



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
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DENVER, CO 80202-1129
Phone 800-227-8917
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December 14, 2021

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DOCKET NO.: CAA-08-2022-0002

Received by
EPA Region VIII
Hearing Clerk

IN THE MATTER OF:
TARGA BADLANDS LLC
RESPONDENT
FINAL ORDER

Pursuant to 40 C.F.R. § 22.13(b) and §§ 22.18(b)(2) and (3) of EPA’s Consolidated Rules of Practice, the Consent Agreement resolving this matter is hereby approved and incorporated by reference into this Final Order.

The Respondent is hereby ORDERED to comply with all of the terms of the Consent Agreement, effective immediately upon filing this Consent Agreement and Final Order.

SO ORDERED THIS 14th DAY OF December, 2021.

KATHERIN HALL
Digitally signed by KATHERIN HALL
Date: 2021.12.14 14:12:47 -07'00'

Katherin E. Hall
Regional Judicial Officer

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

Received by
EPA Region VIII
Hearing Clerk

_____)	
IN THE MATTER OF:)	
)	Docket No. CAA-08-2022-0002
TARGA BADLANDS LLC)	
811 Louisiana, Suite 2100)	
Houston, Texas 77002)	
Respondent.)	
)	
)	
)	CONSENT AGREEMENT
_____)	

I. PRELIMINARY STATEMENT

1. This is an administrative penalty assessment proceeding brought under section 113(d) of the Clean Air Act (“Act”), 42 U.S.C. § 7413(d), and sections 22.13(b) and 22.18(b)(2) and (3) of the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits* (“Consolidated Rules”), as codified at 40 C.F.R. Part 22.
2. Complainant is the U.S. Environmental Protection Agency, Region 8 (“EPA”). On the EPA’s behalf, the Chief of the Air and Toxics Enforcement Branch is delegated the authority to settle civil administrative penalty proceedings under section 113(d) of the Act.
3. Respondent, Targa Badlands, LLC (“Targa”), is a corporation doing business in the State of North Dakota and on the Fort Berthold Indian Reservation (“FBIR”). Respondent is a “person” as defined in section 302(e) of the Act, 42 U.S.C. § 7602(e).
4. Complainant and Respondent, (together, the “Parties”) having agreed that settlement of this action is in the public interest, consent to the entry of this Consent Agreement (“Agreement”) and the entry of a final order (“Final Order”) without adjudication of any issues of law or fact herein, and Respondent agrees to comply with the terms of this Agreement and the Final Order issued by the Regional Judicial Officer (“RJO”) approving this Agreement.

II. JURISDICTION

5. This Agreement is entered into under sections 113(a)(3)(A) and 113(d) of the Act, as amended, 42 U.S.C. § 7413(a)(3)(A) and 7413(d), and the Consolidated Rules.
6. The EPA and the United States Department of Justice jointly determined that this matter, although it involves alleged violations that occurred more than one year before the initiation of this proceeding, is appropriate for an administrative penalty assessment. 42 U.S.C. § 7413(d)(1); 40 C.F.R. § 19.4.

7. In satisfaction of the notice requirement in section 113(a)(4) of the Act, 42 U.S.C. § 7413(a)(4), the EPA provided Respondent an opportunity to confer regarding the violations alleged in this Agreement, and meetings regarding those issues subsequently took place.
8. The EPA Region 8 RJO is authorized to ratify this Agreement which memorializes a settlement between Complainant and Respondent in a Final Order. 40 C.F.R. §§ 22.4(b) and 22.18(b).
9. This Agreement, upon incorporation into a Final Order by the RJO and full satisfaction by the Parties, simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).

III. GOVERNING LAW

10. As set forth in section 101(b)(1) of the Act, 42 U.S.C. § 7401(b)(1), the purpose of the Act is to protect and enhance the quality of the nation's air, so as to promote the public health and welfare and the productive capacity of its population.

Title V Program

11. Title V of the Act, 42 U.S.C. §§ 7661-7661f, and the implementing regulations at 40 C.F.R. Part 70, established an operating permit program for certain sources, including "major sources" of air pollution, as defined in 42 U.S.C. § 7661(2).
12. Section 502(a) of the Act, 42 U.S.C. § 7661a(a), provides that it is unlawful for any person to, among other things, operate a major source subject to Title V except in compliance with a Title V permit after the effective date of any permit program approved or promulgated under Title V of the Act.
13. Pursuant to section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3), violations of the Title V program requirements and permits are subject to federal enforcement.

