service of Process  
501 Louisiana Avenue  
Baton Rouge, LA 70802

**RE: CONSOLIDATED COMPLIANCE ORDER  
& NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-CN-22-00614  
AGENCY INTEREST NO. 5337**

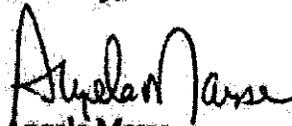
Dear Sir/Madam:

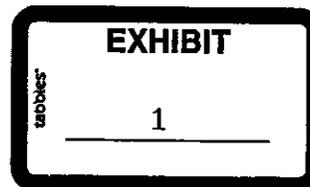
Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **INDORAMA VENTURES OLEFINS LLC (RESPONDENT)** for the violation(s) described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violation(s) 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 Katie Bowers at 225-219-3760 or [katie.bowers@la.gov](mailto:katie.bowers@la.gov).

Sincerely,

  
Angela Marse  
Administrator  
Enforcement Division



AM/KMB/kmb  
Alt ID No. 0520-00107  
Attachment

c: **Indorama Ventures Olefins LLC**  
**c/o David Hext**  
**4300 Highway 108**  
**Westlake, LA 70669**

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

<b>IN THE MATTER OF</b>	*	
	*	
<b>INDORAMA VENTURES OLEFINS LLC CALCASIEU PARISH ALT ID NO. 0520-00107</b>	*	<b>ENFORCEMENT TRACKING NO.</b>
	*	<b>AE-CN-22-00614</b>
	*	
<b>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</b>	*	<b>AGENCY INTEREST NO.</b>
	*	<b>5337</b>
	*	

**CONSOLIDATED  
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **INDORAMA VENTURES OLEFINS 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 Westlake Ethylene Plant, an ethylene/propylene manufacturing facility (the Facility), located at 4300 Highway 108 in Westlake, Calcasieu 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:

Permit ID	Issuance Date	Expiration Date
0520-00107-V6	6/27/2022	4/29/2027
0520-00107-V5	4/29/2022	4/29/2027
PSD-LA-813(M3)	4/29/2022	10/29/2023
0520-00107-V4	11/15/2018	8/3/2021*

[REDACTED]		
PSD-LA-013(M2)	11/1/2018	8/2/2019

\*administratively extended until 4/28/2022

II.

On or about July 31, 2020, February 21, 2022, May 2, 2022, and June 2, 2023, the Department conducted inspections and a subsequent file review to determine the Respondent's degree of compliance with the Act, the Air Quality Regulations, and all applicable permits. While the review is not complete, the Department noted the violations found in paragraphs III-VI of the Findings of Fact portion of this enforcement action.

III.

On July 31, 2020, a C1 Compressor tripped causing an exceedance of ethylene (9676 pounds) and propylene (5082 pounds) at the Facility. The incident was secured and the Department was notified (incident T-198042) on August 1, 2020. A representative of the Respondent called hours later to state that the calculations were reran and no exceedances occurred. As of June 2, 2023, the Department has not received a courtesy notification letter that includes new calculations showing no exceedances occurred.

IV.

The Respondent failed to meet the following notification reporting requirements:

[REDACTED]						
A.	Status Update (8/22/2021)	T-204247	Submit an update of the status of the ongoing incident investigation within 60 days as required. The seven (7)-day written report, dated 8/26/2021, stated the incident was under investigation.	10/26/2022	2/28/2022	LAC 33:1.3925
B.	Unauthorized Discharge (12/9/2021)	T-206263	Verbally report an unauthorized discharge that exceeds a reportable quantity, but that does not cause an emergency condition, within 24 hours after learning of the discharge.	12/10/2021 at 04:28 hrs	12/10/2021 at 14:38	LAC 33:1.3917.A
C.	Unauthorized Discharge (1/19/2022-1/31/2022)	T-206800	Verbally report an unauthorized discharge that exceeds a reportable quantity, but that does not cause an emergency condition, within 24 hours after learning of the discharge.	1/20/2022 at 19:56 hrs	1/20/2022 at 23:07	LAC 33:1.3917.A

D.	Unauthorized Discharge (1/29/2022)	T-206930	Verbally report an unauthorized discharge that exceeds a reportable quantity, but that does not cause an emergency condition, within 24 hours after learning of the discharge.	1/30/2022 at 20:30 hrs	1/30/2022 at 23:59	LAC 33:1.3917.A
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Each failure to meet notification reporting requirements is a violation of the associated requirement(s) listed above and La. R.S. 30:2057(A)(2).

V.

