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**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**  
**DOCKET NO.:** 2007-0322-AIR-E **TCEQ ID:** RN103919817 **CASE NO.:** 32850  
**RESPONDENT NAME:** Chevron Phillips Chemical Company LP

<b>ORDER TYPE:</b>		
<input type="checkbox"/> 1660 AGREED ORDER	<input checked="" type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p><b>SITE WHERE VIOLATION(S) OCCURRED:</b> Chevron Phillips Chemical Company Cedar Bayou Plant, 9500 Interstate 10E, Baytown, Harris County</p> <p><b>TYPE OF OPERATION:</b> Chemical plant</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is one additional pending enforcement action regarding this facility location, Docket No. 2007-1080-AIR-E.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on September 17, 2007. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> None  <b>TCEQ Enforcement Coordinator:</b> Ms. Nadia Hameed, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3629; Mr. David Van Soest, Enforcement Division, MC 219, (512) 239-0468  <b>Respondent:</b> Mr. Dan Coombs, Plant Manager, Chevron Phillips Chemical Company LP, 9500 East Freeway, Baytown, Texas 77521  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> May 21 and November 29, 2006</p> <p><b>Date of NOE Relating to this Case:</b> January 19, and February 16, 2007 (NOE)</p> <p><b>Background Facts:</b> These were routine investigations. Six violations were documented.</p> <p><b>AIR</b></p> <p>1) Failure to prevent unauthorized emissions. Specifically, 3,314 pounds ("lbs") of butene were released resulting from the separation of the loading hose during the loading of the butene-1 railcar coupled to a loaded railcar, resulting in an emissions event that occurred on October 12, 2006, and lasted for eight minutes (Incident No.82584). Since this emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c), 115.722(c)(1), Air Permit No. 37063, Special Condition No.1 and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2) Failure to report the date of the January 15, 2006 incident correctly in the emissions event notification submitted to the TCEQ. Specifically, Incident No. 70394 occurred on January 15, 2006, but was reported as January 15, 2005, on the Initial Notification Form [30 TEX. ADMIN. CODE § 101.201(a)(2)(D), and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>3) Failure to prevent unauthorized emissions. Specifically, 4,586 lbs of ethylene, 167.70 lbs of 1,3-butadiene, 356.10 lbs of propane, 469.90 lbs of propylene and 566.30 lbs of unspecified volatile organic compounds ("VOC") were released when the Respondent failed to</p>	<p><b>Total Assessed:</b> \$60,283</p> <p><b>Total Deferred:</b> \$0  <input type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$30,141</p> <p><b>Total Paid to General Revenue:</b> \$30,142</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p> <p><b>Findings Orders Justification:</b> This is a Findings Order because environmental receptors have been exposed to pollutants which exceed levels that are protective.</p>	<p><b>Corrective Actions Taken:</b></p> <p>1) The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. On January 29, 2006, completed the installation of three supplemental pilot assemblies and modifications to the fuel gas supplying the pilots for CB-701, to prevent plugging from water contamination. The modifications included the installation of a boot at the lowest point of the piping directly off the pipeline natural gas connection, and the installation of a knock out pot in the fuel gas line prior to the flame front generator;</p> <p>b. On January 17 and 26, 2006, conducted training for personnel responsible for submitting notification forms to the agency; and</p> <p>c. On October 18, 2006, the wheel chocks with worn spurs which did not adequately grab the rails, and wheel brakes which had failed to engage fully when set leading to the October 12, 2006 incident, were inspected and replaced. New procedures were also put in place for inspecting the wheel chocks on a monthly basis and for ensuring that no railcars are coupled together during loading before checking that the brakes are set.</p> <p><b>Ordering Provisions:</b></p> <p>2) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP) (See Attachment A).</p>

remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in an emissions event that occurred on January 15, 2006, and lasted for one hour (Incident No.70394). Since this emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CODE OF FEDERAL REGULATIONS ("CFR") § 60.18(c) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4) Failure to prevent unauthorized emissions. Specifically, 4,909 lbs of ethylene, 207.10 lbs of 1,3-butadiene, 840.50 lbs of propane, 1,315 lbs of propylene and 778 lbs of unspciated VOC were released when the Respondent failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in an emissions event that occurred on January 19, 2006, and lasted for two hours and twelve minutes (Incident No.70583). Since this emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CFR § 60.18(c) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

5) Failure to prevent unauthorized emissions. Specifically, 5,000.60 lbs of ethylene, 120.90 lbs of 1,3-butadiene, 1,742.89 lbs of propane, 725.40 lbs of propylene and 781.70 lbs of unspciated VOC were released when the Respondent failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in an emissions event that occurred on January 22, 2006, and lasted for two hours and twelve minutes (Incident No.70666). Since this emissions event was avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CFR § 60.18(c) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

6) Failure to prevent unauthorized emissions. Specifically, 7,503.70 lbs of ethylene, 194.80 lbs of 1,3-butadiene, 2,930.70 lbs of propane, 2,340.80 lbs of

propylene and 1,336.50 lbs of unspciated VOC were released when the Respondent failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in emissions events that occurred on January 23, and 24, 2006, and lasted for one hour forty-six minutes and forty-two minutes respectively (Incident No.70786). Since these emissions events were avoidable, the Respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CFR § 60.18(c), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Attachment A  
Docket Number: 2007-0322-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

<b>Respondent:</b>	<b>Chevron Phillips Chemical Company LP</b>
<b>Payable Penalty Amount:</b>	<b>Sixty Thousand Two Hundred Eighty-Three Dollars (\$60,283)</b>
<b>SEP Amount:</b>	<b>Thirty Thousand One Hundred Forty-One Dollars (\$30,141)</b>
<b>Type of SEP:</b>	<b>Pre-approved</b>
<b>Third-Party Recipient:</b>	<b>Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program</b>
<b>Location of SEP:</b>	<b>Harris County</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.



B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council  
Houston-Galveston AERCO  
P.O. Box 22777  
Houston, Texas 77227-2777

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division  
Attention: SEP Coordinator, MC 219  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality  
Financial Administration Division, Revenues  
Attention: Cashier, MC 214  
P.O. Box 13088  
Austin, Texas 78711-3088



The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

**5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision January 9, 2007

<b>DATES</b>	Assigned	26-Feb-2007	Screening	1-Mar-2007	EPA Due	13-Nov-2007
	PCW	2-Jul-2007				

<b>RESPONDENT/FACILITY INFORMATION</b>			
Respondent	Chevron Phillips Chemical Company LP		
Reg. Ent. Ref. No.	RN103919817		
Facility/Site Region	12-Houston	Major/Minor Source	Major

<b>CASE INFORMATION</b>				
Enf./Case ID No.	32850	No. of Violations	6	
Docket No.	2007-0322-AIR-E	Order Type	Findings	
Media Program(s)	Air Quality	Enf. Coordinator	Nadia Hameed	
Multi-Media		EC's Team	EnforcementTeam 5	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** **Subtotals 2, 3, & 7**

