EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-1519-AIR-E **TCEQ ID:** RN102212925 **CASE NO.:** 31013

RESPONDENT NAME: Exxon Mobil Corporation

ORDER TYPE:

X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__AMENDED ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__SHUTDOWN ORDER	__FINDINGS DEFAULT ORDER	__EMERGENCY ORDER	

CASE TYPE:

__AGRICULTURE	X AIR	__INDUSTRIAL AND HAZARDOUS WASTE	__MUNICIPAL SOLID WASTE
__OCCUPATIONAL CERTIFICATION	__PETROLEUM STORAGE TANKS	__PUBLIC WATER SUPPLY	__RADIOACTIVE WASTE
__MULTI-MEDIA (check all that apply)	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL	__USED OIL
__USED OIL FILTER	__WATER QUALITY		

SITE WHERE VIOLATION(S) OCCURRED: Exxon Mobil Chemical Baytown Olefins Plant, 3525 Decker Drive, Baytown, Harris County

TYPE OF OPERATION: Chemical company

SMALL BUSINESS: ___ Yes __X__ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There are four additional pending enforcement actions regarding this facility location. They are Docket Nos. 2006-0736-AIR-E, 2006-2046-AIR-E, 2005-0036-AIR-E and 2007-0034-AIR-E.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on January 29, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Mr. John Muennink, Enforcement Division, Enforcement Section III, MC R-14, (361) 825-3423; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

TCEQ Field Investigator: Mr. Ricky Pickens-Wilson, Houston Regional Office, MC R-12, (713) 767-3500

Respondent: Mr. Adam Cantu, Environmental Section Supervisor, Exxon Mobil Corporation, P.O. Box 4004, Baytown, Texas 77522
Mr. Darrin Talley, Plant Manager, Exxon Mobil Corporation, P.O. Box 4004, Baytown, Texas 77522

Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: __ Complaint ___ Routine ___ Enforcement Follow-up _X_ Records Review **Date of Complaint Relating to this Case:** None **Dates of Investigations Relating to this Case:** May 17 and August 14, 2006 **Dates of NOEs Relating to this Case:** August 8 and 30, 2006 (NOEs) **Background Facts:** These were routine investigations. Two violations were documented. **AIR** 1) Failed to prevent unauthorized emissions. Specifically, 2,238.72 pounds ("lbs") of volatile organic compounds ("VOC") were released from the Isoprene Benzene Naphtha Unit during an emissions event that began on May 4, 2006 and lasted 10 hours and 15 minutes. Since these emissions were avoidable, Exxon failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.715(a), Permit No. 3452, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failed to prevent unauthorized emissions. Specifically, 543.9 lbs of carbon monoxide, 137.6 lbs of nitrogen oxide and 2,459 lbs of VOCs were released from the Colds Ends Unit during an emissions event that began on March 15, 2006 and lasted four hours and 10 minutes. Since these emissions were avoidable, Exxon failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.715(a), Permit No. 3452, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $8,700 **Total Deferred:** $1,740 _X_ Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $3,480 **Total Paid to General Revenue:** $3,480 **Site Compliance History Classification:** __High _X_ Avg. __Poor **Person Compliance History Classification:** __High _X_ Avg. __Poor **Major Source:** _X_ Yes ___ No **Applicable Penalty Policy:** September 2002	**Ordering Provisions:** 1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A). 2) The order will also require the Respondent to: a. Within 30 days after the effective date of this Agreed Order, implement measures designed to prevent the reoccurrence of emissions due to similar causes as that of the March 15 and May 4, 2006 emissions events; and b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 2.a.

Attachment A
Docket Number: 2006-1519-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Exxon Mobil Corporation**
Payable Penalty Amount:	**Six Thousand Nine Hundred Sixty Dollars ($6,960)**
SEP Amount:	**Three Thousand Four Hundred Eighty Dollars ($3,480)**
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

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)

TCEQ

Policy Revision 2 (September 2002) *PCW Revision April 25, 2006*

DATES					
Assigned	28-Aug-2006				
PCW	06-Sep-2006	Screening	30-Aug-2006	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Exxon Mobil Corporation		
Reg. Ent. Ref. No.	RN102212925		
Facility/Site Region	12-Houston	Major/Minor Source	Major Source

CASE INFORMATION

Enf./Case ID No.	31013	No. of Violations	2
Docket No.	2006-1519-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	John Muennink
Multi-Media		EC's Team	Enforcement Team 6
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $5,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 74% Enhancement *Subtotals 2, 3, & 7* $3,700

Notes: Enhancement due to nine NOVs with same or similar violations, two NOVs with unrelated violations and one Findings Order.