Relevant Regulatory Standards

14. Section 111(b) of the Act, 42 U.S.C. § 7411(b), authorizes the EPA to promulgate regulations establishing Standards of Performance for New Stationary Sources ("New Source Performance Standards" or "NSPS").
15. Pursuant to section 111(e) of the Act, 42 U.S.C. § 7411(e), and the implementing regulations contained in 40 C.F.R. Part 60, it is "unlawful for any owner or operator of any new source to operate such source in violation of any standard of performance applicable to such source."
16. Section 112(d) of the Act, 42 U.S.C. § 7412(d), authorizes the EPA to promulgate regulations establishing National Emission Standards for Hazardous Air Pollutants for Source Categories ("NESHAP") including "major sources" of Hazardous Air Pollutants ("HAPs").

17. No person is permitted to operate a major source in violation of an applicable NESHAP after it has gone into effect. 42 U.S.C. § 7412(i)(3).
18. Pursuant to section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3), violations of the NSPS and NESHAP requirements are subject to federal enforcement.

NSPS Subpart JJJJ Standards

19. Subpart JJJJ contains the Standards of Performance for Stationary Spark Ignition Internal Combustion Engines.
20. Subpart JJJJ at 40 C.F.R. § 60.4243(b)(2)(ii) requires that an owner or operator who purchased a non-certified spark-ignition (SI) internal combustion engine with more than 500 horsepower must, among other things, “conduct an initial performance test and conduct subsequent performance testing every 8,760 hours or 3 years, whichever comes first.”

NSPS Subpart OOOO Standards

21. Subpart OOOO contains the Standards of Performance for Crude Oil and Natural Gas Facilities for Which Construction, Modification or Reconstruction Commenced After August 23, 2011, and on or before September 18, 2015.
22. Subpart OOOO at 40 C.F.R. § 60.5413 “applies to the performance testing of control devices used to demonstrate compliance with the emissions standards” for storage vessel affected facilities. It requires, among other things, an initial performance test within 180 days after initial startup for an affected facility. 40 C.F.R. § 60.5413(b)(5)(i).

Subpart OOOOa Standards

23. Subpart OOOOa contains the updated Standards of Performance for Crude Oil and Natural Gas Facilities for which Construction, Modification, or Reconstruction Commenced After September 18, 2015.
24. Subpart OOOOa at 40 C.F.R. § 60.5385a(a) requires an owner or operator of a reciprocating compressor affected facility to “replace the reciprocating compressor rod packing”:
 - a. “[o]n or before the compressor has operated for 26,000 hours” 40 C.F.R. § 60.5385a(a)(1) or
 - b. “[p]rior to 36 months from the date of the most recent rod packing replacement, or 36 months from the date of startup for a new reciprocating compressor for which the rod packing has not yet been replaced.” 40 C.F.R. § 60.5385a(a)(2).

Alternatively, the owner or operator can “collect the VOC emissions from the rod packing using a rod packing emissions collection system that operates under negative pressure and

route the rod packing emissions to a process through a closed vent system that meets the requirements of §§ 60.5411a(a) and (d).” 40 C.F.R. § 60.5385a(a)(3).

25. Subpart OOOOa 40 C.F.R. § 60.5420a(b)(4)(iii) requires an owner or operator who is required to comply with § 60.5385a(a)(3) [collecting VOC emissions from rod packing] to submit annual reports for each reciprocating compressor affected facility that contains, among other things “(A) dates of each inspection required under § 60.5416(a) and (b); (B) each defect or leak identified during each inspection, and date of anticipated repair if repair is delayed; and (C) date and time of each bypass alarm or each instance the key was checked out” if the bypass requirements of § 60.5416(a)(4) are applicable. The initial annual report is due “no later than 90 days after the end of the initial compliance period as determined according to § 60.5410a. Subsequent annual reports are due no later than same date each year as the initial annual report.”
26. Subpart OOOOa at 40 C.F.R. § 60.5410a sets forth initial compliance requirements for, among other things, storage vessels. Subparagraph (h)(4) requires an owner or operator of a storage vessel affected facility to conduct an initial performance test as required in § 60.5413a within 180 days after initial startup or within 180 days of August 2, 2016 whichever is later.

