UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region 6
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202 - 2733

MAY 1 9 2016

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7014 0150 0000 2453 4198

Mr. Kevin Harren
Environmental Manager
TPC Port Neches
2102 Spur 136
Port Neches, TX 77002

Re: TPC Port Neches, AOC Docket No. CAA-06-2016-3355

Dear Mr. Harren:

Enclosed is the fully executed CAA Administrative Order on Consent ("AOC"), agreed upon by the parties to the above referenced matter. You should have already received an electronic copy of the AOC. The AOC becomes final upon signature, which is indicated by the date stamp.

If you have questions please do not hesitate to contact me at (214) 665-7302 or by email at murdock.james@epa.gov.

Sincerely,

James Murdock
Assistant Regional Counsel

Enclosure

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6
DALLAS, TEXAS

In the Matter of: **TPC PORT NECHES,** **Respondent**	**ADMINISTRATIVE COMPLIANCE ORDER** **EPA Docket No. CAA 06-2016-3355**

ADMINISTRATIVE ORDER ON CONSENT

The Director of the Compliance Assurance and Enforcement Division of the United States Environmental Protection Agency, Region 6 ("EPA" or "EPA Region 6") and TPC Group LLC ("Respondent") in the above-referenced proceeding, hereby enter into this Administrative Compliance Order ("Administrative Order on Consent" or "AOC" or "Order").

I. INTRODUCTION

1. The following Findings are made and an Order issued pursuant to Section 113(a)(3) of the Clean Air Act ("CAA"), 42 U.S.C.§ 7413(a)(3), for Respondent's failure to comply with Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1), with regard to repairs, maintenance, or work order tracking of equipment at the TPC facility located in Port Neches, Texas. The parties to this Order are the EPA Region 6 and the Respondent.

2. This Order is entered into upon mutual agreement by the parties. Accordingly, Respondent consents to and agrees not to contest EPA's jurisdiction to issue this Order or enforce its terms. Further, Respondent will not contest EPA's jurisdiction to either compel compliance with this Order in any subsequent enforcement proceedings, whether administrative

or judicial, or to require Respondent's full compliance with the terms of this Order or impose sanctions for violations of this Order. Respondent consents to the terms of this Order.

3. This Order shall apply to and be binding upon Respondent, its agents, successors and assigns and upon all persons, contractors, and consultants acting under or for Respondent. No change in ownership or corporate or partnership status of Respondent will in any way alter the status of Respondent or its responsibilities under this Order.

II. STATUTORY AND REGULATORY AUTHORITY

4. Pursuant to Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1), owners and operators of stationary sources producing, processing, handling, or storing substances listed pursuant to Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3), or any other extremely hazardous substance, have a general duty to (a) identify hazards which may result from accidental releases of such substances using appropriate hazard assessment techniques; (b) design and maintain a safe facility taking such steps as are necessary to prevent releases; and (c) minimize the consequences of accidental releases that do occur. This section of the CAA is referred to as the "General Duty Clause."

5. The extremely hazardous substances identified pursuant to Section 112(r)(3) include specifically listed substances ("Regulated Substances") or "other extremely hazardous substances." Regulated substances are identified at 40 C.F.R. Part 68.130.

6. Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), authorizes EPA to issue compliance orders for violations of specific sections of the Act, including violations of Section 112(r), 42 U.S.C. § 7412(r). A copy of the order must be sent to the relevant State air pollution control agency. An order relating to a violation of Section 112 of the CAA can take effect immediately upon issuance.

7. The authority to issue orders pursuant to Section 113(a)(3) of the CAA has been delegated to EPA Region 6's Regional Administrator, and in turn to the Director of EPA Region 6's Compliance Assurance and Enforcement Division.

III. EPA REGION 6 FINDINGS

8. Respondent is a limited liability company authorized to do business in the state of Texas.

9. Respondent owns and operates a specialty chemical company which processes butadiene at its Port Neches Operations. The facility is located in Port Neches, Texas in Jefferson County.