Culpability No 0% Enhancement *Subtotal 4* $0

Notes: The respondent does not meet culpability criteria.

Good Faith Effort to Comply 0% Reduction *Subtotal 5* $0

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

Notes: The respondent does not meet the good faith effort to comply criteria.

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

**Capped at the Total EB $ Amount*

Total EB Amounts	$104
Approx. Cost of Compliance	$2,600

SUM OF SUBTOTALS 1-7 Final Subtotal $8,700

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 $8,700

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $8,700

DEFERRAL 20% Reduction Adjustment -$1,740

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $6,960

Screening Date 30-Aug-2006 **Docket No.** 2006-1519-AIR-E **PCW**
Respondent Exxon Mobil Corporation *Policy Revision 2 (September 2002)*
Case ID No. 31013 *PCW Revision April 25, 2006*
Reg. Ent. Reference No. RN102212925
Media [Statute] Air Quality
Enf. Coordinator John Muennink

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)*	9	45%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability *(number of orders meeting criteria)*	0	0%
	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	1	25%
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*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which violations were disclosed)*	0	0%
		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	No	0%

Adjustment Percentage (Subtotal 2) **74%**

>> 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 Enhancement due to nine NOVs with same or similar violations, two NOVs with unrelated violations and one Findings Order.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **74%**

Screening Date 30-Aug-2006 **Docket No.** 2006-1519-AIR-E **PCW**

Respondent Exxon Mobil Corporation *Policy Revision 2 (September 2002)*

Case ID No. 31013 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN102212925

Media [Statute] Air Quality

Enf. Coordinator John Muennink

Violation Number 1

Primary Rule Cite(s) Permit No. 3452, Special Condition No. 1

Secondary Rule Cite(s) 30 Tex. Admin. Code § 116.715(a) and Tex. Health and Safety Code § 382.085(b)

Violation Description Failed to prevent the unauthorized release of 2,238.72 pounds ("lbs") of volatile organic compounds ("VOC") from the Isoprene Benzene Naphtha Unit during an emissions event that began on May 4, 2006 and lasted 10 hours and 15 minutes. Since these emissions were avoidable, Exxon failed to meet the demonstrations necessary to present 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 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment has been exposed to an insignificant amount of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 1 | 1 Number of violation days

mark only one use a small x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $56

Statutory Limit Test

Violation Final Penalty Total $4,350

This violation Final Assessed Penalty (adjusted for limits) $4,350

Economic Benefit Worksheet

Respondent: Exxon Mobil Corporation
Case ID No.: 31013
Reg. Ent. Reference No.: RN102212925
Media [Statute]: Air Quality
Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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)	$1,500	04-May-2006	31-Jan-2007	0.7	$56	n/a	$56

Notes for DELAYED costs: Estimated expense to develop and implement measures designed to ensure that all pressure relief valves are properly installed and maintained in order to prevent the reoccurrence of emissions due to similar causes. Date required is the date of the emissions event. Final date is the date that corrective actions are estimated to be 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: $1,500

TOTAL: $56

PCW

Policy Revision 2 (September 2002)
PCW Revision April 25, 2006

Screening Date	30-Aug-2006
Docket No.	2006-1519-AIR-E
Respondent	Exxon Mobil Corporation
Case ID No.	31013
Reg. Ent. Reference No.	RN102212925
Media [Statute]	Air Quality
Enf. Coordinator	John Muennink
Violation Number	
Primary Rule Cite(s)	Permit No. 3452, Special Condition No. 1
Secondary Rule Cite(s)	30 Tex. Admin. Code § 116.715(a) and Tex. Health and Safety Code § 382.085(b)
Violation Description	Failed to prevent the unauthorized release of 543.9 lbs of carbon monoxide, 137.6 lbs of nitrogen oxide and 2,459 lbs of VOCs from the Colds Ends Unit during an emissions event that began on March 15, 2006 and lasted four hours and 10 minutes. Since these emissions were avoidable, Exxon failed to meet the demonstrations necessary to present an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

OR

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment has been exposed to an insignificant amount of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events: 1