Notes:

**Culpability** **Subtotal 4**

Notes:

**Good Faith Effort to Comply** **Subtotal 5**

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input checked="" type="checkbox"/>	<input type="checkbox"/>
N/A	<input type="checkbox"/>	(mark with x)

Notes:

**Total EB Amounts**  **Subtotal 6**   
**Approx. Cost of Compliance**  **\*Capped at the Total EB \$ Amount**

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes:

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL** **Adjustment**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

**PAYABLE PENALTY**

Screening Date: 1-Mar-2007

Docket No. 2007-0322-AIR-E

PCW

Respondent: Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32850

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Nadia Hameed

### Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	23	115%
	Other written NOVs	12	24%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	4	80%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	4	-4%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	1	-2%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	Yes	-5%

Adjustment Percentage (Subtotal 2) 208%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Penalty enhancement due to four Agreed Orders, twenty-three same or similar NOVs, and twelve Discharge Monitoring Reports (DMRs). Reduction for four notices of audit, one violation disclosure and one early compliance with nitrogen oxide emissions in December 2003.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 208%

Screening Date 1-Mar-2007

Docket No. 2007-0322-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32850

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Nadia Hameed

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c), 115.722(c)(1), Air Permit No. 37063, Special Condition No.1 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 3,314 pounds ("lbs") of butene were released when Chevron Phillips Cedar Bayou failed to prevent an upset condition resulting from the separation of the loading hose during the loading of the butene-1 railcar coupled to a loaded railcar, resulting in an emissions event that occurred on October 12, 2006, and lasted for eight minutes (Incident No.82584). Since this emissions event was avoidable, Chevron Phillips Cedar Bayou failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2

Violation Final Penalty Total \$14,150

This violation Final Assessed Penalty (adjusted for limits) \$10,000

## Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 32850  
**Reg. Ent. Reference No.** RN103919817  
**Media** Air Quality  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$2,000	12-Oct-2006	18-Oct-2006	0.0	\$2	n/a	\$2

Notes for DELAYED costs

Estimated cost for corrective actions. Date required is the date the emissions event occurred and final date is the date the revised procedures were put in place and the staff trained to prevent the recurrence of this non-compliance.

### Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$2

Screening Date 1-Mar-2007

Docket No. 2007-0322-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32850

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Nadia Hameed

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(2)(D), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to report the date of the January 15, 2006, incident correctly in the emissions event notification submitted to the TCEQ. Specifically, Incident No. 70394 occurred on January 15, 2006, but was reported as January 15, 2005, on the Initial Notification Form.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
			x	1%

Matrix Notes

Less than 30 percent of the rule requirement was not met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2

Violation Final Penalty Total \$283

This violation Final Assessed Penalty (adjusted for limits) \$283

## Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 32850  
**Reg. Ent. Reference No.** RN103919817  
**Media** Air Quality  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$1,500	15-Jan-2006	26-Jan-2006	0.0	\$2	n/a	\$2
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost for plant personnel to file a timely and accurate emissions event report, and for the implementation of new plant procedures concerning emissions event reporting requirements; Date required is the date of the emissions event and final date is the date the staff was trained to prevent the recurrence of this non-compliance.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$2

Screening Date 1-Mar-2007

Docket No. 2007-0322-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32850

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Nadia Hameed

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B; 40 Code of Federal Regulations ("CFR") § 60.18(c) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, 4,586 lbs of ethylene, 167.70 lbs of 1,3-butadiene, 356.10 lbs of propane, 469.90 lbs of propylene and 566.30 lbs of unspeciated volatile organic compounds ("VOC") were released when Chevron Phillips Cedar Bayou failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in an emissions event that occurred on January 15, 2006, and lasted for one hour (Incident No.70394). Since this emissions event was avoidable, Chevron Phillips Cedar Bayou failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222. The failure to operate with a flame or pilot flame at all times was also a violation of the permit and federal standards.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		x		50%
Potential			1	

>>Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$988

Violation Final Penalty Total \$14,150

This violation Final Assessed Penalty (adjusted for limits) \$10,000

## Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 32850  
**Reg. Ent. Reference No.** RN103919817  
**Media** Air Quality  
**Violation No.** 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment	\$368,000	15-Jan-2006	29-Jan-2006	0.0	\$47	\$941	\$988
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost of corrective action. Date required is the date the problem with pilot flame first occurred. The final date is the date when the installation of three supplemental pilot assemblies and modifications to the fuel gas supplying the pilots for CB-701, to prevent plugging from water contamination was completed. The modifications included the installation of a boot at the lowest point of the piping directly off the pipeline natural gas connection, and the installation of a knock out pot in the fuel gas line prior to the flame front generator.

### Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$368,000

TOTAL

\$988

Screening Date 1-Mar-2007

Docket No. 2007-0322-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32850

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Nadia Hameed

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CFR § 60.18(c) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, 4,909 lbs of ethylene, 207.10 lbs of 1,3-butadiene, 840.50 lbs of propane, 1,315 lbs of propylene and 778 lbs of unspciated VOC were released when Chevron Phillips Cedar Bayou failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in an emissions event that occurred on January 19, 2006, and lasted for two hours and twelve minutes (Incident No.70583). Since this emissions event was avoidable, Chevron Phillips Cedar Bayou failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222. The failure to operate with a flame or pilot flame at all times was also a violation of the permit and federal standards.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

x

Estimated EB Amount \$0

Violation Final Penalty Total \$14,150

This violation Final Assessed Penalty (adjusted for limits) \$10,000

## Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 32850  
**Reg. Ent. Reference No.** RN103919817  
**Media** Air Quality  
**Violation No.** 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<b>Delayed Costs</b>							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Economic Benefit for this violation is included in that for Violation # 3.

**Avoided Costs**

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$0

TOTAL \$0

Screening Date 1-Mar-2007

Docket No. 2007-0322-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32850

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Nadia Hameed

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CFR § 60.18(c) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, 5,000.60 lbs of ethylene, 120.90 lbs of 1,3-butadiene, 1,742.89 lbs of propane, 725.40 lbs of propylene and 781.70 lbs of unspiciated VOC were released when Chevron Phillips Cedar Bayou failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in an emissions event that occurred on January 22, 2006, and lasted for two hours and twelve minutes (Incident No.70666). Since this emissions event was avoidable, Chevron Phillips Cedar Bayou failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222. The failure to operate with a flame or pilot flame at all times was also a violation of the permit and federal standards.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	x			100%
Potential				

>>Programmatic Matrix

Matrix Notes	Falsification			Percent
	Major	Moderate	Minor	
Human health or the environment has been exposed to significant amounts of pollutants which do exceed levels that are protective of human health or environmental receptors as a result of the violation.				0%

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	x
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$28,300

This violation Final Assessed Penalty (adjusted for limits) \$10,000

## Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 32850  
**Reg. Ent. Reference No.** RN103919817  
**Media** Air Quality  
**Violation No.** 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Economic Benefit for this violation is included in that for Violation # 3.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

