

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**  
**DOCKET NO.: 2006-0093-AIR-E TCEQ ID: RN100825249 CASE NO.: 28046**  
**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> 21689 Highway 35, Old Ocean, Brazoria County</p> <p><b>TYPE OF OPERATION:</b> Chemical manufacturing 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 no record of additional pending enforcement actions regarding this facility location.</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 24, 2007. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney:</b> Mr. Justin Lannen, Litigation Division, MC R-4, (817) 588-5927  Ms. Jennifer Cook, Litigation Division, MC 175, (512) 239-1873  <b>SEP Coordinator:</b> Ms. Sharon Blue, Litigation Division, MC 175, (512) 239-2223  <b>TCEQ Enforcement Coordinator:</b> Ms. Suzanne Walrath, Air Enforcement Section, MC 149, (512) 239-2134  <b>TCEQ Regional Contact:</b> Ms. Linda Vasse, Houston Regional Office, MC R-12, (713) 767-3500  <b>Respondent:</b> Ms. Charleen Dickson, Plant Manager, Chevron Sweeny Complex, 21689 Highway 35, Old Ocean, Texas 77463  <b>Respondent's Attorney:</b> Mr. David Speaker, Chevron Phillips Chemical Company LP, 10001 Six Pines Dr, The Woodlands, Texas, (832) 813-4108.</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b></p> <p><input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" type="checkbox"/> Records Review</p> <p><b>Date of Complaints Relating to this Case:</b> None.</p> <p><b>Dates of Investigation Relating to this Case:</b>                      October 6, 12, and 13, 2005 and January 30, 2006</p> <p><b>Date of NOES Relating to this Case:</b> January 20, 2006, February 21 and 22, 2006, March 14, 2006, and April 6, 2006</p> <p><b>Background Facts:</b></p> <p>From the outset, the Respondent expressed its desire to settle the matter without the need to go to a hearing. The Litigation Division and the Respondent then engaged in successful settlement negotiations. The Respondent submitted a signed Agreed Order and paid \$17,437.50 of the administrative penalty on June 21, 2007.</p> <p><b>AIR:</b></p> <p>Failed to prevent the unauthorized release of air contaminants into the atmosphere. The highly reactive VOC releases from the emissions events were 8,004 lbs on 5/11/2005, 2,520 lbs on 6/15/2005, 6,414 lbs on 6/18/05, 2,669 lbs on 7/6/05, and 2,450 lbs on 11/15/2005 [30 TEX. ADMIN. CODE § 116.715(a); Flexible Air Permit Nos. 22690 and PSD-TX-751M1, Special Condition No. 1; and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$34,875</p> <p><b>Total Deferred:</b> \$0</p> <p><b>SEP Conditional Offset:</b> \$17,437.50</p> <p><b>Total Paid to General Revenue:</b> \$17,437.50                      The Respondent has paid \$17,437.50 of the administrative penalty. The remaining amount of \$17,437.50 of the administrative penalty shall be conditionally offset by Respondent's completion of a Supplemental Environmental Project.</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 Order Justification:</b> The Respondent has had three repeated enforcement actions over the prior five year period for the same violation.</p>	<p><b>Corrective Actions Taken:</b>                      The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <ol style="list-style-type: none"> <li>1. On May 12, 2005, the pressure on the ethylene fractionator was immediately decreased on the first stage suction drum of the ethylene compressor, and the set point on the control valve was reduced and the control loop tuning parameters were adjusted such that the operating pressure of the ethylene fractionator may be better maintained and not increase to the set point of the rupture disc and relief valve.</li> <li>2. On June 15, 2005, Respondent's operators immediately began stabilizing Ethylene Unit 22, and implemented controlled shutdown procedures. Steam flow to the flare was maximized in order to minimize visible emissions.</li> <li>3. On July 6, 2005, Respondent's operators immediately began stabilizing Ethylene Unit 33, and implemented controlled shutdown procedures. The minimum numbers of furnaces were shut down and steam flow to the flare was maximized in order to minimize visible emissions.</li> <li>4. During the time period of May 11 through July 31, 2005, Respondent conducted training on all shifts for plant personnel responsible for operating Ethylene Unit 22.</li> <li>5. During the month of July 2005, Respondent conducted training on all shifts for plant personnel responsible for operating Ethylene Unit 33.</li> <li>6. On November 15, 2005, Respondent routed waste gases to Ethylene Unit 22's flare system, steam flow to the flare was maximized in order to minimize visible emissions, and unit operations proceeded with proper unit startup procedures.</li> <li>7. During the month of November 2005, Respondent conducted training/safety meetings on all shifts and reviewed the emission event which occurred on November 15, 2005, and reviewed preventative safety measures.</li> </ol> <p><b>Ordering Provision:</b>                      The Respondent shall implement and complete a Supplemental Environmental Project ("SEP") as described in Attachment A.</p>

Attachment A

Docket Number: 2006-0093-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

**Respondent:** Chevron Phillips Chemical Company, LP

**Penalty Amount:** Thirty-Four Thousand Eight Hundred Seventy-Five Dollars (\$34,875.00)

**SEP Amount:** Seventeen Thousand Four Hundred Thirty-Seven Dollars and Fifty Cents (\$17,437.50)

**Type of SEP:** Pre-approved

**Third-Party Recipient:** Houston-Galveston Area Emission Reduction Credit Organization (AERCO) Clean Cities/Clean Vehicles Program

**Location of SEP:** Brazoria County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for 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

Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the **Houston-Galveston Area Emission Reduction Credit Organization (AERCO) Clean Cities/Clean Vehicles Program** will perform a SEP within the airshed of Brazoria County pursuant to the agreement between AERCO and the TCEQ. SEP monies will be used to aid local school districts and area transit agencies for the costs of replacing older diesel buses with alternative fueled or clean fuel diesel buses or retrofitting older buses with clean fuel technology.