Subpart HH Standards

27. The NESHAP for Source Categories, including oil and natural gas production facilities, are found at 40 C.F.R. Part 63.
28. Subpart HH at 40 C.F.R. § 63.764(d)(2) requires owners and operators of certain area sources to determine an optimum glycol circulation rate using a specified equation according to 40 C.F.R. § 63.764(d)(2)(i); operate the unit such that the actual glycol circulation rate does not exceed the optimum glycol circulation rate pursuant to 40 C.F.R. § 63.764(d)(2)(ii); and maintain records and submit an initial notification in accordance with 40 C.F.R. § 63.764(d)(2)(iii).

IV. FINDINGS OF FACT

29. Targa owns and operates the Blue Buttes, Clark’s Creek, Junction, Johnson, and TAT-Blue Buttes Compressor Stations on the FBIR in North Dakota, which compress and dehydrate natural gas prior to being discharged to a gathering pipeline.
30. EPA issued Title V permit V-TAT-000676-2014.00 to the Targa Blue Buttes facility on January 22, 2020, effective the same day for five years (expires January 22, 2025).
31. EPA issued Title V permit V-TAT-000671-2013.00 to Targa Clark’s Creek facility on October 3, 2019, effective November 4, 2019, effective the same day for five years (expires November 4, 2024.)
32. EPA issued Title V permit V-TAT-000611-2017.00 to the Targa Johnson facility on December 17, 2018, effective the same day for five years (expires December 17, 2023).

33. EPA issued Title V permit V-TAT-000670-2015.00 to the Targa Junction facility on December 30, 2019, effective the same day for five years (expires December 30, 2024).
34. EPA issued Title V permit V-TAT-000839-2018.00 to the Targa TAT-Blue Buttes facility on May 21, 2020, effective the same day for five years (May 21, 2025).
35. Region 8 inspected the Blue Buttes, Clark's Creek, Johnson, Junction, Roberts Trust and TAT-Blue Buttes Compressor Stations in the company of Targa personnel on August 18, 2020.
36. EPA sent inspection reports for the Blue Buttes, Clark's Creek, Johnson, Junction, Roberts Trust and TAT-Blue Buttes Compressor Stations via email on October 23, 2020.
37. Targa responded to the EPA's inspection reports on January 22, 2021.

V. ALLEGED VIOLATIONS OF LAW

38. Based on the EPA's field inspections on August 18, 2020, the EPA alleges the following Title V (V-TAT-000676-2014.00) and NSPS violations at the Blue Buttes Compressor Station:
 - a. Failure to perform an initial performance test for engines EU 23, 24 and 25 within one year of startup in violation of V-TAT-000676-2014.00, Sections II.D.2 and E, and 40 C.F.R. § 60.4243(b)(2)(ii).
 - b. Failure to submit 2020 Title V facility-wide reporting, and specifically, a semi-annual deviation report on October 1, 2020 in violation of V-TAT-000676-2014.00, Section VI.B.
 - c. Failure to perform an initial performance test on combustor EU 22 in violation of V-TAT-000676-2014.00, Section III.H.1, and 40 C.F.R. § 60.5413.
39. Based on the EPA's field inspections on August 18, 2020, the EPA alleges the following Title V (V-TAT-000671-2013.00) and NSPS violations at the Clark's Creek Compressor Station:
 - a. Failure to submit timely 2019 and 2020 Title V facility-wide reporting, annual fee payment, annual emission inventory and compliance certifications in violation of V-TAT-000671-2013.00, Sections VII.B and VIII.A, B, and C.3.
 - b. Failure to perform an initial performance test on combustor EU 34 in violation of V-TAT-000671-2013.00, Section III.G, and 40 C.F.R. § 60.5413.