**TOTAL**

\$0

Screening Date 1-Mar-2007

Docket No. 2007-0322-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 32850

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Nadia Hameed

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CFR § 60.18(c), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 7,503.70 lbs of ethylene, 194.80 lbs of 1,3-butadiene, 2,930.70 lbs of propane, 2,340.80 lbs of propylene and 1,336.50 lbs of unspciated VOC were released when Chevron Phillips Cedar Bayou failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in emissions events that occurred on January 23 and 24, 2006, and lasted for one hour forty-six minutes and forty-two minutes respectively (Incident No.70786). Since these emissions events were avoidable, Chevron Phillips Cedar Bayou failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222. The failure to operate with a flame or pilot flame at all times was also a violation of the permit and federal standards.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 100%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 2

2 Number of violation days

mark only one with an x	daily	x
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$20,000

Two daily events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

x

Estimated EB Amount \$0

Violation Final Penalty Total \$56,600

This violation Final Assessed Penalty (adjusted for limits) \$20,000

## Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 32850  
**Reg. Ent. Reference No.** RN103919817  
**Media** Air Quality  
**Violation No.** 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Economic Benefit for this violation is included in that for Violation # 3.

### Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

# Compliance History

Customer/Respondent/Owner-Operator:	CN600303614	Chevron Phillips Chemical Company LP	Classification: AVERAGE	Rating: 3.74
Regulated Entity:	RN103919817	CHEVRON PHILLIPS CHEMICAL COMPANY CEDAR BAYOU PLANT	Classification: AVERAGE	Site Rating: 1.38
ID Number(s):	WASTEWATER	PERMIT		WQ0001006000
	WASTEWATER	PERMIT		TPDES0003948
	WASTEWATER	PERMIT		TX0003948
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION		1012335
	AIR OPERATING PERMITS	ACCOUNT NUMBER		HG0310V
	AIR OPERATING PERMITS	ACCOUNT NUMBER		HG0310V
	AIR OPERATING PERMITS	PERMIT		2113
	AIR OPERATING PERMITS	PERMIT		2114
	AIR OPERATING PERMITS	PERMIT		2115
	AIR OPERATING PERMITS	PERMIT		2116
	AIR OPERATING PERMITS	PERMIT		2370
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID		TXD003913381
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)		30091
	PETROLEUM STORAGE TANK. REGISTRATION	REGISTRATION		28477
	WATER LICENSING	LICENSE		1012335
	USED OIL	ID NUMBER		HOU00074
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER		HG0310V
	AIR NEW SOURCE PERMITS	AFS NUM		4820100018
	AIR NEW SOURCE PERMITS	PERMIT		1504A
	AIR NEW SOURCE PERMITS	PERMIT		2138A
	AIR NEW SOURCE PERMITS	PERMIT		2139A
	AIR NEW SOURCE PERMITS	PERMIT		5015C
	AIR NEW SOURCE PERMITS	PERMIT		6517A
	AIR NEW SOURCE PERMITS	PERMIT		7403A
	AIR NEW SOURCE PERMITS	PERMIT		8930A
	AIR NEW SOURCE PERMITS	PERMIT		2462C
	AIR NEW SOURCE PERMITS	PERMIT		19027
	AIR NEW SOURCE PERMITS	PERMIT		24093
	AIR NEW SOURCE PERMITS	PERMIT		26062
	AIR NEW SOURCE PERMITS	PERMIT		32866
	AIR NEW SOURCE PERMITS	PERMIT		37063
	AIR NEW SOURCE PERMITS	PERMIT		38590
	AIR NEW SOURCE PERMITS	PERMIT		39958
	AIR NEW SOURCE PERMITS	PERMIT		40534
	AIR NEW SOURCE PERMITS	PERMIT		41691
	AIR NEW SOURCE PERMITS	PERMIT		44005
	AIR NEW SOURCE PERMITS	PERMIT		44759
	AIR NEW SOURCE PERMITS	PERMIT		46041
	AIR NEW SOURCE PERMITS	PERMIT		46305
	AIR NEW SOURCE PERMITS	PERMIT		46783
	AIR NEW SOURCE PERMITS	PERMIT		48084
	AIR NEW SOURCE PERMITS	PERMIT		49322
	AIR NEW SOURCE PERMITS	PERMIT		50325
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER		HG1269J
	AIR NEW SOURCE PERMITS	PERMIT		1504A
	AIR NEW SOURCE PERMITS	REGISTRATION		71968
	AIR NEW SOURCE PERMITS	PERMIT		52188
	AIR NEW SOURCE PERMITS	REGISTRATION		54882
	AIR NEW SOURCE PERMITS	REGISTRATION		54930
	AIR NEW SOURCE PERMITS	REGISTRATION		75918
	AIR NEW SOURCE PERMITS	REGISTRATION		76369
	AIR NEW SOURCE PERMITS	REGISTRATION		75577
	AIR NEW SOURCE PERMITS	PERMIT		55648
	AIR NEW SOURCE PERMITS	REGISTRATION		76051
	AIR NEW SOURCE PERMITS	REGISTRATION		75545
	AIR NEW SOURCE PERMITS	REGISTRATION		75546
	AIR NEW SOURCE PERMITS	AFS NUM		4820101282
	AIR NEW SOURCE PERMITS	REGISTRATION		56852
	AIR NEW SOURCE PERMITS	REGISTRATION		71350
	AIR NEW SOURCE PERMITS	REGISTRATION		71479
	AIR NEW SOURCE PERMITS	REGISTRATION		71483
	AIR NEW SOURCE PERMITS	REGISTRATION		71487
	AIR NEW SOURCE PERMITS	REGISTRATION		71530
	AIR NEW SOURCE PERMITS	PERMIT		70326

AIR NEW SOURCE PERMITS	PERMIT	56502
AIR NEW SOURCE PERMITS	PERMIT	50370
AIR NEW SOURCE PERMITS	PERMIT	52312
AIR NEW SOURCE PERMITS	PERMIT	50757
AIR NEW SOURCE PERMITS	PERMIT	50758
AIR NEW SOURCE PERMITS	PERMIT	50759
AIR NEW SOURCE PERMITS	PERMIT	53768
AIR NEW SOURCE PERMITS	PERMIT	53752
AIR NEW SOURCE PERMITS	PERMIT	53751
AIR NEW SOURCE PERMITS	PERMIT	54712
AIR NEW SOURCE PERMITS	REGISTRATION	72420
AIR NEW SOURCE PERMITS	REGISTRATION	72911
AIR NEW SOURCE PERMITS	PERMIT	73159
AIR NEW SOURCE PERMITS	REGISTRATION	74458
AIR NEW SOURCE PERMITS	REGISTRATION	74596
AIR NEW SOURCE PERMITS	PERMIT	75055
AIR NEW SOURCE PERMITS	REGISTRATION	77053
AIR NEW SOURCE PERMITS	REGISTRATION	78553
AIR NEW SOURCE PERMITS	REGISTRATION	78917
AIR NEW SOURCE PERMITS	REGISTRATION	80099
STORMWATER	PERMIT	TXR05Q341
IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30091

Location: 9500 Interstate 10 E, Baytown, TX Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON  
Date Compliance History Prepared: March 09, 2007  
Agency Decision Requiring Compliance History: Enforcement  
Compliance Period: February 26, 2002 to February 26, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History  
Name: NHameed Phone: 713-767-3629

**Site Compliance History Components**

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

**Components (Multimedia) for the Site :**

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 12/21/2003 ADMINORDER 2003-0295-AIR-E  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: GC8 PERMIT  
Description: Failed to maintain the annual Maximum Allowable Emissions Rate for Volatone Organic Compounds, Nitrogen Oxides, and Carbon Monoxide from Emission Point Number 110 (the Z-101 Flare) from September 24, 1997 until September 24, 2002.