10. The facility processes, manufacturers, stores, and otherwise uses regulated substances and other extremely hazardous and flammable substances. Part of the process involves sending water through a cooling tower. The facility uses chlorine in the cooling tower to control slime and microbial growth as a disinfectant. Chlorine cylinders are used to supply the treatment chemical via piping to the cooling tower.

11. The Respondent reported a release of chlorine to the National Response Center. The release was identified at 7:12 p.m. on October 24, 2015. The TPC Emergency Response team responded and isolated the leak at 7:26 p.m.

12. The Respondent provided information that the cause of the October 24, 2015 release was due to external corrosion on a one inch (1") chlorine line immediately adjacent to the plant cooling tower. On October 13, 2015 a work request was written that identified the area as presenting the potential for a leak. The line was not shut down or placed out of service in time to avoid a leak.

13. The Respondent reported that the chlorine line was isolated and the active chlorine cylinder was disconnected from the system.

14. The Respondent's subsequent investigation revealed the leak had occurred over a 48 hour period and had released an estimated maximum of 900 pounds of chlorine gas. The facility's air monitors did not identify a leak.

15. Pursuant to section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1), an owner/operator of a stationary source producing, processing, handling or storing substances listed pursuant to section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3), or any other extremely hazardous substance, has a general duty to: (1) identify hazards which may result from accidental releases of such substances using appropriate hazard assessment techniques; (2) design and maintain a safe facility, taking such steps as are necessary to prevent releases; and (3) minimize the consequences of accidental releases that do occur.

16. Respondent is a "person" as that term is defined by section 302(e) of the CAA, 42 U.S.C. § 7602(e).

17. The Facility is a "stationary source" as that term is defined by section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C).

18. Respondent is the "owner or operator" as those terms are defined by section 112(a)(9) of the CAA, 42 U.S.C. § 7412(a)(9), of a stationary source.

19. At the Facility, Respondent produces, processes, handles, or stores substances listed in, or pursuant to, CAA § 112(r)(3) or other extremely hazardous substances identified as such due to toxicity, reactivity, flammability, volatility, or corrosivity.

20. The Respondent is required to take measures to ensure that a safe facility is maintained, and that these measure achieve a level of quality, accuracy, and completeness in order to prevent releases.

21. Respondent failed to maintain a safe facility so as to prevent releases by not accurately tracking preventative maintenance and repairs or routine inspections.

22. Respondent's failure constitutes a violation of the general duty clause in section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).

IV. ORDER ON CONSENT

23. Accordingly, pursuant to Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), it is agreed that Respondent, which has consented to the terms of this Order, shall comply with the general duties to identify hazards, design and maintain a safe facility so as to prevent releases, and mitigate releases that do occur. Specifically, Respondent shall complete the following corrective actions identified in its internal investigation:

a. Revise the applicable cooling tower operating procedures to include verification of connections prior to placing new chlorine cylinders in service.

b. Inspect and replace any existing PVC drift eliminators in Cell A of the CT-10 Cooling Tower that exhibit deterioration or damage and provide new seals at the top and bottom of the new drift eliminators.

c. Respondent's leadership team shall conduct a site-wide meeting, implemented by a site-wide safety stand down, to address and raise plant-wide awareness of toxic chemicals which are present throughout the plant.

d. In support of visible markings of areas where hazardous chemicals are present, complete the painting of chlorine piping in orange in accordance with Respondent's Technical Specifications.

e. Increase preventative maintenance visual inspection frequency for the chlorine lines in this area from two years to one year.

f. EPA acknowledges that Respondent may have already instituted some of these recommendations.

g. The work and associated certification under paragraph 23(b) shall be completed by no later than one year after the effective date of this Order. All other work and certifications required under this Order must be completed no more than 180 days after the effective date of this Order.

24. Notifications:

a. Submissions required by this Order shall be in writing and shall be mailed to the following addresses with a copy also sent by electronic mail:

U.S. Environmental Protection Agency - Region 6
Attn: Mr. Justin McDowell (6EN-AS)
1445 Ross Avenue – Suite 1200
Dallas, Texas 75202-2733
McDowell.Justin@epa.gov

b. EPA will send all written communications to the following representative(s) for Respondent:

Mr. Kevin Harren
Environmental Manager
TPC Port Neches
2102 Spur 136
Port Neches, TX 77002

25. All documents submitted to EPA in the course of implementing this Order shall be available to the public unless identified as confidential by Respondent pursuant to 40 C.F.R. Part 2, Subpart B and determined by EPA to merit treatment as confidential business information ("CBI") in accordance with applicable law.