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 retiring high-emission buses from service, purchasing newer, clean fuel technology buses, or replacing newer buses with fuel treatment technology that reduces particulate emissions, nitrous oxide (NOx), and hydrocarbons.

C. Minimum Expenditure

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, Respondent shall contribute the SEP Amount to the Third-Party Recipient. 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, TX 77227-2777

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, 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. Respondent shall mail a copy of the check and transmittal letter to:

Litigation Division  
Attention: SEP Coordinator, MC 175  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If 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.

In the event of incomplete performance, the check for any amount due shall include the notation "SEP Refund" and the docket number of the case, be made out to "Texas Commission on Environmental Quality", and be mailed to:

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

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 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**

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Policy Revision 2 (September 2002)

# Penalty Calculation Worksheet (PCW)

PCW Revision May 19, 2005

DATES	Assigned	23-Jan-2006	Screening	24-Jan-2006	EPA Due	19-Nov-2006
	PCW	04-Dec-2006				

<b>RESPONDENT/FACILITY INFORMATION</b>			
Respondent	Chevron Phillips Chemical Company LP		
Reg. Ent. Ref. No.	RN100825249		
Facility/Site Region	12 - Houston	Major/Minor Source	Major Source

<b>CASE INFORMATION</b>			
Enf./Case ID No.	28046	No. of Violations	2
Docket No.	2006-0093-AIR-E	Order Type	Findings
Media Program(s)	Air Quality	Enf. Coordinator	Suzanne Walrath
Multi-Media		EC's Team	Enforcement Team 4
Admin. Penalty \$	Limit Minimum \$0	Maximum	\$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** Subtotal 1 \$22,500

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

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

**Compliance History** 80% Enhancement Subtotals 2, 3, & 7 \$18,000

Notes: The respondent has been issued twelve NOVs with same or similar violatons, three without same or similar violations, one 1660 Order, and submitted two Notice of Intent to Audit letter and disclosed violations twice with respect to those letters.

**Culpability** No 0% Enhancement Subtotal 4 \$0

Notes: The respondent does not meet the culpability criteria.

**Good Faith Effort to Comply** 25% Reduction Subtotal 5 -\$5,625

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with a small x)

Notes: The respondent achieved compliance on 11/30/05. This is the date that the last repairs were completed, and when emission event training was completed.

**Economic Benefit** 0% Enhancement\* Subtotal 6 \$0

Total EB Amounts	\$68	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$8,913	

**SUM OF SUBTOTALS 1-7** Final Subtotal \$34,875

**OTHER FACTORS AS JUSTICE MAY REQUIRE** Adjustment \$0

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

Notes:

**Final Penalty Amount** \$34,875

**STATUTORY LIMIT ADJUSTMENT** Final Assessed Penalty \$34,875

**DEFERRAL** Reduction Adjustment \$0

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

Notes: No deferral as this is a findings order.

**PAYABLE PENALTY** \$34,875

**Screening Date** 24-Jan-2006

**Docket No.** 2006-0093-AIR-E

**PCW**

**Respondent** Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

**Case ID No.** 28046

PCW Revision May 19, 2005

**Reg. Ent. Reference No.** RN100825249

**Media [Statute]** Air Quality

**Enf. Coordinator** Suzanne Walrath

**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)	12	60%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	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 judgements 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	2	-2%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	2	-4%
<i>Please Enter Yes or No</i>			
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	No	0%

**Adjustment Percentage (Subtotal 2)** 80%

>> **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**

The respondent has been issued twelve NOVs with same or similar violatons, three without same or similar violations, one 1660 Order, and submitted two Notice of Intent to Audit letter and disclosed violations twice with respect to those letters.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 80%

<b>Screening Date</b> 24-Jan-2006	<b>Docket No.</b> 2006-0093-AIR-E	<b>PCW</b>
<b>Respondent</b> Chevron Phillips Chemical Company LP	<i>Policy Revision 2 (September 2002)</i>	
<b>Case ID No.</b> 28046	<i>PCW Revision May 19, 2005</i>	
<b>Reg. Ent. Reference No.</b> RN100825249		
<b>Media [Statute]</b> Air Quality		
<b>Enf. Coordinator</b> Suzanne Walrath		
<b>Violation Number</b> <input type="text" value="1"/>		
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 116.715(a), Flexible Air Permit Nos. 22690 and PSD-TX-751M1, Special Condition No. 1	
<b>Secondary Rule Cite(s)</b>	Tex. Health & Safety Code § 382.085(b)	
<b>Violation Description</b>	Failed to prevent the unauthorized release of air contaminants into the atmosphere. The events did not meet the demonstration criteria necessary to present an affirmative defense for the unauthorized emissions. Please see attached table.	
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>

>> **Environmental, Property and Human Health Matrix**

OR	<b>Harm</b>				
	<b>Release</b>	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="50%"/>

>> **Programmatic Matrix**

		Major	Moderate	Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text"/>
<b>Matrix Notes</b>	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. The highly reactive VOC emissions from the events were 8,004 lbs. on 5/11/05, 2,520 lbs. on 6/15/05, 6,414 lbs. on 6/18/05, and 2,669 lbs. on 7/6/05.				

