

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

**SABINE PASS LNG, LP
SABINE PASS LIQUEFACTION, LLC**

AI # 119267

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

* **Settlement Tracking No.**

* **SA-MM-23-0050**

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* **Enforcement Tracking Nos.**

* **AE-CN-16-00183**

* **HE-PP-18-00312**

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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Sabine Pass LNG, LP and Sabine Pass Liquefaction, LLC (“Respondents”) 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

Respondents are a partnership and limited liability company that own and/or operate a facility located in Cameron, Cameron Parish, Louisiana (“the Facility”).

II

On April 6, 2016, the Department issued to Respondents a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-16-00183 (Exhibit 1).

On September 5, 2018, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. HE-PP-18-00312 (Exhibit 2).

In addition to the violations cited in the Consolidated Compliance Order and Notice of

Potential Penalty, Enforcement Tracking No. AE-CN-16-00183 and Notice of Potential Penalty, Enforcement Tracking No. HE-PP-18-00312, this settlement also resolves deviations reported in the following reports: 1) 2015 Title V Second Half Semiannual Monitoring Report (dated March 29, 2016), 2) 2016 Title V First Half Semiannual Monitoring Report (dated September 28, 2016), 3) 2016 Title V Second Half Semiannual Monitoring Report (dated March 28, 2017), 4) 2017 Title V First Half Semiannual Monitoring Report (dated September 27, 2017), 5) 2017 Title V Second Half Semiannual Monitoring Report (dated March 21, 2018), 6) 2018 Title V First Half Semiannual Monitoring Report (dated September 13, 2018), 7) 2018 Title V Second Half Semiannual Monitoring Report (dated March 18, 2019), and 8) 2019 Title V First Half Semiannual Monitoring Report (dated September 23, 2019).

III

Respondents deny they committed any violations or that they are liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondents, 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 of TWO HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$225,000.00), of which Nineteen Thousand Six Hundred Forty-Five and 60/100 Dollars (\$19,645.60) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement Agreement. The total amount of money expended by Respondents 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

Respondents further agree that the Department may consider the inspection report(s), permit record(s), the Consolidated Compliance Order & Notice of Potential Penalty, 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 Respondents, and in any such action Respondents shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondents' 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 Respondents hereby waive 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 Respondents have caused a public notice advertisement to be placed in the official journal of the parish governing authority in Cameron 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. Respondents have 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 ten (10) 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. 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.

SABINE PASS LNG, LP
SABINE PASS LIQUEFACTION, LLC

BY: Steph D Dugot
(Signature)

Stephen D Dugot
(Printed)

TITLE: VP and General Manager

THUS DONE AND SIGNED in duplicate original before me this 11th day of January, 20 24, at Cameron Louisiana

Connie A Trahan
NOTARY PUBLIC (ID # 5647)

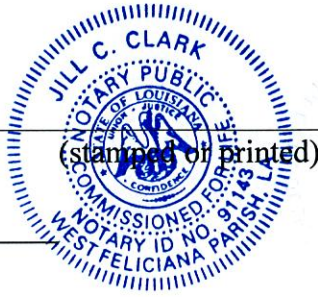
CONNIE A. Trahan
(stamped or printed)

LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY

BY: Aurelia S. Eiacometto
Aurelia S. Eiacometto, Secretary

THUS DONE AND SIGNED in duplicate original before me this 6th day of March, 20 24, at Baton Rouge, Louisiana.

Jill C. Clark
NOTARY PUBLIC (ID # 91143)



Approved: Celena J. Cage
Celena J. Cage, Assistant Secretary

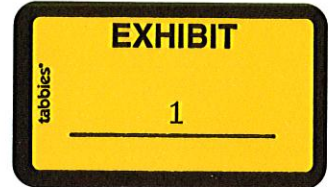


JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

April 6, 2016



CERTIFIED MAIL (7012 3460 0001 0423 4168)
RETURN RECEIPT REQUESTED

**SABINE PASS LNG, LP,
SABINE PASS LIQUEFACTION, LLC and
SABINE PASS LIQUEFACTION EXPANSION, LLC**
c/o Corporation Service Company
Agent for Service of Process
501 Louisiana Avenue
Baton Rouge, Louisiana 70802

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-16-00183
AGENCY INTEREST NO. 119267**

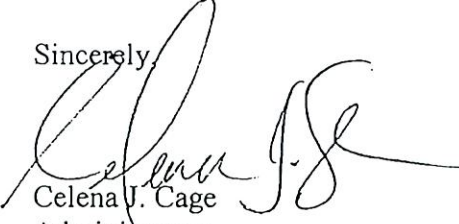
Dear Sir/Madam:

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 **SABINE PASS LNG, LP, SABINE PASS LIQUEFACTION, LLC AND SABINE PASS LIQUEFACTION EXPANSION, 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 Afton J. Bessix at (225) 219-3760 or via email at Afton.Bessix@la.gov.