40. Based on the EPA's field inspections on August 18, 2020, the EPA alleges the following Title V (V-TAT-000611-2017.00), NSPS, and NESHAP violations at the Johnson Compressor Station:
- a. Failure to submit a 2019 Title V compliance certification due on April 1, 2020 in violation of V-TAT-000611-2017.00, Section VI.C.3.
 - b. Failure to report compressor rod packing hours in 2019 annual reporting in violation of 40 C.F.R. § 60.5385a(a) and § 60.5420a(b)(4).
 - c. Failure to develop and utilize an optimal glycol circulation rate in violation of 40 C.F.R. § 63.764(d)(2).
 - d. Failure to perform an initial performance test on combustor EU 45 in violation of 40 C.F.R. § 60.5410a(h)(4).
41. Based on the EPA's field inspections on August 18, 2020, the EPA alleges the following Title V (V-TAT-000670-2015.00) violations at the Junction Compressor Station:
- a. Failure to submit 2019 Title V fee payment and annual emissions inventory on April 1, 2020 in violation of V-TAT-000670-2015.00, Sections VIII.A and B.
42. Based on the EPA's field inspections on August 18, 2020, the EPA alleges the following Title V (V-TAT-000839-2018.00) and NSPS violations at the TAT-Blue Buttes Compressor Station:
- a. Failure to perform initial performance tests for engines EU 27 & EU 28 within one year of startup in violation of V-TAT-000839-2018.00, Sections II.D.2 and E, and 40 C.F.R. § 60.4243(b)(2)(ii).

VI. TERMS OF CONSENT AGREEMENT

43. For the purpose of this proceeding, Respondent:
- a. admits the EPA has jurisdiction over the subject matter alleged in this Agreement;
 - b. neither admits nor denies the factual allegations stated in section IV of this Agreement;
 - c. consents to the assessment of a civil penalty as stated below;
 - d. acknowledges this Agreement constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
 - e. waives any right to contest any final order approving this Agreement; and

- f. waives any rights it may possess at law or in equity to challenge the authority of EPA to bring a civil action in a United States District Court to compel compliance with the Agreement or Order, or both, and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action.
44. Section 113 of the CAA, 42 U.S.C. § 7413, authorizes the EPA to assess a civil penalty in this matter.
45. Based on the Alleged Violations of Law in section V of this Agreement, and after consideration of the statutory factors specified in section 113(e) of the CAA, 42 U.S.C. § 7413(e), the EPA has determined a civil penalty of \$250,000 is appropriate to settle this matter.
46. Penalty Payment: Respondent agrees to:
- a. pay the civil penalty of \$250,000 (“EPA Penalty”) to the United States within 30 calendar days of the Effective Date of this Agreement; and
 - b. pay the EPA Penalty using any method, or combination of methods, provided on the website <http://www2.epa.gov/financial/additional-instructions-making-payments-epa>, and identifying each and every payment with “Docket No. [].” Within 24 hours of payment of the EPA Penalty, send proof of payment to Alex North at north.alexis@epa.gov (“proof of payment” means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to the EPA requirements, in the amount due, and identified with “Docket No. [.]”).]
47. If Respondent fails to timely pay any portion of the EPA Penalty assessed under this Agreement, the EPA may:
- a. request the Attorney General bring a civil action in an appropriate district court to recover: the amount assessed; interest at rates established pursuant to 26 U.S.C. § 6621(a)(2); the United States’ enforcement expenses; and a 10 percent quarterly nonpayment penalty, 42 U.S.C. § 7413(d)(5);
 - b. refer the debt to a credit reporting agency or a collection agency, 42 U.S.C. § 7413(d)(5), 40 C.F.R. §§ 13.13, 13.14, and 13.33;
 - c. collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 40 C.F.R. Part 13, subparts C and H; and
 - d. suspend or revoke Respondent’s licenses, or other privileges, or suspend or disqualify

Respondent from doing business with the EPA or engaging in programs the EPA sponsors or funds, 40 C.F.R. § 13.17.