The Facility reported several unauthorized discharges to the atmosphere, via the Single Point of Contact (SPOC) online incident form, during the timeframe of December 9, 2021 through May 31, 2022. All of these incidents involved flaring events associated with the facility Flare No. 1 (Main Flare, EQT0008). On or about May 2, 2022, a file review was conducted by the Department's inspector in response to flaring incidents and citizen complaints received between December 28, 2021 and March 16, 2022. The following incidents received by the Department coincided with an unauthorized/flaring event in which Benzene and 1,3-Butadiene were released from the Main Flare (EQT0008):

A.	12/9/2021	T-206263	The fuel gas system over pressurized during regeneration process of a cooling dryer, causing all furnaces to trip on high fuel gas pressure. The shutdown of all furnaces led to the shutdown of the three (3) main compressors and emergency flaring was required to support the shutdowns. The Respondent determined the incident was preventable.	Benzene; 32 pounds 22 pounds above the reportable quantity of ten (10) pounds
B.	12/28/2021	T-206490	The supply line to pressure transmitters was plugged, gave a false reading, and caused reduced boiler steam generation, resulting in the shut down of all furnaces and compressors followed by emergency flaring. The Respondent determined the discharge was preventable. This flaring event coincided with two (2) citizen complaints (T-206486 and T-206574) and the file review revealed the permitted flare operating parameter (exit velocity) was exceeded (see exit velocity table in Findings of Fact Paragraph VI).	Benzene; 4.09 pounds
C.	1/19/2022	T-206800	An emulsion developed in the quench water system which plugged the Dox unit. This caused all furnaces and compressors to trip and resulted in emergency flaring that lasted until 1/21/22. The Respondent determined the discharge was preventable. The file review revealed the permitted flare operating parameter (exit velocity) was exceeded (see exit velocity table in Findings of Fact Paragraph VI).	1,3-Butadiene; 159 pounds 149 pounds above the reportable quantity of ten (10) pounds
D.	1/29/2022	T-206930	A flaring of process gases occurred during startup attempts after a plant trip. The Respondent determined the discharge was not preventable due to the required flaring to clear the system for startup. The file review revealed the permitted flare operating parameter (exit velocity) was exceeded (see exit velocity table in Findings of Fact Paragraph VI).	Benzene; 17.36 pounds 1,3-Butadiene; 154.9 pounds 7.36 and 144.9 pounds above the reportable quantities of ten (10) pounds each
E.	2/6/2022	T-207045	A failure of the induced draft fan damper control arm caused a furnace trip. This failure resulted in a flaring event. The Respondent determined the discharge was preventable. The file review revealed the permitted flare operating parameter (exit velocity) was exceeded (see exit velocity table in Findings of Fact Paragraph VI).	1,3-Butadiene; 35.2 pounds 25.2 pounds above the reportable quantity of ten (10) pounds
F.	3/16/2022	T-207704	A release occurred when hydrate buildup in the ethane feed system on the moisture analyzers initiated a safety instrumented function which tripped the unit and cut feed to the furnaces. The Respondent determined the discharge was preventable. The file review revealed the permitted flare operating parameter (exit velocity) was exceeded (see exit velocity table in Findings of Fact Paragraph VI).	Benzene; 0.68 pounds

G.	5/31/2022	T-208941	A release occurred while performing the shutdown portion of a scheduled plant turnaround at the Facility and flaring was required. A total of 5330 pounds of 1,3 Butadiene was sent to the flare.	1,3-Butadiene; 60.35 pounds 70.35 pounds above the reportable quantity of ten (10) pounds
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The seven (7) day written reports submitted on October 8, 2021 (T-206263), January 5, 2022 (T-206490), February 4, 2022 (T-206930), and December 15, 2021 (T-206263) state that EQT0008 has a current permitted limit for 0.000023 pounds per hour and 0.0000496 tons of Benzene. The seven (7) day written report submitted on March 21, 2022 (T-207704) states that EQT0008 is permitted for 0.001 pounds per hour of Benzene. A file review of the Title V Air Permit No. 0520-00107-V4 revealed EQT0008 has no permitted quantity for Benzene.

The seven (7) day written reports submitted on January 25, 2022 (T-206800), February 4, 2022 (T-206930), and February 11, 2022 (T-207045) state that EQT0008 has no current permitted quantity for 1,3-Butadiene under Air Permit No. 0520-00107-V4. The seven (7) day written report submitted on June 6, 2022 (T-208941) states that EQT0008 has no current permitted quantity for 1,3-Butadiene under Air Permit No. 0520-00107-V5.