Sincerely,


Celena J. Cage
Administrator
Enforcement Division

CJC/AJB/ajb
Alt ID No. 0560-00214-V5
Attachment

c: Sabine Pass LNG, LP,
Sabine Pass Liquefaction, LLC and
Sabine Pass Liquefaction Expansion, LLC
Attn: Catherine Rourke
700 Milam Street, Suite 1900
Houston, TX 77002

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

<p>IN THE MATTER OF</p> <p>SABINE PASS LNG, LP, SABINE PASS LIQUEFACTION, LLC and SABINE PASS LIQUEFACTION EXPANSION, LLC CAMERON PARISH</p> <p>ALT ID NO. 0560-00214-V5</p> <p>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</p>	<p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p>	<p>ENFORCEMENT TRACKING NO.</p> <p>AE-CN-16-00183</p> <p>AGENCY INTEREST NO.</p> <p>119267</p>
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CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **SABINE PASS LNG, LP, SABINE PASS LIQUEFACTION, LLC AND SABINE PASS LIQUEFACTION EXPANSION, 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 Sabine Pass LNG Terminal (the facility) located at 9243 Gulf Beach Highway in Cameron, Cameron Parish, Louisiana. The facility is permitted to import, store and vaporize liquefied natural gas (LNG) for the U.S. natural gas markets, using submerged combustion vaporizers. The facility operates or has operated under the authority of the following Title V Air Permits and Prevention of Significant Deterioration (PSD) Permits:

PERMIT	ISSUE DATE	PERMIT EXPIRATION DATE
PSD-LA-703(M3)	December 6, 2011	March 21, 2013
PSD-LA-703(M4)	March 22, 2013	June 2, 2015

PERMIT	ISSUE DATE	PERMIT EXPIRATION DATE
PSD-LA-703(M5)	June 3, 2015	June 3, 2025
0560-00214-V2	May 20, 2009	December 5, 2011
0560-00214-V3	December 6, 2011	March 21, 2013
0560-00214-V4	March 22, 2013	June 2, 2015
0560-00214-V5	June 3, 2015	June 3, 2020

II.

The Department issued temporary variances on March 10, 2015 and October 29, 2015. These variances were for the flaring of natural gas during the commissioning activities of the Natural Gas Liquefaction Train 1. A temporary variance was also issued on October 13, 2015, to authorize condensate loading to trucks due to delays in pipeline commissioning. In addition, a temporary variance was issued on February 26, 2016, to authorize the use of natural gas and small quantities of refrigerants and flaring gases during commissioning activities of Natural Gas Liquefaction Train 2.

III.

On or about February 25, 2016, a file review of the Respondent's facility was conducted to determine the degree of compliance with the Act and the Air Quality Regulations and all applicable permits for the time period of January 1, 2012 through March 25, 2016. On January 22, 2016, the Respondent met with the Department to discuss on-going commissioning activities in regards to Natural Gas Liquefaction Train 1 at the facility, which commenced in October 2015. During the course of the meeting, deviation reports submitted by the Respondent dated December 28, 2015 and January 15, 2016, and a release notification report, dated January 21, 2016, were discussed. A follow-up meeting was conducted at the Department on February 24, 2016. While the review is not complete, the Department noted the violations found in Paragraphs IV and V of the Findings of Fact portion of this enforcement action.

IV.

- A. According to the 2012 1st Title V Semiannual Monitoring Report dated September 17, 2012, Firewater Pump Diesel Engine No. 3 (EQT 0026, CRG 003) ran for 0.1 hour to complete the weekly maintenance on March 7, 2012. Also, on March 11, 2012, operations ran for an additional 1.1 hours to circulate the water in the firewater pond in an effort to stabilize the pH. The pump ran a total of 1.2 hours, which exceeds the one (1) hour/week permit limit. Failure to operate the firewater pump, for maintenance purposes, one (1) hour or less per calendar week is a violation of Specific Requirement

No. 22 of Title V Permit No. 0560-00214-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