Effective Date: 06/26/2006 ADMINORDER 2005-0007-AIR-E  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: Special Condition 1, MAERT PERMIT  
Description: Failed to limit emissions in the Normal Alpha Olefin Unit 1797 from 2 block valves (EPN F-130) and the SYS-740 Flare (EPN 136), to those limited by the permit.

Effective Date: 08/28/2006 ADMINORDER 2006-0147-AIR-E  
Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 1504A/PSD-TX-748, Special Condition #1 PERMIT  
Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Air Permit #37063, Special Condition #1 PA  
Description: Failed to prevent unauthorized emissions.

Effective Date: 11/03/2006 ADMINORDER 2006-0528-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: Air Permit #1504A/PSD-TX-748, SC#1 PA  
Description: Failed to prevent unauthorized emissions.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	03/18/2002	(157128)
2	03/21/2002	(219713)
3	04/18/2002	(157133)
4	04/22/2002	(219718)
5	05/17/2002	(219722)
6	05/20/2002	(157137)
7	05/30/2002	(1752)
8	06/17/2002	(157141)
9	06/18/2002	(219726)
10	06/24/2002	(2454)
11	07/03/2002	(3871)
12	07/03/2002	(2968)
13	07/17/2002	(4253)
14	07/18/2002	(5095)
15	07/18/2002	(219730)
16	07/19/2002	(5135)
17	07/23/2002	(157145)
18	08/01/2002	(5721)
19	08/01/2002	(5492)
20	08/07/2002	(247504)
21	08/08/2002	(5888)
22	08/09/2002	(5292)
23	08/14/2002	(5872)
24	08/16/2002	(219734)
25	08/20/2002	(157149)
26	08/22/2002	(4594)
27	08/28/2002	(6801)
28	08/28/2002	(2755)
29	09/23/2002	(219738)
30	09/23/2002	(157152)
31	10/22/2002	(219741)
32	10/30/2002	(157155)
33	11/18/2002	(15741)
34	11/20/2002	(17279)
35	11/21/2002	(157159)
36	11/22/2002	(219745)
37	12/02/2002	(17970)
38	12/17/2002	(157163)
39	12/30/2002	(219749)
40	01/13/2003	(20355)
41	01/21/2003	(157167)
42	01/24/2003	(219753)

43	01/24/2003	(20319)
44	02/14/2003	(20304)
45	02/20/2003	(157126)
46	02/21/2003	(219711)
47	03/18/2003	(294954)
48	03/21/2003	(157129)
49	03/24/2003	(219714)
50	04/22/2003	(157134)
51	04/22/2003	(219719)
52	05/05/2003	(31743)
53	05/14/2003	(23660)
54	05/19/2003	(219723)
55	05/20/2003	(157138)
56	05/20/2003	(157146)
57	05/30/2003	(9853)
58	06/18/2003	(36346)
59	06/23/2003	(157142)
60	06/24/2003	(219731)
61	06/24/2003	(219727)
62	06/25/2003	(40843)
63	06/30/2003	(33989)
64	07/08/2003	(40968)
65	07/09/2003	(38183)
66	07/10/2003	(38199)
67	07/10/2003	(40888)
68	07/10/2003	(139402)
69	07/31/2003	(38160)
70	08/11/2003	(219735)
71	08/19/2003	(294963)
72	08/21/2003	(150910)
73	08/21/2003	(150918)
74	08/27/2003	(150926)
75	08/27/2003	(150924)
76	08/27/2003	(150937)
77	08/28/2003	(150887)
78	09/19/2003	(294965)
79	10/17/2003	(248463)
80	10/17/2003	(248509)
81	10/17/2003	(248486)
82	10/17/2003	(247681)
83	10/17/2003	(250526)
84	10/21/2003	(294967)
85	10/24/2003	(252855)
86	11/21/2003	(294968)
87	12/04/2003	(254252)
88	12/10/2003	(294969)
89	12/17/2003	(152105)
90	01/20/2004	(294971)
91	02/05/2004	(260955)
92	02/09/2004	(259978)
93	02/12/2004	(260170)
94	02/23/2004	(294952)
95	02/24/2004	(262471)
96	02/25/2004	(262589)
97	02/25/2004	(262587)
98	02/25/2004	(262389)
99	03/11/2004	(262456)
100	04/14/2004	(264014)
101	04/21/2004	(294955)
102	05/12/2004	(267824)
103	05/18/2004	(268884)
104	05/18/2004	(294957)
105	05/18/2004	(294961)
106	06/03/2004	(269885)
107	06/18/2004	(271284)
108	06/21/2004	(294959)
109	08/16/2004	(282057)
110	08/16/2004	(282411)
111	08/16/2004	(282020)
112	08/17/2004	(283539)

113	08/17/2004	(282610)
114	08/18/2004	(281927)
115	08/18/2004	(281973)
116	08/24/2004	(351924)
117	08/27/2004	(266898)
118	09/21/2004	(351925)
119	09/30/2004	(293341)
120	10/19/2004	(292959)
121	10/19/2004	(292912)
122	10/25/2004	(351926)
123	10/25/2004	(351928)
124	10/29/2004	(293050)
125	10/31/2004	(286738)
126	10/31/2004	(286179)
127	10/31/2004	(282375)
128	11/01/2004	(283579)
129	11/11/2004	(293130)
130	11/19/2004	(339740)
131	11/19/2004	(338998)
132	11/23/2004	(351927)
133	12/09/2004	(343665)
134	12/14/2004	(339393)
135	12/14/2004	(339395)
136	12/15/2004	(282588)
137	12/15/2004	(339394)
138	12/16/2004	(284752)
139	12/20/2004	(381763)
140	12/20/2004	(339391)
141	12/21/2004	(283434)
142	12/21/2004	(289254)
143	12/28/2004	(282257)
144	12/28/2004	(339392)
145	12/28/2004	(284682)
146	12/29/2004	(292369)
147	01/02/2005	(283495)
148	01/02/2005	(284716)
149	01/02/2005	(283460)
150	01/02/2005	(282884)
151	01/03/2005	(285841)
152	01/04/2005	(286354)
153	01/07/2005	(340081)
154	01/07/2005	(340082)
155	01/07/2005	(338932)
156	01/14/2005	(340184)
157	01/14/2005	(340901)
158	01/20/2005	(338916)
159	02/03/2005	(333891)
160	02/21/2005	(344997)
161	02/21/2005	(340395)
162	02/22/2005	(381762)
163	02/22/2005	(381760)
164	02/25/2005	(345201)
165	02/25/2005	(345203)
166	02/26/2005	(372327)
167	03/14/2005	(381761)
168	04/08/2005	(348606)
169	04/08/2005	(348897)
170	04/11/2005	(376384)
171	04/20/2005	(372236)
172	04/20/2005	(372237)
173	04/21/2005	(372231)
174	05/17/2005	(372229)
175	05/18/2005	(419593)
176	05/18/2005	(419595)
177	06/14/2005	(375880)
178	06/17/2005	(419594)
179	06/21/2005	(393595)
180	06/22/2005	(393592)
181	06/29/2005	(344167)
182	06/29/2005	(344174)

