

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

**LAKE CHARLES LNG COMPANY, LLC**

**AI # 3351**

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

**\* Settlement Tracking No.**

**\* SA-MM-22-0077**

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**\* Enforcement Tracking Nos.**

**\* MM-PP-18-00883**

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**SETTLEMENT**

The following Settlement is hereby agreed to between Lake Charles LNG Company, 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 liquefied natural gas (LNG) liquefaction import terminal located in Calcasieu Parish, Louisiana (“the Facilities”).

**II**

On March 20, 2019, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. MM-PP-18-00883 (Exhibit 1).

The following violations, although not cited in the foregoing enforcement action, are included within the scope of this settlement:

1. The Respondent failed to submit the Annual Toxic Emissions Inventory and Certification Statement for 2015 by the April 30, 2016 deadline. This is a violation of LAC 33:III.5107.A and La. R.S. 30:2057(A)(2). Specifically, the 2015 certification was

submitted October 8, 2019.

2. The Respondent failed to submit the Annual Toxic Emissions Inventory and Certification Statement for 2016 by the April 30, 2017 deadline. This is a violation of LAC 33:III.5107.A and La. R.S. 30:2057(A)(2). Specifically, the 2016 certification was submitted October 8, 2019.
3. The Respondent failed to submit the Annual Toxic Emissions Inventory and Certification Statement for 2017 by the April 30, 2018 deadline. This is a violation of LAC 33:III.5107.A and La. R.S. 30:2057(A)(2). Specifically, the 2017 certification was submitted October 8, 2019.
4. The Respondent failed to submit the Annual Toxic Emissions Inventory and Certification Statement for 2018 by the April 30, 2019 deadline. This is a violation of LAC 33:III.5107.A and La. R.S. 30:2057(A)(2). Specifically, the 2018 certification was submitted October 8, 2019.
5. The Respondent failed to submit the Title V Semiannual Monitoring and Deviation Report for the 1<sup>st</sup> half of calendar year 2015 by the September 30, 2015 deadline. The failure to submit the Title V Semiannual Monitoring and Deviation Report is a violation of Specific Requirement No. 153 of Title V Permit No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Semiannual Monitoring and Deviation Report for the 1<sup>st</sup> half of calendar year 2015 with a postmark date of October 28, 2019.
6. The Respondent failed to submit the Title V Semiannual Monitoring and Deviation Report for the 2<sup>nd</sup> half of calendar year 2015 by the March 31, 2016 deadline. The failure to submit the Title V Semiannual Monitoring and Deviation Report is a violation of Specific Requirement No. 153 of Title V Permit No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535,

and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Semiannual Monitoring and Deviation Report for the 2<sup>nd</sup> half of calendar year 2015 with a postmark date of September 25, 2019.

7. The Respondent failed to submit the Title V Annual Compliance Certification Report for calendar year 2015 by the March 31, 2016 deadline. The failure to submit a Title V Annual Compliance Certification Report is a violation of Specific Requirement No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Annual Compliance Certification Report for the calendar year 2015 with a postmark date of September 30, 2019.
8. The Respondent failed to submit the Title V Semiannual Monitoring and Deviation Report for the 1<sup>st</sup> half of calendar year 2016 by the September 30, 2016 deadline. The failure to submit the Title V Semiannual Monitoring and Deviation Report is a violation of Specific Requirement No. 153 of Title V Permit No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Semiannual Monitoring and Deviation Report for the 1<sup>st</sup> half of calendar year 2016 with a postmark date of September 26, 2019.
9. The Respondent failed to submit the Title V Semiannual Monitoring and Deviation Report for the 2<sup>nd</sup> half of calendar year 2016 by the March 31, 2017 deadline. The failure to submit the Title V Semiannual Monitoring and Deviation Report is a violation of Specific Requirement No. 153 of Title V Permit No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Semiannual Monitoring and Deviation Report for the 2<sup>nd</sup> half of calendar year 2016 with a postmark date of September 26, 2019.
10. The Respondent failed to submit the Title V Annual Compliance Certification Report for

calendar year 2016 by the March 31, 2017 deadline. The failure to submit a Title V Annual Compliance Certification Report is a violation of Specific Requirement No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Annual Compliance Certification Report for the calendar year 2016 with a postmark date of September 30, 2019.