The subsequent file review revealed the Respondent failed to permit the main flare (EQT0008) for Benzene and 1,3-Butadiene. The failure to permit the Main Flare (EQT0008) for Benzene and 1,3-Butadiene is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). Each unauthorized release of Benzene and 1,3-Butadiene is a failure to diligently operate and maintain air pollution control facilities in proper working whenever any emissions are being made which can be controlled by the facilities and is a violation of 40 CFR 60.11(d), which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Specific Requirement No. 371 of Title V Air Permit No. 0520-00107-V4, Specific Requirement No. 563 of Title V Air Permit No. 0520-00107-V5, LAC 33:III.905.A, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). On June 27, 2022, Air Permit No. 0520-00107-V6 was issued and added permitted limits for Benzene (0.08 pounds per hour, 0.18 tons per year) and 1,3-Butadiene (0.04 pounds per hour, 0.18 tons per year) to the Main Flare's (EQT0008) emission rates.

## VI.

In addition to the aforementioned citizen complaints, three (3) other citizen complaints were received regarding flaring at the Facility. These complaints did not coincide with unauthorized discharges

reported by the Respondent but two (2) of these complaints, Incident Nos. T-207357 and T-207515, coincided with periods of flare exit velocity exceedances. During the file review, the Respondent provided exit velocities to the Department for Flare No. 1 (EQT0008) for the period of December 28, 2021 through March 16, 2022. The file review revealed the Respondent failed to maintain an exit velocity less than 400 feet per second (ft/sec) for Flare No. 1 (EQT0008) during the following incidents:

T-206490	12/28/2021	3:00 pm 4:00 pm 5:00 pm	679.09 631.85 572.52		
T-206486	12/28/2021 - 12/29/2021	8:00 pm 9:00 pm 10:00 pm 11:00 pm 12:00 am 1:00 am	577.90 446.06 413.67 433.52 460.09 500.29		
T-206574	12/29/2021	9:00 am 10:00 am 11:00 am 12:00 pm	508.41 514.89 544.26 502.73		
T-206800	1/19/2022	8:00 pm 9:00 pm 10:00 pm	891.38 891.34 664.39		
		1/20/2022	12:00 am 1:00 am 2:00 am 4:00 am 5:00 am 6:00 am 7:00 am 8:00 am 11:00 am 12:00 pm 1:00 pm 2:00 pm 3:00 pm 4:00 pm 5:00 pm 6:00 pm 7:00 pm 8:00 pm 9:00 pm	504.53 728.68 770.16 893.39 893.58 893.78 893.63 893.65 892.91 872.53 677.81 598.61 653.72 501.90 450.51 470.91 453.30 451.63 416.31	
			1/20/2022 - 1/21/2022	11:00 pm 12:00 am 1:00 am 2:00 am 3:00 am 4:00 am 5:00 am 6:00 am 7:00 am 8:00 am 9:00 am	420.87 405.16 444.30 433.65 434.92 410.92 413.95 427.14 414.43 792.60 894.91
	1/29/2022 - 1/30/2022			11:00 pm 12:00 am 1:00 am 2:00 am 3:00 am	586.52 566.92 893.73 891.63 487.14

T-206930	1/30/2022	6:00 am 7:00 am 8:00 am 9:00 am 10:00 am 11:00 am 12:00 pm 1:00 pm 2:00 pm 3:00 pm 5:00 pm 6:00 pm	700.64 796.07 707.52 789.86 588.38 625.19 628.73 591.61 547.44 507.58 567.06 474.97
	1/31/2022	7:00 am 9:00 am 10:00 am 11:00 am 12:00 pm 1:00 pm 2:00 pm 3:00 pm 4:00 pm 5:00 pm 6:00 pm 7:00 pm 8:00 pm 9:00 pm 10:00 pm 11:00 pm	593.37 591.13 627.02 624.71 402.70 442.84 408.71 575.93 886.45 892.49 889.24 774.49 475.76 521.13 536.93 418.24
	2/1/2022	2:00 am	400.69
T-207045	2/6/2022	5:00 am 6:00 am 7:00 am 8:00 am 9:00 am 10:00 am 11:00 am 12:00 pm 1:00 pm 2:00 pm 3:00 pm 4:00 pm 5:00 pm 6:00 pm	893.65 893.61 869.37 522.20 639.34 552.96 600.46 628.55 646.82 646.94 735.39 733.13 522.69 491.60
	2/7/2022	12:00 am	425.42
T-207357	2/24/2022	10:11 am - 10:21 am 10:30 am - 10:42 am 10:54 am - 10:56 am 11:17 am - 11:28 am	532.89* 527.71* 475.70* 530.43*
T-207515	3/5/2022	3:40 pm - 3:49 pm 3:51 pm 3:53 pm - 4:03 pm 4:06 pm 4:13 pm - 4:14 pm 4:20 pm - 4:21 pm 5:16 pm - 5:18 pm 5:20 pm - 5:25 pm 5:30 pm - 5:33 pm 5:37 pm - 5:46 pm 5:49 pm - 5:53 pm 5:55 pm - 5:57 pm 6:05 pm - 6:07 pm 6:09 pm - 6:10 pm	848.99* 687.43 890.29* 872.50 692.60* 664.15* 810.50* 731.08* 787.72* 817.71* 817.11* 700.86* 692.70* 660.97*