- B. According to the 2012 Title V Annual Compliance Certification Report and the 2nd 2012 Title V Semiannual Monitoring Report dated March 26, 2013, Firewater Pump Diesel Engine No. 2 (EQT 0025, CRG 003) ran over the weekly limit due to a block valve failure on the firewater booster pumps on August 1, 2012. The pump ran for a total of 2.2 hours, which exceeds the one (1) hour/week permit limit. Failure to operate the firewater pump, for maintenance purposes, one (1) hour or less per calendar week is a violation of Specific Requirement No. 22 of Title V Permit No. 0560-00214-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).
- C. According to the 2012 Title V Annual Compliance Certification Report and the 2nd 2012 Title V Semiannual Report dated March 26, 2013, Firewater Pump Diesel Engine No. 1 (EQT 0024, CRG 003) ran over the weekly limit due to a block valve failure on the firewater booster pumps on August 1, 2012. The pump ran for a total of 2.4 hours, which exceeds the one (1) hour/week permit limit. Failure to operate the firewater pump, for maintenance purposes, one (1) hour or less per calendar week is a violation of Specific Requirement No. 22 of Title V Permit No. 0560-00214-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).
- D. According to the 2013 Title V Annual Compliance Certification Report dated February 28, 2014, and the 1st 2013 Semiannual Monitoring Report dated September 10, 2013, the Environmental Compliance Department performed an internal audit onsite on May 22, 2013, and identified that the gasoline fuel tank (EQT 0042) did not have a submerged fill pipe installed. Immediately following the audit, a work order was issued and on August 13, 2013, the submerged fill pipe was installed on the gasoline tank. Failure to equip the gasoline tank with a submerged fill pipe is a violation of Specific Requirement No. 110 of Title V Permit 0560-00214-V4, LAC 33:III.2103.A, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).
- E. According to correspondence submitted to the Department dated December 28, 2015, March 4, 2016, and March 25, 2016, the first liquefaction Train 1 utilizes six (6) refrigeration compressor turbines (RCTs). The Respondent's contractor operated some RCTs at various load conditions without the use of water injection, which likely exceeded the permitted NO_x emissions limit for the turbines. The Respondent reported the following RCT runs without water injection:

EMISSION POINT	INCIDENT DATE (duration)
EQT 0052 RCT No. 1	1/6/2016 – 1/13/2016
EQT 0054 & EQT 0055 RCT No. 3	12/6/2015 – 12/27/2015 2/4/2016 – 2/10/2016
EQT 0056 & EQT 0057 RCT No.4	12/5-11, 13-19, 21-23, 25-26, 29/2015 1/8/2016 – 1/15/2016
EQT 0058 RCT No. 5	12/17/2015 12/26/2015 – 12/28/2015
EQT 0059 RCT No. 6	12/18, 21, 23-26/2015 1/5/2016 – 1/12/2016

Failure to use water injection to limit NOx emissions and maintain good combustion practices is a violation of Specific Requirement No. 51 of Title V Permit No. 0560-00214-V5, PSD Permit No. PSD-LA-703(M5), LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- F. According to correspondence dated January 15, 2016, March 4, 2016, March 15, 2016 and March 25, 2016, the Respondent reported the following opacity exceedances and lack of a flame when vent gas was routed to the flare:

EMISSION POINT	INCIDENT DATE (duration)	DESCRIPTION	REGULATORY or PERMIT REQUIREMENTS
EQT 0048	10/29/2015 – 11/4/2015	Opacity exceedance	SR No. 137 of Title V Permit No. 0560-00214-V5
	12/9/2015 – 2/6/2016	Opacity exceedance	SR No. 137 Title V Permit No. 0560-00214-V5
	1/1/2016 – 1/ 6/2016	Maintain presence of a flame when vent gas is routed	SR No. 144 Title V Permit No. 0560-00214-V5
EQT 0050	12/24/2015 – 1/19/2016	Opacity exceedance	SR No. 137 Title V Permit No. 0560-00214-V5
	1/1/2016 – 1/19/2016	Maintain presence of a flame when vent gas is routed	SR No. 144 Title V Permit No. 0560-00214-V5
	2/7/2016 – 2/15/2016	Opacity exceedance	SR No. 137 Title V Permit No. 0560-00214-V5
	2/7/2015 – 2/15/2016	Maintain presence of a flame when vent gas is routed	SR No. 144 Title V Permit No. 0560-00214-V5
	3/6/2016 – 3/14/2016	Opacity exceedance	SR No. 137 Title V Permit No. 0560-00214-V5
	3/15/2016 – 3/22/2016	Opacity exceedance	SR No. 137 Title V Permit No. 0560-00214-V5

