

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

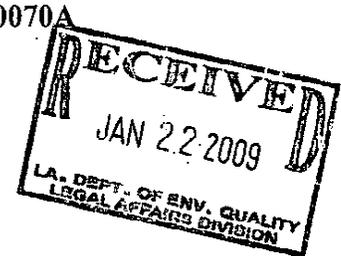
WILLIAMS OLEFINS, L.L.C.

AI # 5565

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

* Settlement Tracking No.
* SA-AE-08-0028

* Enforcement Tracking No.
* AE-PP-07-0070
* AE-PP-07-0070A



SETTLEMENT

The following Settlement is hereby agreed to between Williams Olefins, L.L.C. ("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 production facility located at 5205 Louisiana Highway 3115 in Geismar, Ascension Parish, Louisiana ("the Facility").

II

On September 25, 2007, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-07-0070, which was based upon the following findings of fact:

On or about August 1, 2007, a file review of the Geismar Olefin Plant, owned and/or operated by Williams Olefins, L.L.C. (Respondent), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at 5205 Louisiana Highway 3115 in Geismar, Ascension Parish, Louisiana.

This facility operates under Permit No. 0180-00029-V7 which was issued on January 11, 2006, and administratively amended on May 11, 2006.

The following violations were noted during the course of the file review:

- A. According to a report to the Department dated March 1, 2007, in accordance with General Condition XI of Permit No. 00180-00029-V7 and LAC 33:I.3925, the Respondent stated that at approximately 1:00 am on February 18, 2007, a release of Propylene (CAS No. 115-07-1) occurred at the Respondent's facility. The report stated that the release occurred when an operator opened/misaligned a manual block valve on a process decanter. The report stated that the estimated quantity of release over the approximately six-minute duration was 2,600 pounds of Propylene lost to the air. The Reportable Quantity for Propylene is 100 pounds. In the letter to the Department dated March 1, 2007, the Respondent stated that the release was due to operator error and was preventable. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined in LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of LAC 33:III.501.C.4, and La. R. S. 30:2057(A)(1) and La R.S. 30:2057(A)(2) of the Act.
- B. According to a report to the Department dated April 13, 2007, in accordance with General Condition XI of Permit No. 0180-00029-V7 and LAC 33:I.3925, the Respondent stated that at about 6:05 am on April 6, 2007, a release of approximately 47,810 lbs of Ethylene (CAS No. 74-85-1), 514 lbs of Propylene (CAS No. 115-07-1) and 12 lbs of 1,3 Butadiene (CAS No. 106-99-0) occurred at the Respondent's facility. The Reportable Quantity for Ethylene is 100 lbs, Propylene 100 lbs, and 1,3 butadiene 10 lbs. The operator isolated the process flow from the deethanizer tower resulting in the actuation of the relief valve releasing process flow material into the air. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and La R.S. 30:2057(A)(2) of the Act.

On December 14, 2007, the Department issued to the Respondent an Amended Notice of Potential Penalty, Enforcement No. AE-PP-07-0070A, amending the Notice of Potential Penalty, Enforcement No. AE-PP-07-0070, as follows:

The Department hereby amends paragraph A of the Notice of Potential Penalty to read as follows:

“A.

According to a report to the Department dated February 23, 2007, in accordance with General Condition XI of permit No. 0180-00029-V7 and LAC 33:I.3925, the Respondent stated that at approximately 1:00 am on February 18, 2007, a release of propylene (CAS No. 115-07-1) occurred at the Respondent’s facility. The report stated that the EF based D and E level indicating devices, indicated a level alarm; however, the control valve remained open because the primary level controller continued to indicate low storage levels. Furthermore, the report indicated that the DP level controller device was not reading accurate storage levels due to the loss of steam tracing. The report stated that the estimated quantity of the release over the approximately six-minute duration was 2,600 pounds of Propylene lost to the air. The Reportable Quantity (RQ) for Propylene is 100 pounds. This is a violation of LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2). Also, this is a violation of LAC 33:III.905 which states ““When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded.” Control equipment as defined by LAC 33:III.111 is “any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution.””