**Adjustment**

**Base Penalty Subtotal**

**Violation Events**

<b>Number of Violation Events</b>	<input type="text" value="4"/>		
<i>mark only one use a small x</i>	<i>daily</i>	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$20,000"/>
	<i>monthly</i>	<input type="text"/>	
	<i>quarterly</i>	<input type="text"/>	
	<i>semiannual</i>	<input type="text"/>	
	<i>annual</i>	<input type="text"/>	
	<i>single event</i>	<input checked="" type="checkbox"/>	

Four single events are recommended for the events which occurred on 5/11/05, 6/15/05, 6/18/05, and 7/6/05 as documented by investigations conducted on 10/6/05, 10/13/05, and the file review conducted on 10/12/05.

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
<b>Estimated EB Amount</b> <input type="text" value="\$66"/>	<b>Violation Final Penalty Total</b> <input type="text" value="\$31,000"/>
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$31,000"/>	

### Economic Benefit Worksheet

**Respondent:** Chevron Phillips Chemical Company LP  
**Case ID No.:** 28046  
**Reg. Ent. Reference No.:** RN100825249  
**Media [Statute]:** 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	\$3,413	11-May-2005	21-Jun-2005	0.1	\$1	\$26	\$27
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	\$3,492	11-May-2005	31-Jul-2005	0.2	\$39	n/a	\$39
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

These costs represent plant and personnel costs for emergency shutdown and stabilization procedures, and also for training plant personnel responsible for operating Ethylene Units 22 and 33 beginning on the date of the first event, and ending on the date the repairs were completed on both units, and on the date the training was completed.

**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 \$6,905

TOTAL \$66

<b>Screening Date</b> 24-Jan-2006	<b>Docket No.</b> 2006-0093-AIR-E	<b>PCW</b>
<b>Respondent</b> Chevron Phillips Chemical Company LP	<i>Policy Revision 2 (September 2002)</i>	
<b>Case ID No.</b> 28046	<i>PCW Revision May 19, 2005</i>	
<b>Reg. Ent. Reference No.</b> RN100825249		
<b>Media [Statute]</b> Air Quality		
<b>Enf. Coordinator</b> Suzanne Walrath		
<b>Violation Number</b>	2	
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 116.715(a), Flexible Air Permit Nos. 22690 and PSD-TX-751M1, Special Condition No. 1	
<b>Secondary Rule Cite(s)</b>	Tex. Health & Safety Code § 382.085(b)	
<b>Violation Description</b>	Failed to prevent the unauthorized release of air contaminants into the atmosphere. The event did not meet the demonstration criteria necessary to present an affirmative defense for the unauthorized emissions. Please see attached table.	
<b>Base Penalty</b>		\$10,000

<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>				
OR	<b>Harm</b>			
	<b>Release</b>	Major	Moderate	Minor
	Actual	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Potential	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<b>Percent</b>	25%	
<b>&gt;&gt; Programmatic Matrix</b>				
	Falsification	Major	Moderate	Minor
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<b>Percent</b>	<input type="text"/>	
<b>Matrix Notes</b>	Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.			
		<b>Adjustment</b>	-\$7,500	

<b>Base Penalty Subtotal</b>	\$2,500
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<b>Violation Events</b>		
<b>Number of Violation Events</b>	1	
<i>mark only one use a small x</i>	<i>daily</i>	<input type="checkbox"/>
	<i>monthly</i>	<input type="checkbox"/>
	<i>quarterly</i>	<input type="checkbox"/>
	<i>semiannual</i>	<input type="checkbox"/>
	<i>annual</i>	<input type="checkbox"/>
	<i>single event</i>	<input checked="" type="checkbox"/>
		<b>Violation Base Penalty</b>
		\$2,500
One single event is recommended for the event which occurred on 11/15/05, as documented by the file review conducted on 1/30/06.		

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
<b>Estimated EB Amount</b>	\$2
	<b>Violation Final Penalty Total</b>
	\$3,875
<b>This violation Final Assessed Penalty (adjusted for limits)</b>	
\$3,875	

### Economic Benefit Worksheet

**Respondent:** Chevron Phillips Chemical Company LP  
**Case ID No.:** 28046  
**Reg. Ent. Reference No.:** RN100825249  
**Media [Statute]:** 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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Delayed Costs							
Equipment	\$1,000	15-Nov-2005	15-Nov-2005	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	\$1,008	15-Nov-2005	30-Nov-2005	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: These costs represent plant and personnel costs for emergency shutdown and stabilization procedures, and also for training plant personnel responsible for operating Ethylene Unit 22, beginning on the date of the event, and ending on the date the repairs were made on Ethylene Unit 22, and on the date the training was completed.