Each event is a violation of Specific Requirement Nos. 137 or 144 of Title V Permit No. 0560-00214-V5, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

G. According to correspondence dated March 25, 2016, the Respondent failed to monitor the steam to fuel ratio in the RCTs as required. The Respondent reported the following periods where water injection was not monitored:

EMISSION POINT	INCIDENT DATE (duration)
EQT 0052 RCT No. 1	11/21/2015
EQT 0053 RCT No. 2	11/22, 28/2015
EQT 0054 & EQT 0055 RCT No. 3	11/3, 6, 8/2015 12/2-4, 6-7/2015
EQT 0056 & EQT 0057 RCT No.4	11/4-5/2015 12/3, 5-7/2015
EQT 0059 RCT No. 6	11/8/2015 12/2/2015

Failure to monitor the steam to fuel ratio being fired in the turbines when burning a fuel that requires steam or water injection is a violation of Specific Requirement No. 38 of Title V Permit No. 0560-00214-V5, PSD Permit No. PSD-LA-703(M5), LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

H. According to an Unauthorized Discharge Notification Report, T 168821, submitted to the Department dated February 25, 2016, the Respondent reported 0.01 lb/hr of lead was released from the Dry Flare 1 (EQT 0050) during a flaring event. The release of an unpermitted pollutant 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).

V.

The Respondent reported the following emission exceedances:

	REPORT (date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (duration)	POLLUTANTS RELEASED (permit limit)	QUANTITY REPORTED (lb/hr)	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
A.	Unauthorized Discharge Notification T 168258 (1/21/2016)	0560-00214-V5	EQT 0050	1/13/2016	NOx (92.45 lb/hr)	1.778 (above permit limit)	Ethylene routed to Dry Flare (EQT 0050) to depressurize the system for malfunctioning instrumentation repair.	LAC 33:III.501.C.4
				1/14/2016 (24 hrs.)	CO (792.71 lb/hr)	15.245 (above permit limit)		
					VOC (41.56 lb/hr)	13.596 (above permit limit)		
B.	Unauthorized Discharge Notification Report T 168971 (2/27/2016)	0560-00214-V5	EQT 0048 Wet Gas Flare No.1	2/26/16	PM ₁₀ (<0.1 lb/hr)	2.94	Planned shut down for routine maintenance. Propane was routed to the Wet and Dry Flares for combustion. The flaring commenced	LAC 33:III.501.C.4
					PM _{2.5} (<0.1 lb/hr)	2.94		
				2/27/16	PM ₁₀ (<0.1 lb/hr)	2.77		

REPORT (date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (duration)	POLLUTANTS RELEASED (permit limit)	QUANTITY REPORTED (lb/hr)	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS	
				PM _{2.5} (<0.1 lb/hr)	2.77	Feb. 26, 2016 at 1:24 a.m. and occurred intermittently through Mar. 1, 2016.		
			2/28/16	PM ₁₀ (<0.1 lb/hr)	0.88			
				PM _{2.5} (<0.1 lb/hr)	0.88			
			2/29/16	PM ₁₀ (<0.1 lb/hr)	0.50			
				PM _{2.5} (<0.1 lb/hr)	0.50			
			3/1/16	PM ₁₀ (<0.1 lb/hr)	0.34			
				PM _{2.5} (<0.1 lb/hr)	0.34			
C.	Unauthorized Discharge Notification T 169304 (3/14/2016)	0560-00214-V5	EQT 0047	3/14/2016 (1 hr. 16 min.)	NOx (32.3 lb/hr) CO (123.06 lb/hr)	109.118 935.587	LNG tank vented to the Marine Flare (EQT 0047) to control tank pressures, as a result of a BOG compressor tripping.	LAC 33:III.501.C.4

Each emission exceedance is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La R.S. 30:2057(A)(2).

VI.

On or about February 24, 2016, the Respondent requested approval of a schedule of compliance from the Department regarding visible emissions and excess opacity events and/or flaring during planned operations.

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 Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report identifying for each incident whether the opacity was

greater than 20% and/or the maximum pounds per hour for the emission point was exceeded for the deviations reported in Paragraph IV.F of the **FINDINGS OF FACT** portion of this action. Also, provide details of the circumstances and events leading to the exceedance.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes the below requested information.