The Department hereby adds paragraphs C and D, as discussed in the enforcement meeting on or about October 8, 2007, to the Notice of potential Penalty as follows:

C. According to the Semi-Annual part 70 Compliance Certification received by the Department on or about October 1, 2007, deviations were reported in excess of the permitted limits. More specifically, the Respondent notified the Department of an unauthorized discharge of Benzene from the biological treatment unit (Source ID 99). According to the release report to the Department dated February 8, 2007, in accordance with General Condition XI of Permit No. 0180-00029-V7 and LAC 33:I.3925, the Respondent stated that

on February 1, 2007, a release of an estimated 58 pounds of Benzene (CAS No. 71-43-2) occurred at the Respondent's facility. The RQ for Benzene is 10 pounds. This is a violation of LAC 33:III.501.C.4, and La R.S. 30:2057(A)(1) and La R.S. 30:2057(A)(2).

- D. According to the Semi-Annual Part 70 Compliance Certification received by the Department on or about October 1, 2007, deviations were reported in excess of the permitted limits. More specifically, the Respondent notified the Department of an unauthorized discharge of Benzene from the biological treatment unit (Source ID 99). According to the release report to the Department dated April 11, 2007, in accordance with General Condition XI of Permit No. 0180-00029-V7 and LAC 33:I.3925, the Respondent stated that on April 4, 2007, a release of an estimated 36 pounds of Benzene (CAS No. 71-43-2) occurred at the Respondent's facility. The RQ for Benzene is 10 pounds. This is a violation of LAC 33:III.501.C.4, and La R.S. 30:2057(A)(1) and La R.S. 30:2057(A)(2).

The Department hereby adds the following events to the Settlement Agreement as discussed in the enforcement meeting on or about October 8, 2007, at an inspection on or about November 28-29, 2007 and/or in correspondence from Respondent, dated January 29, 2008:

- A. According to a release notification report dated July 23, 2007, the Geismar facility experienced an operational upset on July 16, 2007 during which the wastewater stream stripper experienced intermittent abnormal operating conditions, including a slight decrease in temperature and slight increase in operating pressure. According to the release report to the Department dated July 23, 2007, an estimated release of 86 pounds of Benzene occurred at the Respondent's facility. The RQ for Benzene is 10 pounds. This is a violation of LAC 33:III.501.C.4, and La R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. During the course of an inspection on about November 28-29, 2007, inspectors observed a sample being taken from the Steam Stripper. The sample was taken inappropriately. After purging, the sample flow shall be directed to a sample container. The tip of the sampling tube shall be kept below the surface of the waste during the sampling to minimize the contact with the atmosphere. The tip was not kept below the surface. This is a violation of 40 CFR 61.355(c)(3)(ii)(e), which language has been adopted in LAC 33:III.5116. This is also a violation of Title V Permit No. 0180-00029-V7, LAC 33:III.501.C.4, and La R.S. 30:2057(A)(2).

The Department incorporates all of the remainder of the original Notice of Potential Penalty, Enforcement Tracking No. AE-PP-07-0070, and Agency Interest No. 5565, as if reiterated herein.

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 FOUR THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$4,500.00) of which Eight Hundred Sixteen and 57/100 Dollars (\$816.57) 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 the inspection report(s), the Notice of Potential Penalty, the Amended 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 LSA- R. S. 30:2025(E) of the Act.

VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Ascension Parish, Louisiana. The advertisement, in form, wording, and size 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 a proof-of-publication affidavit 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.

IX

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).

X

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

XI

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.

WILLIAMS OLEFINS, L.L.C.

BY: Larry Bayer
(Signature)

Larry G. Bayer
(Print)

TITLE: Director, Gulf Olefins Operations

THIS DONE AND SIGNED in duplicate original before me this 7th day of January, 20 09, at GEISMAR, LOUISIANA.

Betty Jo McClelland
NOTARY PUBLIC (ID # 680)

Betty Jo McClelland, Notary Public No. 680
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Harold Leggett, Ph.D., Secretary

BY: Peggy M. Hatch

Peggy M. Hatch, Assistant Secretary
Office of Environmental Compliance

THIS DONE AND SIGNED in duplicate original before me this 26th day of March, 20 09, at Baton Rouge, Louisiana.

Perry Theriot
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(Print)

Approved: Peggy M. Hatch
Peggy M. Hatch, Assistant Secretary