1 Number of violation days

mark only one use a small x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $49

Statutory Limit Test

Violation Final Penalty Total $4,350

This violation Final Assessed Penalty (adjusted for limits) $4,350

Economic Benefit Worksheet

Respondent: Exxon Mobil Corporation
Case ID No.: 31013
Reg. Ent. Reference No.: RN102212925
Media [Statute]: Air Quality
Violation No.: 0

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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)	$1,100	15-Mar-2006	31-Jan-2007	0.9	$49	n/a	$49

Notes for DELAYED costs: Estimated expense to develop and implement measures designed to ensure that operational procedures are properly followed in order to prevent the reoccurrence of emissions due to similar causes. Date required is the date of the emissions event. Final date is the date that corrective actions are estimated to be 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: $1,100

TOTAL: $49

Compliance History

Customer/Respondent/Owner-Operator:	CN600123939	Exxon Mobil Corporation	Classification: AVERAGE	Rating: 2.70
Regulated Entity:	RN102212925	EXXON MOBIL CHEMICAL BAYTOWN OLEFINS PLANT	Classification: AVERAGE	Site Rating: 0.17

ID Number(s):

WASTEWATER	PERMIT	WQ0002184000
WASTEWATER	PERMIT	TX0077887000
AIR NEW SOURCE PERMITS	PERMIT	3452
AIR NEW SOURCE PERMITS	PERMIT	29094
AIR NEW SOURCE PERMITS	PERMIT	34420
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0228H
AIR NEW SOURCE PERMITS	PERMIT	52330
AIR NEW SOURCE PERMITS	REGISTRATION	54793
AIR NEW SOURCE PERMITS	PERMIT	54383
AIR NEW SOURCE PERMITS	PERMIT	53401
AIR NEW SOURCE PERMITS	AFS NUM	0257
AIR NEW SOURCE PERMITS	REGISTRATION	56790
AIR NEW SOURCE PERMITS	REGISTRATION	71717
AIR NEW SOURCE PERMITS	PERMIT	P731M2
AIR NEW SOURCE PERMITS	PERMIT	55105
AIR NEW SOURCE PERMITS	PERMIT	55660
AIR NEW SOURCE PERMITS	REGISTRATION	73880
AIR NEW SOURCE PERMITS	REGISTRATION	74541
AIR NEW SOURCE PERMITS	EPA ID	PSDTX302M1
AIR NEW SOURCE PERMITS	EPA ID	PSDTX731M2
AIR NEW SOURCE PERMITS	REGISTRATION	78611
AIR NEW SOURCE PERMITS	REGISTRATION	78591
AIR NEW SOURCE PERMITS	REGISTRATION	79047
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD980625966
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	31404
AIR OPERATING PERMITS	PERMIT	1553
AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0228H

Location: 3525 DECKER DR, BAYTOWN, TX, 77520 Rating Date: September 01 05 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: August 29, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 29, 2001 to August 29, 2006

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

Name: John Muennink Phone: (361) 825-3423

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: 07/22/2006 ADMINORDER 2005-2070-AIR-E

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit initial notification within 24 hours after discovery of emissions event that ocurred from August 17, 2004 to December 2, 2004.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 3452, Special Condition 1 PERMIT

Description: Failed to prevent the unauthorized emissions of 16,272 lbs of ethylene, 6,395 lbs of propylene and 91,264 lbs of carbon monoxide from the main burner vent valve during an emissions event that ocurred from August 17, 2004 to December 2, 2004, lasting 2,568 hours.

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	07/02/2003	(119540)
2	07/16/2003	(47649)
3	12/19/2002	(10826)
4	06/20/2006	(503244)
5	07/17/2006	(503245)
6	12/21/2004	(339334)
7	05/19/2005	(373581)
8	06/19/2003	(40869)
9	08/13/2002	(6066)
10	08/31/2002	(9591)
11	12/06/2005	(376780)
12	12/13/2004	(287868)
13	06/28/2002	(3241)
14	05/20/2005	(373582)
15	05/30/2006	(479940)
16	08/31/2002	(10243)
17	09/03/2004	(280144)
18	11/08/2004	(339636)
19	10/07/2002	(10090)
20	09/30/2004	(280282)
21	02/19/2002	(203993)
22	02/21/2003	(203994)
23	08/16/2002	(6645)
24	05/24/2006	(463814)
25	05/31/2006	(464208)
26	05/24/2006	(464433)
27	02/10/2006	(438263)
28	05/05/2003	(28946)
29	03/18/2002	(203996)
30	03/21/2003	(203997)
31	09/02/2004	(279829)
32	06/30/2004	(271595)
33	04/18/2002	(204001)
34	01/06/2003	(16230)
35	04/22/2003	(204002)
36	03/21/2005	(341471)
37	09/02/2004	(279860)
38	05/30/2006	(479920)
39	05/16/2002	(204005)
40	07/26/2005	(400606)
41	05/30/2006	(479932)
42	05/22/2003	(204006)
43	09/01/2004	(288748)
44	08/31/2002	(4902)

