EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-0736-AIR-E **TCEQ ID:** RN102212925 **CASE NO.:** 29726

RESPONDENT NAME: Exxon Mobil Corporation

ORDER TYPE:

__1660 AGREED ORDER	X 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 plant

SMALL BUSINESS: ___ Yes __X__ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is one pending enforcement action, Docket No. 2006-1519-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 December 4, 2006. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, Enforcement Division, MC 219, (512) 239-1768
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. Syed Ali, Houston Regional Office, MC R-12, (713) 767-3500
Respondent: Mr. Adam Cantu, Environmental Section Supervisor, Exxon Mobil Corporation, 3525 Decker Drive, Baytown, Texas 77520
Mr. Darrin Talley, Plant Manager, Exxon Mobil Corporation, 3525 Decker Drive, Baytown, Texas 77520
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 **Date of Investigation Relating to this Case:** November 16, 2004 **Date of NOE Relating to this Case:** May 31, 2006 (NOE) **Background Facts:** This was a routine record review. Two violations were documented. **AIR** 1) Failed to prevent an avoidable emissions event on May 28, 2004. Since these emissions were avoidable and determined to be excessive, Exxon failed to meet the demonstrations necessary for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.715(a), Flexible Air Permit No. 3452, Special Condition No. 1and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 2) Failed to submit the initial notification for the May 28, 2004 emissions event in a timely manner [30 TEX. ADMIN. CODE § 101.201(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $50,147 **Total Deferred:** $0 __Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $25,073 **Total Paid to General Revenue:** $25,074 **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 **Findings Order Justification:** Unauthorized emissions which are excessive emissions events.	**Corrective Actions Taken:** 1) The Executive Director recognizes that Exxon: a. Installed individual alarms for all heat recovery steam generator fuel vent valves in order to provide an indication when a valve fails to open to prevent the recurrence of emissions due to similar causes as that of the May 28, 2004 emissions event; and b. Submitted the initial notification for the May 28, 2004 emissions event on June 6, 2004. **Ordering Provisions:** 2) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP) (See SEP Attachement A). 3) The Order will require the Respondent to: a. Within 30 days after the effective date of this Agreed Order, implement measures designed to ensure the timely reporting of emissions events; b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 3.a; c. Within 60 days of any request by the TCEQ, submit a corrective action plan ("CAP") regarding the emissions event that occurred on May 28, 2004; d. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by any other deadline specified in writing;

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
		e. Upon TCEQ approval, implement the CAP in accordance with the approved schedule; and f. Within 15 days after completion of the CAP, submit written certification to demonstrate compliance with the CAP.

Attachment A
Docket Number: 2006-0736-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Exxon Mobil Corporation**
Payable Penalty Amount:	**Fifty Thousand One Hundred Forty-Seven Dollars ($50,147)**
SEP Amount:	**Twenty-Five Thousand Seventy-Three Dollars ($25,073)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program**
Location of SEP:	**Harris County**

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

1. Project Description

A. Project

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

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

B. Environmental Benefit

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

C. Minimum Expenditure

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

2. Performance Schedule

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

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

3. Records and Reporting

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

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

4. Failure to Fully Perform

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

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

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

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

5. Publicity

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

6. Clean Texas Program

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

7. Other SEPs by TCEQ or Other Agencies

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

Penalty Calculation Worksheet (PCW)

TCEQ

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

DATES					
Assigned	05-Jun-2006				
PCW	20-Jun-2006	Screening	12-Jun-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.	29726	No. of Violations	2
Docket No.	2006-0736-AIR-E	Order Type	Findings
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* $50,100

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 47% Enhancement *Subtotals 2, 3, & 7* $23,547

Notes: Enhancement due to nine prior NOVs with same or similar violations and one NOV with unrelated violations.

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 has not returned to compliance.

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

**Capped at the Total EB $ Amount*

Total EB Amounts	$107
Approx. Cost of Compliance	$600

SUM OF SUBTOTALS 1-7 Final Subtotal $73,647

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 $73,647

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $50,147

DEFERRAL 0% Reduction Adjustment $0

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

Notes: No deferral offered because this is a Findings Order.