V. GENERAL PROVISIONS

26. The provisions of this Order shall apply to and be binding upon Respondent, its officers, directors, agents, and employees.

27. The provisions of this Order shall be transferrable to any other party, upon sale or other disposition of the corporation. Upon such action, the provisions of this Order shall then apply to and be binding upon any new owner/operator, its officers, directors, agents, employees, and any successor(s) in interest.

28. Nothing in this Order shall be construed to affect EPA's authority under Section 114 of the Act, 42 U.S.C. § 7414.

29. Nothing contained in this Order shall affect the responsibility of Respondent to comply with all applicable Federal, State, or local laws or regulations, including Section 303 of the Act, 42 U.S.C. § 7603.

30. Any and all information required to be maintained or submitted pursuant to this Order is not subject to the Paperwork Reduction Act of 1995, 44 U.S.C. §§ 3501 et seq., because it seeks to collect information from specific individuals or entities to assure compliance with this administrative action.

31. This Order is not intended to be nor shall it be construed to be a permit. Further, the parties acknowledge and agree that EPA's approval of this Order does not constitute a warranty or representation that requirements provided hereunder will meet the requirements of the General

Duty Clause. Compliance by Respondent with the terms of this Order shall not relieve Respondent of their obligations to comply with the CAA or any other applicable local, State, or federal laws and regulations.

32. EPA reserves all of its statutory and regulatory powers, authorities, rights, and remedies, both legal and equitable, which may pertain to Respondent's failure to comply with any of the requirements of this Order. This Order shall not be construed as a covenant not to sue, release, waiver, or limitation of any rights, remedies, powers, and/or authorities, civil or criminal, which EPA has under any statutory, regulatory, or common law authority of the United States.

33. This Order does not resolve any civil or criminal claims of the United States for the violations alleged in this Order; nor does it limit the rights of the United States to obtain penalties or injunctive relief under the CAA or other applicable federal law or regulations.

34. Respondent neither admits nor denies any of the factual or legal determinations made by the EPA in this Order. Respondent waives its right to contest EPA's jurisdiction to issue or enforce this Order. Respondent waives its right to contest the terms of this Order. Respondent has entered into this Order in good faith without trial or adjudication of any issue of fact or law. Respondent consents to the terms of this Order.

35. Respondent waives any right to judicial review of this Order.

36. The parties shall bear their own costs and fees in this action, including attorney's fees.

VI. FAILURE TO COMPLY

37. Failure to comply with this Order may result in an enforcement action for appropriate injunctive relief and penalties pursuant to Section 113(b) of the Act, 42 U.S.C. § 7413(b) or, in appropriate cases, criminal penalties.

VII. ENFORCEMENT

38. This Order does not in any way impair EPA's rights to enforce the Clean Air Act.

39. Be advised that issuance of this Order does not preclude EPA from electing to pursue any other remedies or sanctions authorized by law in this or any other matter.

VIII. EFFECTIVE DATE

40. This Order shall become effective upon the date of signature by EPA.

For TPC Group LLC

IT IS SO AGREED:

5/6/16
Date

Signature

GAYLON WILLIAMS
Printed Name

PNO PLANT MANAGER
Title

2102 SPUR 136, PORT NECHES TX 77651
Address

For United States Environmental Protection Agency, Region 6:

IT IS SO ORDERED:

5·19·16
Date

John Blevins
Director
Compliance Assurance and
Enforcement Division

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing Administrative Compliance Order was placed in the United States mail to the following by the method indicated:

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: #7014 0150 0000 2453 4198

Mr. Kevin Harren
Environmental Manager
TPC Port Neches
2102 Spur 136
Port Neches, TX 77002

MAY 19 2016
Date

Lori Jackson
U.S. EPA, Region 6
Dallas, Texas