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 \$2,008

**TOTAL** \$2

**PENALTY CALCULATION WORKSHEET ATTACHMENT**  
**CHEVRON PHILLIPS CHEMICAL COMPANY LP**  
**RN100825249**  
**DOCKET NO. 2006-0093-AIR-E**

Date/Duration	Permit No./Cause	Unauthorized Emissions
5/11/05, 8 min.	Flex. Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1 - Specifically, during shutdown of the Ethylene Unit 22, pressure in the ethylene fractionator tower increased to a level such that the pressure relief valve on the fractionator lifted and released ethylene vapors to the atmosphere directly through the fractionator relief valve.	Ethylene Unit 22 fractionator relief valve: 8,004 lbs. of ethylene.
6/15/05, 66 hrs., 20 min.	Flex. Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1 - Specifically, the operator failed to control the fluid level in the 4 <sup>th</sup> stage suction drum at the Ethylene Unit 22, and the emissions were then routed to the unit's flare system.	Ethylene Unit 22 flare system [Unit 22 High Pressure/Emergency Flare (EPN No. 56-61-12), and Unit 22 Low Pressure Flare (EPN No. 56-61-10)]: 1,800 lbs. of ethylene, 720 lbs. of propylene, 21 lbs. of 1,3-butadiene, 21 lbs. of benzene, 8 lbs. of propane, 7 lbs. of acetylene, 2 lbs. of butane, 3 lbs. of butene, 2,060 lbs. of carbon monoxide, 271 lbs. of nitric oxide, and 14 lbs. of nitrogen dioxide.
6/18/05, 82 hrs.	Flex Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1 - Specifically, the operator failed to prevent the screens of the surface condenser from plugging, which shut down the ethylene compressor, and the resulting emissions were released from the flare (EPN No. 56-81-22).	Ethylene Unit 33 Compressor (Emission Point No. 56-61-22): 1,171 lbs. of propylene, 5,243 lbs. of ethylene, 14 lbs. of butane, 356 lbs. of propane, 64 lbs. of butene, 25 lbs. of acetylene, 153 lbs. of benzene, 183 lbs. of 1,3-butadiene, 13,179 lbs. of carbon monoxide, 2,457 lbs. of nitric oxide, and 129 lbs. of nitrogen dioxide.
7/6/05, 14 hrs., 25 min.	Flex. Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1 - Specifically, the operator started the semi-primed pump too soon, and caused the quench water pump to vapor lock and interrupt quench water flow to the quench tower. The tower quickly overheated and the flow of hot cracked gas continued, and tripped the entire process unit, resulting in emissions having to be flared.	Ethylene Unit 33 flare (Emission Point No. 56-61-22): 3,580 lbs. of carbon monoxide, 478 lbs. of nitric oxide, 25 lbs. of nitrogen dioxide, 206 lbs. of 1,3-butadiene, 42 lbs. of acetylene, 2,379 lbs. of ethylene, 115 lbs. of propane, and 290 lbs. of propylene.
11/15/05, 1 hr.	Flex Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1 - Specifically, the operator failed to perform maintenance on a valve during a 2005 unit turnaround, and the valve contained wood debris that partially blocked drainage, resulting in unauthorized emissions.	Ethylene Unit 22 flare system [Ethylene Unit 22 High Pressure Flare (EPN No. 56-61-12) and Ethylene Unit 22 Low Pressure Flare (EPN No. 56-61-10)] - 86 lbs. of butadiene, 14 lbs. of acetylene, 84 lbs. of benzene, 8 lbs. of butane, 11 lbs. of butene, 40 lbs. of cyclopentadiene, 824 lbs. of ethane, 1,542 lbs. of ethylene, 307 lbs. of methane, 19 lbs. of propane, and 908 lbs. of propylene, 2,933 lbs. of carbon monoxide, 391 lbs. of nitric oxide, and 20 lbs. of nitrogen dioxide.

# Compliance History

Customer/Respondent/Owner-Operator: CN600303614 Chevron Phillips Chemical Company LP Classification: AVERAGE Rating: 3.68

Regulated Entity: RN100825249 CHEVRON PHILLIPS CHEMICAL SWEENEY COMPLEX Classification: AVERAGE Site Rating: 2.10

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	BL0758C
AIR OPERATING PERMITS	PERMIT	2151
AIR OPERATING PERMITS	PERMIT	52061
AIR NEW SOURCE PERMITS	REGISTRATION	75473
AIR NEW SOURCE PERMITS	REGISTRATION	75479
AIR NEW SOURCE PERMITS	REGISTRATION	75447
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	BL0758C
AIR NEW SOURCE PERMITS	REGISTRATION	75072
AIR NEW SOURCE PERMITS	PERMIT	22690
AIR NEW SOURCE PERMITS	REGISTRATION	75059
AIR NEW SOURCE PERMITS	AFS NUM	4803900145
AIR NEW SOURCE PERMITS	REGISTRATION	50960
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXR000039834
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	86586

Location: 21689 HIGHWAY 35, OLD OCEAN, TX, 77463 Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: September 11, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: January 27, 2001 to January 27, 2006

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Suzanne Walrath Phone: 512/239-2134

## 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: 02/02/2003   | ADMINORDER 2002-0127-AIR-E |
| Classification: Moderate   |                            |
| Citation: 30 TAC Chapter 101, SubChapter A 101.6[G]<br>5C THC Chapter 382, SubChapter A 382.085(b) |                            |
| Description: Failure to report an upset within 24 hours that occurred on September 8, 2001.        |                            |
| Classification: Moderate   |                            |
| Citation: 5C THC Chapter 382, SubChapter A 382.085(a)  |                            |
| Description: Failure to prevent a release of 21872 pounds of propylene on September 8, 2001.       |                            |
- 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 | 02/15/2001 | (139596) |
| 2 | 02/16/2001 | (139597) |
| 3 | 02/16/2001 | (139598) |
| 4 | 03/01/2001 | (139599) |
| 5 | 03/01/2001 | (139600) |