45	09/30/2004	(287843)
46	09/30/2004	(287848)
47	08/13/2004	(277844)
48	06/20/2002	(204009)
49	08/15/2005	(404700)
50	08/16/2004	(278248)
51	06/23/2003	(204010)
52	07/14/2005	(392795)
53	08/16/2004	(277845)
54	05/05/2003	(29004)
55	05/30/2006	(479928)
56	07/22/2002	(204013)
57	07/22/2003	(204014)
58	06/25/2003	(96672)
59	10/31/2004	(287875)
60	08/23/2002	(204017)
61	04/10/2003	(29966)
62	02/21/2003	(204018)
63	02/09/2004	(259540)
64	06/28/2002	(3177)
65	10/31/2004	(289550)
66	07/14/2005	(396285)
67	07/17/2006	(481459)
68	05/30/2006	(479945)
69	09/21/2001	(204020)
70	10/31/2004	(289551)
71	02/23/2004	(314720)
72	09/16/2002	(204021)
73	09/30/2004	(289552)
74	09/30/2004	(289553)
75	03/22/2003	(314722)
76	08/24/2006	(480881)
77	04/07/2003	(23967)
78	10/19/2001	(204023)
79	03/25/2005	(374513)
80	10/31/2004	(289554)
81	09/01/2004	(277846)
82	04/19/2004	(314723)
83	05/25/2005	(349417)
84	10/21/2002	(204024)
85	12/13/2004	(289555)
86	07/14/2004	(360120)
87	05/18/2004	(314725)
88	12/13/2004	(289556)
89	08/20/2004	(360121)
90	08/24/2005	(397056)
91	09/01/2004	(288665)
92	11/12/2001	(204027)
93	07/14/2005	(392796)
94	09/21/2004	(360122)
95	09/30/2004	(289557)
96	06/17/2004	(314727)
97	11/22/2002	(204028)

98	10/19/2004	(360123)
99	11/16/2004	(360124)
100	08/29/2005	(405282)
101	12/20/2004	(360125)
102	09/01/2004	(288722)
103	09/19/2003	(314731)
104	12/17/2001	(204031)
105	10/26/2004	(292713)
106	05/30/2006	(479910)
107	08/31/2002	(4912)
108	12/17/2002	(204032)
109	10/21/2003	(314733)
110	11/21/2003	(314734)
111	05/10/2005	(339150)
112	12/29/2003	(314735)
113	08/31/2002	(9413)
114	01/18/2002	(204035)
115	09/19/2003	(314736)
116	01/23/2003	(204036)
117	09/30/2004	(289561)
118	08/16/2004	(277785)
119	02/14/2005	(386364)
120	04/04/2003	(29321)
121	06/28/2002	(3145)
122	03/18/2005	(386365)
123	09/03/2004	(279795)
124	01/14/2005	(386366)
125	08/07/2006	(488663)
126	11/29/2004	(339359)
127	10/14/2002	(11512)
128	09/30/2004	(289677)
129	12/13/2004	(289563)
130	08/05/2005	(403334)
131	06/25/2003	(99067)
132	07/03/2002	(3285)
133	09/30/2004	(289566)
134	05/29/2003	(31277)
135	09/01/2004	(278352)
136	09/03/2004	(280037)
137	08/30/2001	(103241)
138	07/19/2005	(445026)
139	11/06/2001	(103242)
140	09/30/2004	(289679)
141	08/06/2002	(7039)
142	11/08/2004	(339632)
143	01/08/2002	(103243)
144	08/10/2005	(445027)
145	09/03/2004	(280123)
146	01/24/2002	(103244)
147	08/28/2003	(152674)
148	07/28/2006	(465223)
149	09/20/2005	(445028)
150	07/14/2005	(392797)