183 07/11/2005 (398110)  
 184 07/21/2005 (400409)  
 185 07/29/2005 (401052)  
 186 08/02/2005 (402216)  
 187 08/03/2005 (402167)  
 188 08/05/2005 (379433)  
 189 08/08/2005 (396942)  
 190 08/13/2005 (404688)  
 191 08/22/2005 (405962)  
 192 08/23/2005 (401535)  
 193 08/23/2005 (440737)  
 194 08/23/2005 (440739)  
 195 09/23/2005 (440738)  
 196 09/28/2005 (418690)  
 197 10/10/2005 (468259)  
 198 11/04/2005 (433451)  
 199 11/22/2005 (468260)  
 200 12/15/2005 (435582)  
 201 01/23/2006 (468261)  
 202 01/26/2006 (405968)  
 203 02/08/2006 (405969)  
 204 02/21/2006 (468258)  
 205 02/22/2006 (455830)  
 206 02/28/2006 (431936)  
 207 02/28/2006 (457017)  
 208 03/21/2006 (456836)  
 209 03/23/2006 (498082)  
 210 03/28/2006 (456883)  
 211 03/29/2006 (459443)  
 212 03/29/2006 (453494)  
 213 04/03/2006 (452797)  
 214 04/12/2006 (458187)  
 215 04/24/2006 (498083)  
 216 04/25/2006 (455025)  
 217 05/22/2006 (498084)  
 218 05/25/2006 (467438)  
 219 05/25/2006 (467440)  
 220 05/25/2006 (467443)  
 221 05/25/2006 (467445)  
 222 05/25/2006 (467431)  
 223 05/25/2006 (467433)  
 224 06/05/2006 (467064)  
 225 06/08/2006 (464678)  
 226 06/26/2006 (498085)  
 227 06/26/2006 (498086)  
 228 07/25/2006 (520101)  
 229 07/26/2006 (481894)  
 230 07/26/2006 (457460)  
 231 08/21/2006 (520102)  
 232 08/21/2006 (520105)  
 233 08/23/2006 (497553)  
 234 08/23/2006 (464714)  
 235 08/25/2006 (520103)  
 236 08/30/2006 (508885)  
 237 08/30/2006 (457471)  
 238 09/18/2006 (520104)  
 239 09/28/2006 (486905)  
 240 12/04/2006 (518861)  
 241 12/12/2006 (533185)  
 242 12/21/2006 (533938)  
 243 01/19/2007 (532509)  
 244 02/13/2007 (534351)  
 245 02/20/2007 (464696)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date 04/30/2002 (157137)  
 Self Report? YES Classification Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter

Date	09/30/2002	(219741)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	09/30/2002	(157155)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	10/31/2002	(157159)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	12/31/2002	(157167)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	01/31/2003	(157126)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	05/30/2003	(9853)		
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(b)(2)[G]			
Description:	Failure to meet the exemption demonstrations in 30 TAC 101.11.			
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(7)(A)			
Description:	Failure to operate within the visible emission limitations of 30 TAC 111.111(a)(7)(A)			
Date	09/30/2003	(294967)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	10/17/2003	(248463)		
Self Report?	NO		Classification	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)			
Description:	Failure to submit the initial notification within 24 hours of an emissions event.			
Date	10/17/2003	(247681)		
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(1)(C)			
Description:	Failure to operate within the opacity limits.			
Date	10/17/2003	(248509)		
Self Report?	NO		Classification	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)			
Description:	Failure to submit the initial notification within 24 hours.			
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(b)(2)[G]			
Rqmt Prov:	PERMIT 37063			
Description:	Failure to operate within NOX hourly limits			
Date	11/04/2003	(254252)		
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(1)(C)			
Description:	Failure to operate within the opacity limits.			
Self Report?	NO		Classification	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)			
Description:	Failure to submit the initial notification within 24 hours of an emissions event.			
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(1)(C)			
Description:	Failure to operate within required opacity limits.			
Self Report?	NO		Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(b)(2)[G]			
Rqmt Prov:	PERMIT 37063			
Description:	Failure to operate within NOX hourly limits			
Date	11/17/2003	(248486)		

Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(1)(C)		
Description:	Failure to operate within required opacity limits.		
Date	12/19/2003	(152105)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.354(2)(C) 30 TAC Chapter 116, SubChapter B 116.115(c) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)		
Description:	Chevron Phillips Chemical Company (CPCC) failed to monitor 16 valves in the 1796 Unit.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 115, SubChapter D 115.352(4) 30 TAC Chapter 116, SubChapter B 116.115(c) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)		
Description:	Failure to cap, blind flange, or plug open-ended lines.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 115, SubChapter D 115.352(2) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(2)		
Description:	Failure to conduct first attempt at repairs, for leaking valves, within 5 calendar days		
Date	08/27/2004	(266898)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Air Permit #46783, SC #1		
Description:	Exceeded VOC permit limit during an avoidable emissions event.		
Date	09/30/2004	(293341)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT DDD 60.563(d)(2)		
Rqmt Prov:	OP Special Terms and Conditions 1.A.		
Description:	Failed to conduct the monthly car seal inspections.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.352[G] 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT DDD 60.562-2(a)		
Rqmt Prov:	OP Special Terms and Conditions 1.A.		
Description:	Failed to conduct fugitive monitoring on 66 components.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(b)(2)[G] 30 TAC Chapter 116, SubChapter B 116.115(c)		
Rqmt Prov:	PA 46305, Special Condition No. 1		
Description:	Failure to operate within MAERT limits for Flare EPN VE-9003.		
Date	11/30/2004	(381763)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	12/21/2004	(283434)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(1) 30 TAC Chapter 101, SubChapter F 101.221(a) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)		
Description:	Chevron failed to comply with 30 Tex. Admin. Code 101.222(b)		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT 37063		
Description:	Chevron failed to comply with 30 Tex. Admin. Code 101.222(b).		
Date	12/21/2004	(289254)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter H 116.814(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT 46783		
Description:	Chevron failed to comply with 30 Tex. Admin. Code 101.222(b).		
Date	12/28/2004	(282257)	
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B) 30 TAC Chapter 101, SubChapter F 101.201(b)(7)		
Description:	Chevron failed to submit a timely initial emissions event notification.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c)		