6	03/01/2001	(139601)
7	03/01/2001	(139602)
8	03/01/2001	(139603)
9	03/01/2001	(139604)
10	03/01/2001	(139605)
11	03/01/2001	(139606)
12	04/02/2001	(139607)
13	04/02/2001	(139608)
14	04/02/2001	(139609)
15	04/02/2001	(139610)
16	04/02/2001	(139611)
17	04/02/2001	(139612)
18	04/02/2001	(139613)
19	04/02/2001	(139614)
20	04/11/2001	(139615)
21	04/11/2001	(139616)
22	04/11/2001	(139617)
23	04/11/2001	(139618)
24	04/25/2001	(139619)
25	04/26/2001	(139620)
26	04/26/2001	(139621)
27	08/29/2001	(139622)
28	08/29/2001	(139623)
29	08/29/2001	(139624)
30	08/29/2001	(139625)
31	08/29/2001	(139626)
32	08/29/2001	(139627)
33	08/29/2001	(139628)
34	08/29/2001	(139629)
35	08/31/2001	(139630)
36	08/31/2001	(139631)
37	08/31/2001	(139632)
38	11/29/2001	(139633)
39	01/23/2002	(139634)
40	02/12/2002	(139635)
41	03/13/2002	(139636)
42	03/18/2002	(139637)
43	03/18/2002	(139638)
44	04/02/2002	(139639)
45	04/03/2002	(139640)
46	04/05/2002	(139641)
47	05/15/2002	(139642)
48	05/17/2002	(139643)
49	08/14/2002	(7963)
50	08/31/2002	(9986)
51	10/07/2002	(11428)
52	03/07/2003	(21689)
53	03/27/2003	(23382)
54	04/03/2003	(25138)
55	05/27/2003	(282800)
56	07/26/2003	(61715)
57	07/26/2003	(61716)
58	07/31/2003	(12829)
59	08/27/2003	(152358)
60	10/08/2003	(248893)
61	10/08/2003	(248868)
62	10/22/2003	(250248)
63	11/13/2003	(254712)
64	01/12/2004	(259447)
65	05/05/2004	(265440)
66	06/30/2004	(275987)
67	06/30/2004	(276008)
68	07/12/2004	(258432)
69	08/23/2004	(259527)
70	08/31/2004	(275640)
71	08/31/2004	(275727)
72	08/31/2004	(275582)
73	10/29/2004	(293172)

74 11/14/2004 (273790)  
75 12/13/2004 (335760)  
76 12/13/2004 (339619)  
77 12/13/2004 (335727)  
78 12/14/2004 (339248)  
79 01/07/2005 (289178)  
80 01/07/2005 (339259)  
81 01/07/2005 (289620)  
82 01/07/2005 (289641)  
83 02/21/2005 (345241)  
84 02/21/2005 (345242)  
85 02/21/2005 (345244)  
86 03/31/2005 (374023)  
87 04/27/2005 (378280)  
88 05/19/2005 (378004)  
89 05/25/2005 (379870)  
90 07/26/2005 (401365)  
91 08/02/2005 (402542)  
92 08/22/2005 (405938)  
93 08/26/2005 (397897)  
94 08/30/2005 (398784)  
95 09/28/2005 (405189)  
96 10/31/2005 (434581)  
97 12/05/2005 (434398)  
98 12/05/2005 (433634)  
99 12/05/2005 (434458)  
100 01/17/2006 (450657)  
101 01/19/2006 (449735)  
102 01/20/2006 (434431)  
103 01/25/2006 (438519)

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

Date: 04/26/2001 (139621)  
Self Report? NO Classification Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.6[G]  
Description: NOTIF MAJOR UPSET

Date: 11/27/2001 (139634)  
Self Report? NO Classification Moderate  
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
Rqmt Prov: OP PPSC1  
Description: FLEX PERMIT CONDITIONS

Date: 12/04/2001 (139633)  
Self Report? NO Classification Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.6[G]  
Description: NOTIFICATION MAJ UPSET

Self Report? NO Classification Moderate  
Citation: 5C THC Chapter 382, SubChapter A 382.085(a)  
Description: UNAUTH EMISSIONS CIVIL

Date: 02/13/2002 (139635)  
Self Report? NO Classification Moderate  
Citation: 5C THC Chapter 382, SubChapter A 382.085(a)  
Description: UNAUTH EMISSIONS CIVIL

Date: 05/16/2002 (139642)  
Self Report? NO Classification Moderate  
Description: FL BE COMPLIANCE DATE

Self Report? NO Classification Moderate  
Description: FL BE COMPLIANCE DATE

Self Report? NO Classification Moderate  
Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)  
Description: REFINERY FUGTV/CTRL RE

Date: 01/29/2003 (23382)  
Self Report? NO Classification Major  
Citation: 30 TAC Chapter 117, SubChapter B 117.213(c)(1)(B)  
30 TAC Chapter 117, SubChapter B 117.213(d)(1)(A)  
30 TAC Chapter 117, SubChapter B 117.213(l)  
Description: The regulated entity is in compliance with the reporting requirements of 30 Tex.

Admin. Code 117.219(d). However, during the reporting period there were several periods of excess NOx emissions and several periods of NOx and CO

downtime. Therefore, a notice of violation is being issued to Chevron Phillips.