151	02/04/2002	(103245)
152	02/04/2002	(103246)
153	10/24/2005	(445029)
154	02/07/2002	(103247)
155	11/09/2004	(339460)
156	04/18/2005	(424253)
157	09/30/2004	(287862)
158	02/07/2002	(103248)
159	05/31/2006	(341397)
160	05/17/2005	(424254)
161	02/07/2002	(103249)
162	01/19/2006	(439145)
163	02/07/2002	(103250)
164	08/13/2002	(6041)
165	06/17/2005	(424255)
166	02/07/2002	(103251)
167	12/13/2004	(271258)
168	08/31/2002	(9080)
169	02/13/2002	(103252)
170	02/03/2006	(437332)
171	02/21/2002	(103253)
172	02/22/2002	(103254)
173	11/29/2004	(339626)
174	09/03/2004	(279817)
175	02/26/2002	(103255)
176	03/28/2006	(452535)
177	02/26/2002	(103256)
178	02/26/2002	(103257)
179	02/26/2002	(103258)
180	02/26/2002	(103259)
181	02/28/2006	(457054)
182	03/01/2002	(103260)
183	06/18/2004	(271703)
184	08/13/2004	(278593)
185	02/21/2006	(476045)
186	09/03/2004	(280111)
187	11/28/2005	(476046)
188	03/04/2002	(103261)
189	09/30/2004	(287902)
190	12/20/2005	(476047)
191	09/30/2004	(288587)
192	06/18/2004	(271704)
193	08/31/2004	(278199)
194	01/23/2006	(476048)
195	02/07/2006	(433592)
196	03/20/2006	(503241)
197	04/22/2005	(377892)
198	08/31/2002	(8103)
199	04/21/2006	(503242)
200	05/22/2006	(503243)
201	11/08/2004	(339363)

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

Date: 05/23/2006 (463814)

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 IA

Description: Exxon/Mobil failed to maintain the RC-01 Butadiene Compressor.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)

Description: Exxon/Mobil failed to identify TCEQ Air Permit No. 3452 governing the facilities involved in emissions event (Incident No. 69812).

Date: 05/10/2005 (339150)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)

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

Description: ExxonMobil BOP had an avoidable emissions event during Incident 49018,

Date: 05/31/2006 (464208)

Self Report? NO Classification: Moderate

Citation: 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: OP IA

PERMIT IA

Description: Failed to prevent the exceedence of the annual firing rate limit, which occurred from February 1, 2005 through February 28, 2005.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter B 117.206(e)(2)

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

Description: Failed to prevent the incorrect calibration of the analyzer resulting in excess ammonia being injected into the system causing a exceedence in the 24-hour rolling average concentration, which occurred from March 21, 2005, 6:00 a.m.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter H 115.781(b)(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 122, SubChapter B 122.143(4)

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

Rqmt Prov: OP IA

PERMIT IA

Description: Failed to monitor a flange (LDAR tag #13300.1) in HRVOC service for two quarters (April 1, 2005 through October 2, 2005).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

30 TAC Chapter 122, SubChapter B 122.145(2)(A)

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

Rqmt Prov: OP IA

Description: Failed to include non-reportable emissions events and start-up activities that occurred during the certification period as deviations in the deviation reports dated July 15, 2005 and January 13, 2006.

Date: 07/28/2006 (465223)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)

Description: Exxon/Mobil failed to identify TCEQ Air Permit No. 3452 as the governing authorization for the facilities involved in emissions event (Incident No. 70899).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)

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

Rqmt Prov: PERMIT IA

Description: Exxon/Mobil failed to maintain the NT-02 bottom's balance lines.

Date: 02/06/2006 (437332)

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 IA

Description: Failure to prevent unauthorized emissions.

Date: 05/20/2005 (373582)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)

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

Description: BOP had an avoidable emissions event during Incident 51478. Incident was not reported on time. Incident was not excessive.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(A)

Description: BOP had a late report during incident 51478. Not excessive.

Date: 10/27/2002 (10090)

Self Report? NO Classification: Moderate

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

Description: Failure to control emissions.

Date: 07/14/2005 (396285)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)

Description: Failure to identify the preconstruction authorization number governing the facility involved in the emissions event.

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 IA

Description: Unauthorized emissions as a consequence of failure to comply with the reporting requirements.