Rqmt Prov:	5C THC Chapter 382, SubChapter A 382.085(b)		
Description:	PERMIT TCEQ Air Permit #37063, SC #1		
Date	01/03/2005	(285841)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c)		
	5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Air Permit No. 19027, SC #1		
Description:	Exceeded permit limits during an avoidable emissions event.		
Date	01/04/2005	(286354)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c)		
	5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Air Permit No. 19027, SC #1		
Description:	Exceeded permit limit during an avoidable emissions event.		
Date	01/20/2005	(338916)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c)		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
Rqmt Prov:	PERMIT 5015C, Special Condition 3B		
	OP O-01274, Special Term and Condition 5		
Description:	Failure to operate the stack, Unit 1794-16, within the required opacity limit.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c)		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
Rqmt Prov:	PERMIT 5015C, Special Condition 6E		
	OP O-01274, Special Term and Condition 5		
Description:	Failure to maintain a plug on an open-ended line.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
Rqmt Prov:	OP O-01274, Special Term and Condition 1A		
Description:	Failure to record the time of day for the flare observation for Flare FS-5210.		
Date	02/03/2005	(333891)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(1)		
	30 TAC Chapter 115, SubChapter D 115.352(4)		
	30 TAC Chapter 116, SubChapter B 116.115(c)		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
	40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)		
Rqmt Prov:	OP O-02114, Special Term and Condition #11		
	PERMIT Permit 8364A, Special Condition No. 9E		
Description:	Failure to maintain caps or plugs on open-ended lines.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(1)		
	30 TAC Chapter 115, SubChapter D 115.352(4)		
	30 TAC Chapter 116, SubChapter B 116.115(c)		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
	40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)		
Rqmt Prov:	PERMIT 37063, Special Term and Condition 11E		
	OP O-02114, Special Term and Condition 11		
Description:	Failure to maintain caps or plugs on a open-ended lines in F-1798-30.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.352(4)		
	30 TAC Chapter 116, SubChapter B 116.115(c)		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
Rqmt Prov:	PERMIT 6517A, Special Condition 1E		
	OP O-02114, Special Term and Condition 11		
Description:	Failure to maintain caps or plugs on open-ended lines in Unit 1795-66.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.116(a)(1)		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
Rqmt Prov:	PERMIT 8364A, General Condition 1		
	OP O-02114, Special Term and Condition 11		
Description:	Failure to operate tanks 17 and 24A as represented in permit 8364A.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.116(a)(1)		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
Rqmt Prov:	PERMIT 37063, General Condition 1		
	OP O-02114, Special Term and Condition 11		
Description:	Failure to operate Tank 28 as represented in permit 37063.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 101, SubChapter A 101.20(1)		
	30 TAC Chapter 115, SubChapter D 115.352(1)[G]		
	30 TAC Chapter 116, SubChapter B 116.115(c)		

30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-8(c)[G]  
 Rqmt Prov: PERMIT 37063, Special Condition 11  
 OP O-02114, Special Term and Condition 11  
 Description: Failure to repair a component within the required timeframe.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 115, SubChapter D 115.354(2)[G]  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)

Rqmt Prov: PERMIT 37063, Special Condition 11  
 OP O-02114, Special Term and Condition 11  
 Description: Failure to monitor fugitive components in the F-1798-30 Unit area.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 115, SubChapter D 115.354(2)[G]  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7[G]

Rqmt Prov: PERMIT 8364A, Special Condition 9  
 OP O-02114, Special Term and Condition 11  
 Description: Failure to monitor fugitive components in the F-130 Unit Area.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)[G]  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: PERMIT 6517A, Special Condition 1  
 OP O-02114, Special Term and Condition 11  
 Description: Failure to monitor fugitive components in the F-1795-66 Unit Area.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT RRR 60.705(b)(2)(ii)

Rqmt Prov: OP O-02114, Special Term and Condition 1A  
 Description: Failure to conduct monthly bypass line valve car seal inspections for 40 valves.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT RRR 60.705(d)(2)

Rqmt Prov: OP O-02114, Special Term and Condition 1A  
 Description: Failure to include all car seal ID numbers on monthly car seal inspection records.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 115, SubChapter C 115.212(a)(2)  
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP O-02114, Special Term and Condition 6Ai  
 Description: Failure to route hexene vapors to control while depressuring a tank truck.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: PERMIT 37063, Special Condition 4A  
 OP O-02114, Special Term and Condition 11  
 Description: Failure to operate heater H-3 with the required firing rate.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)  
 PERMIT 37063, Special Condition 6B  
 OP O-02114, ST&C 11 and 1A  
 Description: Failure to maintain a flare pilot light at all times on Flare Z-1101  
 Date 02/28/2005 (381761)  
 Self Report? YES Classification Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter  
 Date 07/29/2005 (401052)  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: PERMIT 19027, SC No. 20I  
 OP O-02116, SC 1A.  
 Description: Failure to repair a leaking valve when it could have been repaired without unit shutdown.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)  
30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP O-02216, SC 3Aiii

Description: Failure to maintain an opacity of 20% for the 6 minute observation period for an emergency electrical generator.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(1)

Rqmt Prov: PERMIT 19027, GC 1

Description: Overflowed tank TK-561

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)(G)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT DDD 60.562-2(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)

Rqmt Prov: PERMIT 19027, SC No. 20 & 21

OP O-02116, SC 1A

Description: Failure to monitor 14 valves and 33 connectors for fugitive monitoring.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354  
30 TAC Chapter 115, SubChapter D 115.354(2)(G)  
30 TAC Chapter 115, SubChapter H 115.781(b)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT DDD 60.562-2(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)

Rqmt Prov: PERMIT 19027, SC No. 21 & 21

OP O-02116, SC No. 1A

Description: Failure to monitor 85 valves and 349 connectors in HRVOC service.

Date 09/30/2005 (468259)

Self Report? YES Classification Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)(G)

Description: Failure to meet the limit for one or more permit parameter

Date 02/08/2006 (405969)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT 46783, General Condition #8

Description: Failure to prevent a pipe leak resulting in unauthorized emissions.

Date 03/22/2006 (456836)

Self Report? NO Classification Minor

Citation: 30 TAC Chapter 106, SubChapter T 106.454(4)(C)

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP FOP O-02115, STC 13

Description: Failure to keep the lid on the parts washer closed at all times

Self Report? NO Classification Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP FOP O-02115, SC 12

PERMIT NSR Permit 2462C, SC 9

Description: Failure to operate the catalytic converter at 95% efficiency in disposing of the VOC

(B19.g.(1))

Self Report? NO Classification Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP FOP # O-02115, SC 12

PERMIT NSR Permit# 2462C, SC 17(E)

Description: Failure to plug eight open-ended valves or lines

Date 04/03/2006 (452797)

Self Report? NO Classification Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)

30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT SC #21E

OP ST & C #12

Description: Failure to comply with 30 TAC Chapter 115.352(4) which requires valves and pipelines containing VOC to be operated with either a second valve, blind flange, or a tightly-fitting plug or cap.