Date: 07/31/2003 (12829)

Self Report? NO Classification Minor

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
Description: CPC failed to record the daily flare observation. For year 2003, Unit 33 flare had no records of observation on a number of days: 6 days (February); 1 day (March), and 3 days (April). The records were below 98% of the required

Date: 10/08/2003 (248893 & 248868)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)  
Rqmt Prov: PERMIT 22690 General Condition No. 8  
Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of MAERT limits of TCEQ Air Permit No. 22690.

Date: 10/22/2003 (250248)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
Description: Failed to close an electrically operated transfer valve during preventative maintenance on unit 33 furnace # 3 (33-36-3).

Date: 05/06/2004 (265440)

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
30 TAC Chapter 115, SubChapter D 115.352(4)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.242-6(a)(2)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)

Rqmt Prov: PA 22690 and PSD-TX-751M1, SC14E

Description: Chevron Phillips Chemical Company, (CPCC) failed to cap or plug valve nos., 16, and 425 in unit 24.1, Debutanized Aromatic Concentrate, (DAC) Hydrotreater. All valves are in VOC service and without the required cap or plug.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(1)

Rqmt Prov: PA 22690, and PSD-TX-751M1, SC 14H

Description: During the record review, it was discovered that in 2000, CPCC failed to make attempt repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(2)

Description: During the record review, it was discovered that in 2000, CPCC failed to make first attempt repair on the leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 first attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report? NO Classification Moderate

Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.171(a)

Rqmt Prov: PA 22690, and PSD-TX-751M1, SC 114H

Description: It was discovered that in 2000, CPCC failed to make attempt at repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001, attempt repairs were not made on valve nos. 678, 02893, and 4560 within 15 days before these valves were placed on unit Shutdown list.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
30 TAC Chapter 115, SubChapter B 115.142(1)(A)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.346(b)(1)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.136(e)(1)(i)

Rqmt Prov: PA 22690, and PSD-TX-751M1, SC 3C

Description: CPCC failed to equip process drain nos. 84, 89, 93, 95, 100, 112, 624, 1527, with required water seal controls or a tightly sealed cap or plug (each drain found to be emitting volatile organic compound (VOC) in excess of 500 ppm)

Date: 07/12/2004 (258432)

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 #22690, SC #1

Description: Exceeded VOC permit limits during an avoidable emissions event.

Date: 08/23/2004 (259527)  
Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PA Flexible Permit No. 22690, SC 1  
Description: Exceeded permit limits during an avoidable emissions event.

Date: 11/14/2004 (273790)  
Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT TCEQ Flex Air Permit #22690, SC #1  
Description: Exceeded VOC permit limit during an avoidable emissions event.

Date: 09/28/2005 (405189)  
Self Report? YES Classification Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)(9)  
Description: Failure to identify in the final record of a scheduled maintenance, startup, or shutdown activity with unauthorized emissions, the preconstruction authorization number governing the facility involved in the scheduled maintenance, startup, or shutdown activity.

Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT Special Condition 1  
Description: Failure to comply with any and all general and special conditions contained in a flexible permit.

Date: 01/25/2006 (438519)  
Self Report? NO Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT TCEQ Flexible Permit #22690, SC #1  
Description: Chevron failed to prevent contact with the remote electrical control panel.

F. Environmental audits.

Notice of Intent Date: 09/18/2001 (32819)  
Disclosure Date: 11/16/2001

Viol. Classification: Minor  
Citation: 30 TAC Chapter 335, SubChapter Q  
Description: Failure to revise the Existing Source Reduction/Waste Minimization Plan to reflect CpChems operations.

Viol. Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B  
Description: Failure to submit the Annual Compliance Certification with the provisions of the General Operating Permit for Bulk Fuel Terminals was submitted to the TNRCC for the Clemens Terminal Facility for 2000.

Viol. Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B  
Description: Failure to submit the semi-annual deviations report required by the General Operating Permit for the Clemens Terminal Facility for 2000.

Notice of Intent Date: 10/09/2002 (33085)  
Disclosure Date: 04/21/2003

Viol. Classification: Minor  
Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A  
Description: Failure to identify in the Total Annual Benzene ("TAB") report each point of waste generation, hydrocarbon phase benzene, and flow-weighted concentration data

Viol. Classification: Major  
Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A  
Description: Failure to control the annual benzene emissions from Unit No. 24, oily water sump, for calendar year 2002

Viol. Classification: Moderate  
Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A  
Description: Failure to equip vacuum boxes and roll-off boxes with submerged fill pipes with openings within two pipe diameters of the container bottom

Viol. Classification: Minor  
Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A  
Description: Failure to maintain records to demonstrate that annual no detectable emissions monitoring had been performed

Viol. Classification: Moderate  
Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A  
Description: Failure to install flow indicators on four junction boxes for Unit 10ABC

Viol. Classification: Moderate  
Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A  
Description: Failure to perform 4th quarter visual inspections for Unit No. 24 for calendar year 2002

Viol. Classification: Moderate  
Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to make first attempts to repair flow meters, water seals on the process drains, and seals on the junction boxes after the June 20, 2001 visual inspection for Unit Nos. 10ABC and 24

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to control organic emissions and replace carbon canisters immediately when breakthrough is detected for each Carbon Absorption System ("CAS") for Unit No. 33

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to maintain design documentation for drain hub water seals, junction box and sump water seals, and flow indicators

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to maintain corrective action records for flow indicators

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to maintain CAS monitoring and carbon replacement time records

Viol. Classification: Moderate

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A

Description: Failure to submit a complete annual corrective actions summary report for calendar year 2002

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.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
CHEVRON PHILLIPS  
CHEMICAL COMPANY LP,  
RN100825249

§  
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BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY

**AGREED ORDER**  
**DOCKET NO. 2006-0093-AIR-E**

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

Chevron Phillips 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 agrees to waive all notice and procedural rights.