Date: 04/08/2003 (29321)

Self Report? NO Classification: Major

Citation: 30 TAC Chapter 101, SubChapter F 101.222(b)(3)

30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

Description: Failure to control VOC emissions during a routine process operation.

Date: 02/06/2006 (433592)

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 IA

Description: Failure to prevent unauthorized emissions.

Date: 03/01/2002 (103260)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

Description: NSPS STANDARDS

F. Environmental audits.

N/A

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 NATURAL RESOURCE CONSERVATION COMMISSION

IN THE MATTER OF AN	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
EXXON MOBIL CORPORATION	§	
RN102212925	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-1519-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Exxon Mobil Corporation ("Exxon") 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 Exxon appear before the Commission and together stipulate that:

1. Exxon owns and operates a chemical company at 3525 Decker Drive in 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. The Commission and Exxon agree that the Commission has jurisdiction to enter this Agreed Order, and that Exxon is subject to the Commission's jurisdiction.

4. Exxon received notice of the violations alleged in Section II ("Allegations") on or about August 13 and September 5, 2006.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Exxon of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Eight Thousand Seven Hundred Dollars ($8,700) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Exxon has paid Three Thousand Four Hundred Eighty Dollars ($3,480) of the administrative penalty. Three Thousand Four Hundred Eighty Dollars ($3,480) shall be conditionally offset by Exxon's completion of a Supplemental Environmental Project ("SEP") and One Thousand Seven Hundred Forty Dollars ($1,740) is deferred contingent upon Exxon's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with

the terms of this Agreed Order. If Exxon fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Exxon to pay all or part of the deferred penalty.

7. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.

8. The Executive Director of the TCEQ and Exxon have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Exxon has not complied with one or more of the terms or conditions in this Agreed Order.

10. 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.

11. 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.

II. ALLEGATIONS

As owner and operator of the Plant, Exxon is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), Permit No. 3452, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on May 17, 2006. Specifically, 2,238.72 pounds ("lbs") of volatile organic compounds ("VOC") were released from the Isoprene Benzene Naphtha Unit during an emissions event that began on May 4, 2006 and lasted 10 hours and 15 minutes. Since these emissions were avoidable, Exxon failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), Permit No. 3452, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on August 14, 2006. Specifically, 543.9 lbs of carbon monoxide, 137.6 lbs of nitrogen oxide and 2,459 lbs of VOCs were released from the Colds Ends Unit during an emissions event that began on March 15, 2006 and lasted four hours and 10 minutes. Since these emissions were avoidable, Exxon failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

III. DENIALS

Exxon generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Exxon pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Exxon's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Exxon Mobil Corporation, Docket No. 2006-1519-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. Exxon shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Three Thousand Four Hundred Eighty Dollars ($3,480) of the assessed administrative penalty shall be offset with the condition that Exxon implement the SEP defined in Attachment A, incorporated herein by reference. Exxon'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. It is further ordered that Exxon shall undertake the following technical requirements:

   a. Within 30 days after the effective date of this Agreed Order, implement measures designed to prevent the reoccurrence of emissions due to similar causes as that of the March 15 and May 4, 2006 emissions events; and

   b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 3.a.

   The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

   "I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Manager, Air Section
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Ave., Suite H
Houston, Texas 77023-1486

4. The provisions of this Agreed Order shall apply to and be binding upon Exxon. Exxon 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.

5. If Exxon 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, Exxon's failure to comply is not a violation of this Agreed Order. Exxon shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Exxon shall notify the Executive Director within seven days after Exxon becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. 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 Exxon shall be made in writing to the Executive Director. Extensions are not effective until Exxon receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

7. This Agreed Order, issued by the Commission, shall not be admissible against Exxon 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.

8. 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.

9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Exxon, or three days after the date on which the Commission mails notice of the Order to Exxon,

whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 2/16/07
For the Executive Director Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

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.

_____ 11/1/06
Signature Date

Darrin Talley Plant Manager
Name (Printed or typed) Title
Authorized Representative of
Exxon Mobil Corporation

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: 2006-1519-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Exxon Mobil Corporation**
Payable Penalty Amount:	**Six Thousand Nine Hundred Sixty Dollars ($6,960)**
SEP Amount:	**Three Thousand Four Hundred Eighty Dollars ($3,480)**
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

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.