	REPORT (date)	PERMIT NUMBER	INCIDENT DATE (duration)	POLLUTANTS RELEASED	QUANTITY REPORTED (lbs)	REPORTED CAUSE	REQUESTED INFORMATION
A.	Unauthorized Discharge Notification T 134141 (9/16/2011)	0560-00214-V2	9/13/2011 (36 min.)	Methane	3,000	During routine maintenance, valve opened under pressure.	Was the root cause preventable?
B.	Unauthorized Discharge Notification T 141053 (7/5/2012)	0560-00214-V3	7/5/2012 (25 min.)	Methane	5	During unloading of carrier, swivel joint gasket developed a leak.	Was the root cause preventable?
C.	Unauthorized Discharge Notification Report T 168821 (2/25/2016)	0560-00214-V5	2/18/2016 (60 min.)	PM ₁₀ , PM _{2.5} , SO ₂ , NO _x , CO, Pb	---	Emergency shutdown caused by BOG Compressor E motor failure and possible improper electrical relay setting that allowed the electrical sync bus that feeds the Liquefaction Train 1 equipment to trip.	Part VIII of Unauthorized Discharge Report stated cause of the electrical outage is currently under investigation. What were the findings of this investigation? Was the root cause preventable?
D.	Unauthorized Discharge Notification T 169304 (3/14/2016)	0560-00214-V5	3/14/2016 (1 hr. 16 min.)	Methane	87,091	LNG tank vented to the Marine Flare (EQT 0047) to control tank pressures, as a result of a BOG compressor tripping.	What caused the BOG compressor to trip?

IV.

To immediately upon receipt of this **COMPLIANCE ORDER**, implement and comply with the below measures until the projects described in Paragraph V of this **COMPLIANCE ORDER** are fully implemented. These measures shall be taken to address visible emissions and excess opacity events and/or flaring during planned operations as described in Paragraph IV.F of the **FINDINGS OF FACT** portion of this action.

- A. The Respondent shall introduce nitrogen or other inert gas into the flare system as determined on a case-by-case basis in order to reduce opacity and visible emissions from Wet Gas Flare Nos. 1 and 2 (EQT 0048 and EQT 0049), Dry Gas Flare Nos. 1 and 2 (EQT 0050 and EQT 0051) and

Marine Flare No. 1 (EQT 0047);

- B. The Respondent shall maintain a nitrogen sweep in the flare system as determined on a case-by-case basis using the existing nitrogen generation systems, supplemented by additional sources of nitrogen, if necessary;
- C. The Respondent shall reduce the flowrate of propane, ethylene, or other similar hydrocarbons routed to the flare system during planned depressurization events to comply with terms and conditions of the permit.

V.

The Respondent shall comply with the following schedule:

- A. Within 18 months of receipt of this **COMPLIANCE ORDER**, the Respondent shall install air assist and/or other upgrades to Wet Gas Flare Nos. 1 and 2 (EQT 0048 and EQT 0049), Dry Gas Flare Nos. 1 and 2 (EQT 0050 and EQT 0051) and Marine Flare No. 1 (EQT 0047);
- B. Before being placed into service, the Respondent shall add air assist and/or other upgrades to Wet Gas Flare No. 3 (EQT 0101) and Dry Gas Flare No. 3 (EQT 0102);
- C. The Respondent shall submit the appropriate notifications and/or permit modifications, when necessary, in accordance with the regulations. A copy shall be submitted to the Enforcement Division.

VI.

To submit quarterly reports to the Enforcement Division, within thirty (30) days following the end of each calendar quarter commencing with the effective date of this **COMPLIANCE ORDER** until the items described in Paragraphs IV and V of this **COMPLIANCE ORDER** have been completed. The reports shall document the facility's compliance status of the conditions established in Paragraphs IV and V of this **COMPLIANCE ORDER** and shall indicate any exceedances of the visible emissions, excess opacity events, or permit limits, including but not limited to, the amount and/or duration of the exceedance, and an explanation of the cause of the exceedance. If no exceedances occurred during the quarterly period, this should be stated.

VII.

To submit to the Enforcement Division, within thirty (30) days of completion of the conditions established in Paragraph V of this **COMPLIANCE ORDER**, a final report, which shall include but not be limited to, completion dates, details of upgrades, and any deviations not previously reported.

VIII.