11. The Respondent failed to submit the Title V Semiannual Monitoring and Deviation Report for the 1<sup>st</sup> half of calendar year 2017 by the September 30, 2017 deadline. The failure to submit the Title V Semiannual Monitoring and Deviation Report is a violation of Specific Requirement No. 153 of Title V Permit No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Semiannual Monitoring and Deviation Report for the 1<sup>st</sup> half of calendar year 2017 with a postmark date of September 26, 2019.

12. The Respondent failed to submit the Title V Semiannual Monitoring and Deviation Report for the 2<sup>nd</sup> half of calendar year 2017 by the March 31, 2018 deadline. The failure to submit the Title V Semiannual Monitoring and Deviation Report is a violation of Specific Requirement No. 153 of Title V Permit No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Semiannual Monitoring and Deviation Report for the 2<sup>nd</sup> half of calendar year 2017 with a postmark date of September 26, 2019.

13. The Respondent failed to submit the Title V Annual Compliance Certification Report for calendar year 2017 by the March 31, 2018 deadline. The failure to submit a Title V Annual Compliance Certification Report is a violation of Specific Requirement No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Annual Compliance Certification Report for the calendar year 2017 with a

postmark date of September 30, 2019.

14. The Respondent failed to submit the Title V Semiannual Monitoring and Deviation Report for the 1<sup>st</sup> half of calendar year 2018 by the September 30, 2018 deadline. The failure to submit the Title V Semiannual Monitoring and Deviation Report is a violation of Specific Requirement No. 153 of Title V Permit No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Semiannual Monitoring and Deviation Report for the 1<sup>st</sup> half of calendar year 2018 with a postmark date of September 26, 2019.
15. The Respondent failed to submit the Title V Semiannual Monitoring and Deviation Report for the 2<sup>nd</sup> half of calendar year 2018 by the March 31, 2019 deadline. The failure to submit the Title V Semiannual Monitoring and Deviation Report is a violation of Specific Requirement No. 153 of Title V Permit No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Semiannual Monitoring and Deviation Report for the 2<sup>nd</sup> half of calendar year 2018 with a postmark date of September 26, 2019.
16. The Respondent failed to submit the Title V Annual Compliance Certification Report for calendar year 2018 by the March 31, 2019 deadline. The failure to submit a Title V Annual Compliance Certification Report is a violation of Specific Requirement No. 3127-V0, LAC 33:III.501.C.4, LAC 33:III.535, and La. R.S. 30:2057(A)(2). The Respondent submitted the Title V Annual Compliance Certification Report for the calendar year 2018 with a postmark date of September 30, 2019.

### 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, agree to pay, and the Department agrees to accept, a payment in the amount TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00), of which Two Thousand Three Hundred Eighty-Three and 54/100 Dollars (\$2,383.54) represents the Department's enforcement costs, in settlement of the claims set forth in this 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 permit record(s), the Notice of Potential Penalty and this Settlement 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 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 agreement in any action by the Department to enforce this agreement.

#### VII

This settlement 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, 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 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 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 ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this 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 (Exhibit A).

## XI

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

in accordance with the terms of this Settlement.

## 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.



**LAKE CHARLES LNG COMPANY, LLC**

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**  
Courtney J. Burdette, 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