It is further understood and agreed that this Agreed Order represents the complete and fully-integrated agreement 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.

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

**FINDINGS OF FACT**

1. Chevron Phillips owns and operates a chemical manufacturing plant located at 21689 Highway 35, Old Ocean, Brazoria County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

382.003(12).

3. During investigations conducted on October 6 and 13, 2005, and record reviews on October 12, 2005 and January 30, 2006, a TCEQ Houston Regional Office investigator documented that Chevron Phillips failed to prevent the unauthorized release of air contaminants into the atmosphere. The events did not meet the demonstration criteria necessary to present an affirmative defense for the unauthorized emissions. (See table below).

Date/Duration	Permit No./Cause	Unauthorized Emissions
5/11/05, 8 min.	Flex. Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1 - Specifically, during shutdown of the Ethylene Unit 22, pressure in the ethylene fractionator tower increased to a level such that the pressure relief valve on the fractionator lifted and released ethylene vapors to the atmosphere directly through the fractionator relief valve.	Ethylene Unit 22 fractionator relief valve: 8,004 lbs. of ethylene.
6/15/05, 66 hrs., 20 min.	Flex. Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1 - Specifically, the operator failed to control the fluid level in the 4 <sup>th</sup> stage suction drum at the Ethylene Unit 22, and the emissions were then routed to the unit's flare system.	Ethylene Unit 22 flare system [Unit 22 High Pressure/Emergency Flare (EPN No. 56-61-12), and Unit 22 Low Pressure Flare (EPN No. 56-61-10)]: 1,800 lbs. of ethylene, 720 lbs. of propylene, 21 lbs. of 1,3-butadiene, 21 lbs. of benzene, 8 lbs. of propane, 7 lbs. of acetylene, 2 lbs. of butane, 3 lbs. of butene, 2,060 lbs. of carbon monoxide, 271 lbs. of nitric oxide, and 14 lbs. of nitrogen dioxide.
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7/6/05, 14 hrs., 25 min.	Flex. Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1 - Specifically, the operator started the semi-primed pump too soon, and caused the quench water pump to vapor lock and interrupt quench water flow to the quench tower. The tower quickly overheated and the flow of hot cracked gas continued, and tripped the entire process unit, resulting in emissions having to be flared.	Ethylene Unit 33 flare (Emission Point No. 56-61-22): 3,580 lbs. of carbon monoxide, 478 lbs. of nitric oxide, 25 lbs. of nitrogen dioxide, 206 lbs. of 1,3-butadiene, 42 lbs. of acetylene, 2,379 lbs. of ethylene, 115 lbs. of propane, and 290 lbs. of propylene.
11/15/05, 1 hr.	Flex Permit No. 22690 and PSD-TX-751M1, Special Condition No. 1 - Specifically, the operator failed to perform maintenance on a valve during a 2005 unit turnaround, and the valve contained wood debris that partially blocked drainage, resulting in unauthorized emissions.	Ethylene Unit 22 flare system [Ethylene Unit 22 High Pressure Flare (EPN No. 56-61-12) and Ethylene Unit 22 Low Pressure Flare (EPN No. 56-61-10)] - 86 lbs. of butadiene, 14 lbs. of acetylene, 84 lbs. of benzene, 8 lbs. of butane, 11 lbs. of butene, 40 lbs. of cyclopentadiene, 824 lbs. of ethane, 1,542 lbs. of ethylene, 307 lbs. of methane, 19 lbs. of propane, and 908 lbs. of propylene, 2,933 lbs. of carbon monoxide, 391 lbs. of nitric oxide, and 20 lbs. of nitrogen dioxide.

4. Chevron Phillips received notices of the violations on or about January 25, 2006, February 26 and 27, 2006, March 19, 2006, and April 11, 2006.
5. The Executive Director recognizes that Chevron Phillips has implemented the following corrective measures at the Plant:
  - a. On May 12, 2005, the pressure on the ethylene fractionator was immediately decreased on the first stage suction drum of the ethylene compressor, and the set point on the control valve was reduced and the control loop tuning parameters were adjusted such that the operating pressure of the ethylene fractionator may be better maintained and not increase to the set point of the rupture disc and relief valve;
  - b. On June 15, 2005, Chevron Phillips operators immediately began stabilizing Ethylene Unit 22, and implemented controlled shutdown procedures. Steam flow to the flare was maximized in order to minimize visible emissions;
  - c. On July 6, 2005, Chevron Phillips operators immediately began stabilizing Ethylene Unit 33, and implemented controlled shutdown procedures. The minimum numbers of furnaces were shut down and steam flow to the flare was maximized in order to minimize visible emissions;

- d. During the time period of May 11 through July 31, 2005, Chevron Phillips conducted training on all shifts for plant personnel responsible for operating Ethylene Unit 22;
- e. During the month of July 2005, Chevron Phillips conducted training on all shifts for plant personnel responsible for operating Ethylene Unit 33;
- f. On November 15, 2005, Chevron Phillips routed waste gases to Ethylene Unit 22's flare system, steam flow to the flare was maximized in order to minimize visible emissions, and unit operations proceeded with proper unit startup procedures; and
- g. During the month of November 2005, Chevron Phillips conducted training/safety meetings on all shifts and reviewed the emission event which occurred on November 15, 2005, and reviewed preventative safety measures.