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: Afton J. Bessix
Re: Enforcement Tracking No. AE-CN-16-00183
Agency Interest No. 119267

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-16-00183
Agency Interest No. 119267

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 Department's Rules of Procedure. 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 Afton Bessix at (225) 219-3760 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

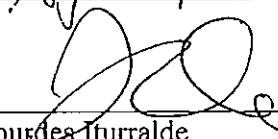
III.

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.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 6th day of April, 2016.



Lourdes Iturralde
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: Afton J. Bessix



JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

September 5, 2018

CERTIFIED MAIL (7017 2400 0000 7556 8435/8428)
RETURN RECEIPT REQUESTED



SABINE PASS LIQUEFACTION EXPANSION, LLC
c/o Sabine Pass Liquefaction Expansion, LLC
Agent for Service of Process
700 Milam Street, Suite 1900
Houston, TX 77002

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. HE-PP-18-00312
AGENCY INTEREST NO. 119267**

Dear Sir/Madam:

On or about March 1, 2018, an inspection of **SABINE PASS LNG**, a marine terminal and storage facility for liquid natural gas, owned and/or operated by **SABINE PASS LIQUEFACTION EXPANSION, LLC (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Hazardous Waste Regulations. The facility is located at 9243 Gulf Beach Highway in Cameron, Cameron Parish, Louisiana.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violation was noted during the course of the inspection:

The Respondent offered hazardous waste for transport and disposal to a facility not permitted to receive such waste, in violation of LAC 33:V.1105.C. Specifically, on or about February 15, 2018, the Respondent offered CSU Wastewater (hazardous waste D018) for transport, rather than Spent Scavenger, which is a non-hazardous solid waste. CSU Wastewater (D018), transported by Donovan Industrial Services, was shipped to Ecoserv Environmental Services located in Winnie, Texas as solid waste. Ecoserv Environmental Services disposed of the CSU Wastewater (D018) by means of deep-well injection, a disposal method which is not permitted for hazardous waste containing benzene (D018). Subsequently, on or about February 15, 2018, a second load of CSU Wastewater (D018) was in transit by Donovan Industrial Services to Ecoserv when it was discovered that the incorrect waste had been loaded. This second load containing CSU Wastewater (D018) was returned to the Respondent's facility and added back into the correct storage tank. On or about February 16, 2018, a representative of the Respondent notified the Department of the incorrectly transported and disposed waste. Additionally, a representative of

~~SABINE PASS LIQUEFACTION EXPANSION, LLC~~

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the Respondent submitted a corrected manifest for the initial shipment of CSU Wastewater (D018) and an additional manifest dated February 23, 2018, showing that the returned second load of CSU Wastewater (D018) was disposed of properly at TM Deer Park Services LP. On or about June 6, 2018, a representative of the Respondent submitted a response to the Department indicating the facility took measures to prevent future incidents and to correct any records pertaining to this violation. Those measures include, but are not limited to the following: waste loading procedures were reviewed/revised to require supervisory approval and incorporate a newly developed waste loading checklist, operators completed loading procedures under supervision and regulatory refresher training, load out piping was more conspicuously labeled, and the manifest for the improperly disposed waste was corrected to show the actual material shipped and disposed. Additionally, the response included a subsequent manifest to indicate all subsequent loads of hazardous waste have been properly manifested and disposed.

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.

Prior to the issuance of any additional appropriate enforcement action, 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 Tanya Linzy at (225) 219-3069 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

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 **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 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.

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.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **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 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 "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer

~~SABINE PASS LIQUEFACTION EXPANSION, LLC~~

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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.

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.

Sincerely



Lourdes Iturralde

Assistant Secretary

Office of Environmental Compliance

LI/TJL/tjl

Alt ID No. LAR000063248

c: **SABINE PASS LIQUEFACTION EXPANSION, LLC**
9243 Gulf Beach Highway
Cameron, LA 70631

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.	HE-PP-18-00312	Contact Name	Tanya Linzy
Agency Interest (AI) No.	119267	Contact Phone No.	225-219-3069
Alternate ID No.	LAR000063248		
Respondent:	Sabine Pass Liquefaction Expansion, LLC	Facility Name:	Sabine Pass LNG
	9243 Gulf Beach Highway Cameron, LA 70631	Physical Location:	9243 Gulf Beach Highway
		City, State, Zip:	Cameron, LA 70631
		Parish:	Cameron

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 NOTICE OF POTENTIAL PENALTY («Tracking_»), 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 («Tracking_»), 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"> • 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 NOTICE OF POTENTIAL PENALTY («Tracking_») 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: Tanya Linzy