48. Consistent with section 162(f)(1) of the Internal Revenue Code, 26 U.S.C. § 162(f)(1), Respondent will not deduct penalties paid under this Agreement for federal tax purposes.
49. This Agreement applies to Respondent and its officers, directors, employees, agents, trustees, authorized representatives, successors, and assigns. Any change in ownership or corporate control of Respondent, including but not limited to, any transfer of assets or real or personal property shall not alter Respondent's responsibilities under this Agreement.
50. By signing this Agreement, Respondent acknowledges that this Agreement will be available to the public and agrees that this Agreement does not contain any confidential business information or personally identifiable information.
51. The undersigned representative of Respondent certifies he or she is fully authorized to execute and enter into the terms and conditions of this Agreement and has the legal capacity to bind the party he or she represents to this Agreement.
52. By signing this Agreement, both Parties agree that each Party's obligations under this Agreement constitute sufficient consideration for the other Party's obligations.
53. Each Party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

VII. EFFECT OF CONSENT AGREEMENT AND FINAL ORDER

54. In accordance with 40 C.F.R. § 22.18(c), this Agreement resolves only Respondent's liability for federal civil penalties for the violations specifically alleged above.
55. This Agreement constitutes the entire agreement and understanding of the Parties and supersedes any prior agreements or understandings, whether written or oral, among the Parties with respect to the subject matter hereof.
56. Any violation of a Final Order issued by the RJO in this matter may result in a civil judicial action for an injunction or civil penalties, or both, as provided in section 113(b)(2) of the Act, 42 U.S.C. § 7413(b)(2), as well as criminal sanctions as provided in section 113(c) of the Act, 42 U.S.C. § 7413(c). The EPA may use any information submitted under this Order in an administrative, civil judicial, or criminal action.
57. Nothing in this Agreement relieves Respondent of the duty to comply with all applicable provisions of the Act or other federal, state or local laws or statutes, or restricts the EPA's authority to seek compliance with any applicable laws or regulations, nor will it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.

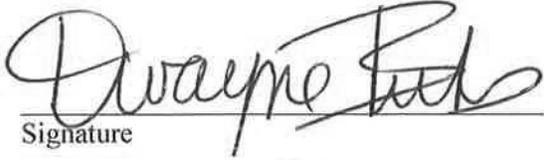
58. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.
59. If and to the extent EPA finds, after signing this Agreement, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to EPA, EPA reserves any and all of its legal and equitable rights.

VIII. EFFECTIVE DATE

60. Respondent and Complainant agree to issuance of a final order approving this Agreement. Upon filing, the RJO will transmit a copy of the filed Agreement to the Respondent. This Agreement and subsequently issued Final Order shall become effective after execution of the Final Order by the RJO, on the date of filing with the Hearing Clerk.

The foregoing Consent Agreement In the Matter of Targa Resources (USA) Corporation, is Hereby Stipulated, Agreed and Approved.

TARGA BADLANDS LLC


Signature

12/10/2021
Date

Printed Name: Dwayne Burks
Title: Vice President Operations
Address: 811 Louisiana Street, Suite 2100 Houston TX 77002
Respondent's Federal Tax Identification Number: Targa Badlands LLC EIN 32-0396948

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, REGION 8,

SCOTT PATEFIELD

Digitally signed by SCOTT PATEFIELD
Date: 2021.12.13 07:05:55 -07'00'

Signature

Date

Scott Patefield, Chief
Air and Toxics Enforcement Branch
Enforcement and Compliance Assurance Division
United States Environmental Protection Agency
1595 Wynkoop Street, 8ENF
Denver, Colorado 80202-1129

COMPLAINANT

CERTIFICATE OF SERVICE

The undersigned certifies that the attached **CONSENT AGREEMENT** and the **FINAL ORDER** in the matter of **TARGA BADLANDS LLC; DOCKET NO.: CAA-08-2022-0002** was filed with the Regional Hearing Clerk on December 14, 2021.

Further, the undersigned certifies that a true and correct copy of the documents were emailed to, Abigail Dean, Enforcement Attorney, and sent via certified receipt email on December 14, 2021, to:

Respondent

Sara W. Feucht – ES&H
Targa Badlands LLC
sfeucht@targaresources.com

EPA Financial Center

Jessica Chalifoux
U. S. Environmental Protection Agency
Cincinnati Finance Center
Chalifoux.Jessica@epa.gov

December 14, 2021

MELISSA
HANIEWICZ

Digitally signed by
MELISSA HANIEWICZ
Date: 2021.12.14
14:39:32 -07'00'

Melissa Haniewicz
Regional Hearing Clerk