Self Report? NO Classification Minor

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)

30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: OP Special Condition #3(A)(i).  
 Description: Failure to operate engines in accordance with 30 TAC Chapter 111.111(a)(1)(B)  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)  
 30 TAC Chapter 115, SubChapter H 115.782(b)(1)  
 30 TAC Chapter 115, SubChapter H 115.782(b)(2)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PA NSR Permit 1504A, Special Condition 21.I  
 OP ST & C #1.L.(iv)  
 OP ST & C #12  
 Description: Failure to repair leaking components within the required timeframes.  
 Self Report? NO Classification Minor  
 Citation: 30 TAC Chapter 115, SubChapter H 115.782(c)(1)(B)(i)(II)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: OP ST & C #1.L.(iv)  
 Description: Failure to perform initial emissions rate calculations within 30 calendar days.  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)(B)  
 30 TAC Chapter 115, SubChapter D 115.354(2)(C)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.242-7(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT SC #21E  
 PERMIT SC #22A  
 OP ST & C #12  
 Description: Failure to conduct Method 21 monitoring as required to 325, valves, 818 connectors,  
 and 2 pumps.  
 Date 06/30/2006 (520101)  
 Self Report? YES Classification Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter  
 Date 07/31/2006 (520102)  
 Self Report? YES Classification Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter  
 Date 08/23/2006 (464714)  
 Self Report? NO Classification Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Air Permit No. 2462C, SC1  
 Description: Investigation No. 464714 determined that CPC failed to prevent a decomposition  
 reaction in the Line 4 Reactor during Incident No. 72456.  
 Date 09/28/2006 (486905)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PERMIT 37063 Special Condition 1  
 Description: Failure to prevent unauthorized emissions.  
 Date: 02/13/2007 (534351)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PERMIT 19027/Special Condition 1  
 Description: Failed to prevent unauthorized emissions.

F. Environmental audits.

Notice of Intent Date: 12/19/2002 (33131)  
 No DOV Associated  
 Notice of Intent Date: 06/12/2003 (251330)  
 Disclosure Date: 7/18/2003  
 Viol. Classification: Moderate  
 Citation: 30 TAC Chapter 335, SubChapter A  
 Description: Hazardous waste manifest inadequate.  
 Viol. Classification: Moderate  
 Citation: 30 TAC Chapter 111, SubChapter A  
 Description: The flare logs did not include times of observation.

Viol. Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter F  
Description: Failure to demonstrate that all air emission events were evaluated within time constraints.

Viol. Classification: Moderate  
Citation: 30 TAC Chapter 335, SubChapter E  
Description: Failed to ensure that tank 903 was certified by an engineer.

Viol. Classification: Moderate  
Citation: 30 TAC Chapter 335, SubChapter E  
Description: Tank 902 leaked.

Viol. Classification: Minor  
Citation: 40 CFR Chapter 268, SubChapter I, PT 268, SubPT A  
Description: The facility did not provide all required information on and maintain copies of each initial land disposal restriction notice.

Viol. Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F  
Description: Final records for air releases are not always dated to demonstrate compliance within a 14 day window.

Notice of Intent Date: 05/13/2005 (400692)  
No DOV Associated

Notice of Intent Date: 05/18/2006 (481743)  
No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

J. Early compliance.

Date Achieved	Description
12/31/2003	Early Compliance with NOx emissions required for Compliance with 30 TAC Chapter 101 SubChapter 8, Division 3, Mass Emissions Cap and Trade Program and Chapter 117 Control of Air Pollution from Nitrogen Compounds Rules

Sites Outside of Texas

N/A



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
CHEVRON PHILLIPS CHEMICAL  
COMPANY LP  
RN103919817

§ BEFORE THE  
§  
§ TEXAS COMMISSION ON  
§  
§ ENVIRONMENTAL QUALITY

**AGREED ORDER**  
**DOCKET NO. 2007-0322-AIR-E**

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality (“the Commission” or “TCEQ”) considered this agreement of the parties, resolving an enforcement action regarding Chevron Phillips Chemical Company LP (“Chevron Phillips Cedar Bayou”) under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Chevron Phillips Cedar Bayou presented this agreement to the Commission.

Chevron Phillips Cedar Bayou understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, Chevron Phillips Cedar Bayou agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon Chevron Phillips Cedar Bayou.

The Commission makes the following Findings of Fact and Conclusions of Law:

**I. FINDINGS OF FACT**

1. Chevron Phillips Cedar Bayou owns and operates a chemical plant at 9500 Interstate 10E, Baytown, Harris County, Texas (the “Plant”).



2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During an investigation on November 29, 2006, TCEQ staff documented the unauthorized release of 3,314 pounds ("lbs") of butene from the separation of the loading hose during the loading of the butene-1 railcar coupled to a loaded railcar, resulting in an emissions event that occurred on October 12, 2006, and lasted for eight minutes (Incident No.82584).
4. During an investigation on May 21, 2006, TCEQ staff documented:
  - a. A failure to correctly report the date of the January 15, 2006, emissions event on the Initial Notification Form. Incident No. 70394 occurred on January 15, 2006, but was reported as January 15, 2005;
  - b. The unauthorized release of 4,586 lbs of ethylene, 167.70 lbs of 1,3-butadiene, 356.10 lbs of propane, 469.90 lbs of propylene and 566.30 lbs of unspecified volatile organic compounds ("VOC") when Chevron Phillips Cedar Bayou failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in an emissions event that occurred on January 15, 2006, and lasted for one hour (Incident No. 70394). The failure to operate with a flame or pilot flame at all times was also a violation of the permit and federal standards;
  - c. The unauthorized release of 4,909 lbs of ethylene, 207.10 lbs of 1,3-butadiene, 840.50 lbs of propane, 1,315 lbs of propylene and 778 lbs of unspecified VOC when Chevron Phillips Cedar Bayou failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in an emissions event that occurred on January 19, 2006, and lasted for two hours and twelve minutes (Incident No.70583). The failure to operate with a flame or pilot flame at all times was also a violation of the permit and federal standards;
  - d. The unauthorized release of 5,000.60 lbs of ethylene, 120.90 lbs of 1,3-butadiene, 1,742.89 lbs of propane, 725.40 lbs of propylene and 781.70 lbs of unspecified VOC when Chevron Phillips Cedar Bayou failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in an emissions event that occurred on January 22, 2006, and lasted for two hours and twelve minutes (Incident No.70666). The failure to operate with a flame or pilot flame at all times was also a violation of the permit and federal standards; and
  - e. The unauthorized release of 7,503.70 lbs of ethylene, 194.80 lbs of 1,3-butadiene, 2,930.70 lbs of propane, 2,340.80 lbs of propylene and 1,336.50 lbs of unspecified VOC when Chevron Phillips Cedar Bayou failed to remove entrained liquid causing the loss of flame at the pilot and Flare CB-701, resulting in an emissions event that occurred on January 23 and 24, 2006, and lasted for one hour forty-six minutes and forty-two minutes, respectively (Incident No. 70786). The failure to operate with a flame or pilot flame at all times was also a violation of the permit and federal standards.