#### CONCLUSIONS OF LAW

1. As evidenced by Findings of Fact Nos. 1 and 2, Chevron Phillips is subject to the jurisdiction of the TCEQ pursuant to TEX. WATER CODE § 7.002, TEX. HEALTH & SAFETY CODE ch. 382, and the rules of the Commission.
2. As evidenced by Finding of Fact No. 3, Chevron Phillips has failed to prevent the unauthorized release of air contaminants into the atmosphere, in violation of 30 TEX. ADMIN. CODE § 116.715(a); Flexible Air Permit Nos. 22690 and PSD-TX-751M1, Special Condition No. 1; and TEX. HEALTH & SAFETY CODE § 382.085(b).
3. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Chevron Phillips 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.
4. An administrative penalty in the amount of thirty-four thousand eight hundred seventy-five dollars (\$34,875.00) 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 has paid seventeen thousand four hundred thirty-seven dollars and fifty cents (\$17,437.50) of the administrative penalty. The remaining seventeen thousand four hundred thirty-seven dollars and fifty cents (\$17,437.50) of the administrative penalty shall be conditionally offset by Chevron Phillips's completion of a Supplemental Environmental Project.

## ORDERING PROVISIONS

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

1. Chevron Phillips is assessed an administrative penalty in the amount of thirty-four thousand eight hundred seventy-five dollars (\$34,875.00), as set forth in Conclusion of Law No. 4 for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Chevron Phillips' 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 "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: Chevron Phillips Chemical Company LP; Docket No. 2006-0093-AIR-E; Enforcement ID No. 28046", 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

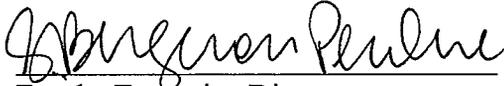
2. Chevron Phillips shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067. Seventeen thousand four hundred thirty-seven dollars and fifty cents (\$17,437.50) of the assessed administrative penalty shall be offset with the condition that Chevron Phillips implement the SEP defined in Attachment A, incorporated herein by reference. Chevron Phillips' 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. Chevron Phillips is ordered to give notice of this Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If Chevron Phillips 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' failure to comply is not a violation of this Agreed Order. Chevron Phillips has the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Chevron Phillips shall notify the Executive Director within seven days after Chevron Phillips 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 shall be made in writing to the Executive Director. Extensions are not effective until Chevron Phillips 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 if the Executive Director determines that Chevron Phillips 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 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. Pursuant to 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date is the date of hand-delivery of the Order to Chevron Phillips, or three days after the date on which the Commission mails notice of the Order to Chevron Phillips, whichever is earlier.

**SIGNATURE PAGE**

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

8/29/07

Date

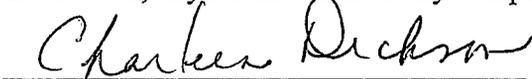
I, the undersigned, have read and understand the attached Agreed Order in the matter of Chevron Phillips Chemical Company LP. I represent that I am authorized to agree to the attached Agreed Order on behalf of Chevron Phillips Chemical Company LP, and do agree to the specified terms and conditions. I 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 my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- 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 against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

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



Signature

6/19/07

Date

Charleen Dickson

Name (printed or typed)

Authorized Representative

Chevron Phillips Chemical Company LP

Plant Manager

Title

Attachment A  
Docket Number: 2006-0093-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

**Respondent:** Chevron Phillips Chemical Company, LP

**Penalty Amount:** Thirty-Four Thousand Eight Hundred Seventy-Five Dollars (\$34,875.00)

**SEP Amount:** Seventeen Thousand Four Hundred Thirty-Seven Dollars and Fifty Cents (\$17,437.50)

**Type of SEP:** Pre-approved

**Third-Party Recipient:** Houston-Galveston Area Emission Reduction Credit Organization (AERCO) Clean Cities/Clean Vehicles Program

**Location of SEP:** Brazoria County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for 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

Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the **Houston-Galveston Area Emission Reduction Credit Organization (AERCO) Clean Cities/Clean Vehicles Program** will perform a SEP within the airshed of Brazoria County pursuant to the agreement between AERCO and the TCEQ. SEP monies will be used to aid local school districts and area transit agencies for the costs of replacing older diesel buses with alternative fueled or clean fuel diesel buses or retrofitting older buses with clean fuel technology.

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 retiring high-emission buses from service, purchasing newer, clean fuel technology buses, or replacing newer buses with fuel treatment technology that reduces particulate emissions, nitrous oxide (NOx), and hydrocarbons.

C. Minimum Expenditure

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, Respondent shall contribute the SEP Amount to the Third-Party Recipient. 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, TX 77227-2777

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, 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. Respondent shall mail a copy of the check and transmittal letter to:

Litigation Division  
Attention: SEP Coordinator, MC 175  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If 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.

In the event of incomplete performance, the check for any amount due shall include the notation "SEP Refund" and the docket number of the case, be made out to "Texas Commission on Environmental Quality", and be mailed to:

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

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 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**

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.