T-207815	3/5/2022	6:22 pm	672.07
T-207704	3/16/2022	11:00 am 12:00 pm 2:00 pm	690.04 447.79 444.82

\*average velocity calculated for minutes time range

Each failure to maintain an exit velocity of less than 400 ft/sec for Flare No. 1 (EQT008) is a violation of 40 CFR 60.18(c)(4)(iii), which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Specific Requirement No. 104 of Title V Air Permit No. 0520-00107-V4, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

### 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 Act, the Air Quality Regulations, and all applicable permits.

#### II.

To submit to the Office of Environmental Compliance - Single Point of Contact (SPOC), within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report for the unauthorized discharge that occurred on July 31, 2020 (incident T-198042) that includes, but is not limited to, new calculations showing no exceedances occurred. A copy of the report shall also be sent to the Enforcement Division.

#### III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, how the higher exit velocities, as mentioned in Findings of Fact Paragraph VI, ensures the flare efficiency as required by 40 CFR 60.18(b).

#### IV.

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: **Katie Bowers**  
Re: **Enforcement Tracking No. AE-CN-22-00614**  
**Agency Interest No. 5337**

**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-22-00614**  
**Agency Interest No. 5337**

**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 Enforcement Contact Name at phone number 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.

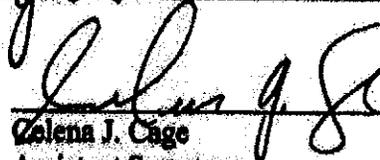
**IV.**

The Department assesses civil penalties based on LAC 33:I.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 17<sup>th</sup> day of June, 2023.

  
\_\_\_\_\_  
Zelena 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: Katie Bowers**

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312		<b>CONSOLIDATED COMPLIANCE ORDER &amp;                  NOTICE OF POTENTIAL PENALTY                  REQUEST TO CLOSE</b>		
Enforcement Tracking No.	AE-CN-22-00614	Contact Name	Katie Bowers	
Agency Interest (AI) No.	5337	Contact Phone No.	225-219-3760	
Alternate ID No.	0520-00107			
Respondent:	Indorama Ventures Olefins LLC	Facility Name:	West Lake Ethylene Plant	
	c/o Corporation Service Company	Physical Location:	4300 Highway 108	
	Agent for Service of Process			
	501 Louisiana Avenue	City, State, Zip:	Westlake, LA	
	Baton Rouge, LA 70802	Parish:	Calcasieu	
<b>STATEMENT OF COMPLIANCE</b>				
<b>STATEMENT OF COMPLIANCE</b>			<b>Date Completed</b>	<b>Copy Attached?</b>
A written report was submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph IV of the "Order" portion of the COMPLIANCE ORDER.				
All necessary information was submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph III 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 Paragraph II 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:				
<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 33:1.Subpart1.Chapter7.			
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-22-00614), 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 NOTICE OF POTENTIAL PENALTY (AE-CN-22-00614), 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. <ul style="list-style-type: none"> <li>• Monetary component = \$ _____</li> <li>• Beneficial Environmental Project (BEP) component (optional) = \$ _____</li> <li>• <b>DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM-</b> the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.</li> </ul>			
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-CN-22-00614) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.			

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

**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
DEGREE OF RISK TO HUMAN HEALTH OR PROPERTY	MAJOR	\$32,600 to \$20,000	\$20,000 to \$15,000	\$16,000 to \$11,000
	MODERATE	\$11,000 to \$8,000	\$8,000 to \$5,000	\$6,000 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:I Chapter 7</u>
Beneficial Environmental Projects .....	<u>LAC 33:I Chapter 25</u> <u>FAQs</u>
Judicial Interest.....	<u>provided by the Louisiana State Bar Association</u>