<b>LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY</b> <b>OFFICE OF ENVIRONMENTAL COMPLIANCE</b> <b>ENFORCEMENT DIVISION</b> <b>POST OFFICE BOX 4312</b> <b>BATON ROUGE, LOUISIANA 70821-4312</b>			
<b>NOTICE OF POTENTIAL PENALTY</b>			
<b>Enforcement Tracking No.</b>	MM-PP-18-00883	<b>Certified Mail No.</b>	7014 0510 0002 3595 4226
<b>Agency Interest (AI) No.</b>	3351	<b>Contact Name</b>	Mark Brown
<b>Alternate ID No.</b>	0520-00098	<b>Contact Phone No.</b>	225-219-3782
<b>Respondent:</b>	<b>Lake Charles LNG Company, LLC</b> c/o Corporation Service Company Agent for Service of Process 501 Louisiana Ave. Baton Rouge, LA 70802	<b>Facility Name:</b> Lake Charles LNG Receiving Terminal  <b>Physical Location:</b> 8100 Big Lake Road  <b>City, State, Zip:</b> Lake Charles, LA 70605  <b>Parish:</b> Calcasieu	
This <b>NOTICE OF POTENTIAL PENALTY</b> is issued 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 30:2050.3(B).			
<b>FINDINGS OF FACT</b>			
<i>An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.</i>			
I.	The Respondent owns and/or operates a liquefied natural gas (LNG) terminal, located at 8100 Big Lake Road, Lake Charles, Calcasieu Parish, Louisiana. The facility currently operates under Title V Permit No. 0520-00098-V8, Prevention of Significant Deterioration (PSD) Permit No. PSD-LA-97(M-2), PSD-LA-695, and Louisiana Pollutant Discharge Elimination System (LPDES) Permit No. LA0055522.		
	<b>Date of Violation</b>	<b>Description of Violation</b>	
II.	<b>File Review</b> <b>January 25, 2019</b>	The Respondent failed to submit a Name/Ownership/Operator Change Form (NOC-1) to the Department within forty-five (45) days after a company name change. The form was postmarked on September 19, 2018, and lists the effective date of change as October 16, 2014. Title V Air Permit No. 0520-00098-V8, LPDES Permit No. LA0055522, PSD-LA-685, and PSD-LA-97 (M-2) were modified to reflect the change from Trunkline LNG Company, LLC to Lake Charles LNG Company, LLC on October 24, 2018. This is a violation of LAC 33:1.1905.A, and La. R.S. 30:2057(A)(2).	
<b>NOTICE OF POTENTIAL PENALTY</b>			
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 Mark Brown at 225-219-3782 within ten (10) days of receipt of this <b>NOTICE OF POTENTIAL PENALTY</b> .		
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 in order 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 violations to the above named contact person within ten (10) days of receipt of this <b>NOTICE OF POTENTIAL PENALTY</b> . 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 this 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.	For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.		
V.	To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.		

EXHIBIT

1

**CONTACTS AND SUBMITTAL OF INFORMATION****Enforcement Division:**

Louisiana Department of Environmental Quality  
Office of Environmental Compliance  
Air Enforcement Division  
P.O. Box 4312  
Baton Rouge, LA 70821  
Attn: Mark Brown

**Physical Address (if hand delivered):**

Department of Environmental Quality  
602 N Fifth Street  
Baton Rouge, LA 70802

**HOW TO REQUEST CLOSURE OF THIS NOTICE OF POTENTIAL PENALTY**

To expedite closure of the **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein.

- The Department assesses civil penalties based on LAC 33:1.Subpart1.Chapter7.
- The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
- The settlement offer amount may be entered on the attached "NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE" 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.

If you have questions or need more information, you may contact Mark Brown at 225-219-3782 or mark.brown@la.gov.

  
Lourdes Iturralde  
Assistant Secretary  
Office of Environmental Compliance

Date:

32075

cc: Lake Charles LNG Company, LLC  
c/o Mr. Edward Laszcz  
8100 Big Lake Road  
Lake Charles, LA 70605

Attachment(s)

- Request to Settle

## LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

## OFFICE OF ENVIRONMENTAL COMPLIANCE

ENFORCEMENT DIVISION

POST OFFICE BOX 4312

BATON ROUGE, LOUISIANA 70821-4312

## NOTICE OF POTENTIAL PENALTY

## REQUEST TO SETTLE (OPTIONAL)



Enforcement Tracking No.	MM-PP-18-00883	Contact Name	Mark Brown
Agency Interest (AI) No.	3351	Contact Phone No.	225-219-3782
Alternate ID No.	0520-00098		
Respondent:	Lake Charles LNG Company, LLC	Facility Name:	Lake Charles LNG Receiving Terminal
	c/o Corporation Service Company	Physical Location:	8100 Big Lake Road
	Agent for Service of Process		
	501 Louisiana Ave.	City, State, Zip:	Lake Charles, LA 70605
	Baton Rouge, LA 70802	Parish:	Calcasieu

## SETTLEMENT OFFER (OPTIONAL)

(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.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in <b>NOTICE OF POTENTIAL PENALTY</b> (MM-PP-18-00883), 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 <b>NOTICE OF POTENTIAL PENALTY</b> (MM-PP-18-00883), 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"> <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 <b>NOTICE OF POTENTIAL PENALTY</b> (MM-PP-18-00883) 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: Mark Brown

If you have questions or need more information, you may contact Mark Brown at 225-219-3782 or mark.brown@la.gov.