5. Chevron Phillips Cedar Bayou received notices of the violations on January 24 and February 21, 2007.
6. The Executive Director recognizes that Chevron Phillips Cedar Bayou has implemented the following corrective measures at the Plant:
  - a. On January 29, 2006, completed the installation of three supplemental pilot assemblies and modifications to the fuel gas supplying the pilots for CB-701, to prevent plugging from water contamination. The modifications included the installation of a boot at the lowest point of the piping directly off the pipeline natural gas connection, and the installation of a knock out pot in the fuel gas line prior to the flame front generator;
  - b. On January 17 and 26, 2006, conducted training for personnel responsible for submitting notification forms to the agency; and
  - c. On October 18, 2006, the wheel chocks with worn spurs which did not adequately grab the rails, and wheel brakes which had failed to engage fully when set leading to the October 12, 2006 incident, were inspected and replaced. New procedures were also put in place for inspecting the wheel chocks on a monthly basis and for ensuring that no railcars are coupled together during loading before checking that the brakes are set.

## II. CONCLUSIONS OF LAW

1. Chevron Phillips Cedar Bayou is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3., Chevron Phillips Cedar Bayou failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 115.722(c)(1), Air Permit No. 37063, Special Condition No.1 and TEX. HEALTH & SAFETY CODE § 382.085(b). Since this emissions event was avoidable, Chevron Phillips Cedar Bayou failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
3. As evidenced by Findings of Fact No. 4.a., Chevron Phillips Cedar Bayou failed to report the date of the January 15, 2006 incident correctly in the emissions event notification submitted to the TCEQ, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(2)(D), and TEX. HEALTH & SAFETY CODE § 382.085(b).
4. As evidenced by Findings of Fact No. 4.b., Chevron Phillips Cedar Bayou failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CODE OF FEDERAL REGULATIONS ("CFR") § 60.18(c) and TEX. HEALTH & SAFETY CODE § 382.085(b). Since this emissions event was avoidable, Chevron Phillips Cedar Bayou failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
5. As evidenced by Findings of Fact No. 4.c., Chevron Phillips Cedar Bayou failed to prevent unauthorized emissions and operate with a flame or pilot flame at all times, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CFR § 60.18(c) and TEX. HEALTH & SAFETY CODE § 382.085(b). Since this



emissions event was avoidable, Chevron Phillips Cedar Bayou failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

6. As evidenced by Findings of Fact No. 4.d., Chevron Phillips Cedar Bayou failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CFR § 60.18(c) and TEX. HEALTH & SAFETY CODE § 382.085(b). Since this emissions event was avoidable, Chevron Phillips Cedar Bayou failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
7. As evidenced by Findings of Fact No. 4.e., Chevron Phillips Cedar Bayou failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 101.20(1), Air Permit No. 1504A, Special Condition Nos. 1 and 11.B, 40 CFR § 60.18(c), and TEX. HEALTH & SAFETY CODE § 382.085(b). Since this emissions event was avoidable, Chevron Phillips Cedar Bayou failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
8. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Chevron Phillips Cedar Bayou for violations of the TEXAS WATER CODE and the TEXAS HEALTH AND SAFETY CODE within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
9. An administrative penalty in the amount of Sixty Thousand Two Hundred Eighty-Three Dollars (\$60,283) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. Chevron Phillips Cedar Bayou has paid Thirty Thousand One Hundred Forty-Two Dollars (\$30,142) of the administrative penalty. Thirty Thousand One Hundred Forty-One Dollars (\$30,141) is conditionally offset by Chevron Phillips Cedar Bayou's completion of a Supplemental Environmental Project ("SEP").

### III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. Chevron Phillips Cedar Bayou is assessed an administrative penalty in the amount of Sixty Thousand Two Hundred Eighty-Three Dollars (\$60,283) as set forth in Section II, Paragraph 9. above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Chevron Phillips Cedar Bayou's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Chevron Phillips Chemical Company LP, Docket No. 2007-0322-AIR-E" to:



Financial Administration Division, Revenues Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. Chevron Phillips Cedar Bayou shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 9 above, Thirty Thousand One Hundred Forty-One Dollars (\$30,141) of the assessed administrative penalty shall be offset with the condition that Chevron Phillips Cedar Bayou implement the SEP defined in Attachment A, incorporated herein by reference. Chevron Phillips Cedar Bayou's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon Chevron Phillips Cedar Bayou. Chevron Phillips Cedar Bayou is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If Chevron Phillips Cedar Bayou fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Chevron Phillips Cedar Bayou's failure to comply is not a violation of this Agreed Order. Chevron Phillips Cedar Bayou shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Chevron Phillips Cedar Bayou shall notify the Executive Director within seven days after Chevron Phillips Cedar Bayou becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Chevron Phillips Cedar Bayou shall be made in writing to the Executive Director. Extensions are not effective until Chevron Phillips Cedar Bayou receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to Chevron Phillips Cedar Bayou if the Executive Director determines that Chevron Phillips Cedar Bayou has not complied with one or more of the terms or conditions in this Agreed Order.
7. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
8. This Agreed Order, issued by the Commission, shall not be admissible against Chevron Phillips Cedar Bayou in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.



9. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
  
10. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.



Chevron Phillips Chemical Company LP  
DOCKET NO. 2007-0322-AIR-E  
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**SIGNATURE PAGE**

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

For the Commission

  
For the Executive Director

9/16/07  
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Chevron Phillips Chemical Company LP. I am authorized to agree to the attached Agreed Order on behalf of Chevron Phillips Chemical Company LP, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Chevron Phillips Chemical Company LP waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
Signature

7/9/2007  
Date

**Dan M. Coombs**

**Plant Manager**

Name (Printed or typed)  
Authorized Representative of  
Chevron Phillips Chemical Company LP

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.



Attachment A  
Docket Number: 2007-0322-AIR-E

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** Chevron Phillips Chemical Company LP

**Payable Penalty Amount:** Sixty Thousand Two Hundred Eighty-Three Dollars (\$60,283)

**SEP Amount:** Thirty Thousand One Hundred Forty-One Dollars (\$30,141)

**Type of SEP:** Pre-approved

**Third-Party Recipient:** Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program

**Location of SEP:** Harris County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.



B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council  
Houston-Galveston AERCO  
P.O. Box 22777  
Houston, Texas 77227-2777

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division  
Attention: SEP Coordinator, MC 219  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality  
Financial Administration Division, Revenues  
Attention: Cashier, MC 214  
P.O. Box 13088  
Austin, Texas 78711-3088



The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

**5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