PAYABLE PENALTY $50,147

Screening Date 12-Jun-2006 **Docket No.** 2006-0736-AIR-E **PCW**
Respondent Exxon Mobil Corporation *Policy Revision 2 (September 2002)*
Case ID No. 29726 *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	1	2%
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	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*	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) **47%**

>> 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 prior NOVs with same or similar violations and one NOV with unrelated violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **47%**

PCW

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

Screening Date	12-Jun-2006
Docket No.	2006-0736-AIR-E
Respondent	Exxon Mobil Corporation
Case ID No.	29726
Reg. Ent. Reference No.	RN102212925
Media [Statute]	Air Quality
Enf. Coordinator	John Muennink
Violation Number	1
Primary Rule Cite(s)	Flexible Air 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 an avoidable emissions event in the Utilities Train No. 4 Unit on May 28, 2004 that lasted 100 hours, releasing 8,400 pounds ("lbs") of the highly reactive volatile organic compound ("HRVOC") propylene and 6,200 lbs of the HRVOC ethylene. Since these emissions were avoidable and determined to be excessive, Exxon failed to meet the demonstrations necessary for 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 100%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment in the Houston-Galveston-Brazoria ozone nonattainment area has been exposed to significant amounts of pollutants, including HRVOCs, which exceed levels that are protective of human health or environmental receptors. Exxon is also located in close proximity to sensitive receptors.

Adjustment $0

Base Penalty Subtotal $10,000

Violation Events

Number of Violation Events: 5

5 Number of violation days

mark only one (use a small x)	
daily	x
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $50,000

Five daily events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $97

Statutory Limit Test

Violation Final Penalty Total $73,500

This violation Final Assessed Penalty (adjusted for limits) $50,000

Economic Benefit Worksheet

Respondent: Exxon Mobil Corporation
Case ID No.: 29726
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)	$500	28-Apr-2004	31-Jan-2007	2.8	$5	$92	$97
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated cost of implementing actions required in the corrective action plan. Date required is the date of the emissions event. Final date is the date 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: $500

TOTAL: $97

PCW

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

Screening Date	12-Jun-2006
Docket No.	2006-0736-AIR-E
Respondent	Exxon Mobil Corporation
Case ID No.	29726
Reg. Ent. Reference No.	RN102212925
Media [Statute]	Air Quality
Enf. Coordinator	John Muennink
Violation Number	2
Primary Rule Cite(s)	30 Tex. Admin. Code § 101.201(a)(1)
Secondary Rule Cite(s)	Tex. Health and Safety Code § 382.085(b)
Violation Description	Failed to submit the initial notification for the May 28, 2004 emissions event in a timely manner.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes: The respondent has met at least 70% of the rule requirement.

Adjustment -$9,900

Base Penalty Subtotal $100

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 $100

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $11

Statutory Limit Test

Violation Final Penalty Total $147

This violation Final Assessed Penalty (adjusted for limits) $147

Economic Benefit Worksheet

Respondent: Exxon Mobil Corporation
Case ID No.: 29726
Reg. Ent. Reference No.: RN102212925
Media [Statute]: Air Quality
Violation No.: 2

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)	$100	28-May-2005	30-Nov-2006	1.5	$1	$10	$11
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0

Notes for DELAYED costs: Cost to submit the initial notification in a timely manner. Date required is the date of the emissions event. Final date is the estimated date that the corrective action will 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: $100

TOTAL: $11

Compliance History

Customer/Respondent/Owner-Operator:	CN600123939	Exxon Mobil Corporation	Classification: AVERAGE	Rating: 2.71
Regulated Entity:	RN102212925	EXXON MOBIL CHEMICAL BAYTOWN OLEFINS PLANT	Classification: AVERAGE	Site Rating: 0.18

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: June 05, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: June 05, 2001 to June 05, 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.

N/A

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	12/21/2004	(339334)
5	05/19/2005	(373581)
6	06/19/2003	(40869)
7	08/13/2002	(6066)
8	08/31/2002	(9591)
9	12/06/2005	(376780)
10	12/13/2004	(287868)
11	06/28/2002	(3241)
12	05/20/2005	(373582)
13	05/30/2006	(479940)
14	08/31/2002	(10243)
15	09/03/2004	(280144)
16	11/08/2004	(339636)
17	10/07/2002	(10090)
18	09/30/2004	(280282)
19	02/19/2002	(203993)
20	02/21/2003	(203994)
21	08/16/2002	(6645)
22	05/24/2006	(463814)
23	05/31/2006	(464208)
24	05/24/2006	(464433)
25	02/10/2006	(438263)
26	05/05/2003	(28946)
27	03/18/2002	(203996)
28	03/21/2003	(203997)
29	09/02/2004	(279829)
30	06/30/2004	(271595)
31	04/18/2002	(204001)
32	01/06/2003	(16230)
33	04/22/2003	(204002)
34	03/21/2005	(341471)
35	09/02/2004	(279860)
36	05/30/2006	(479920)
37	05/16/2002	(204005)
38	07/26/2005	(400606)
39	05/30/2006	(479932)
40	05/22/2003	(204006)
41	09/01/2004	(288748)
42	08/31/2002	(4902)
43	06/21/2001	(204008)
44	09/30/2004	(287843)
45	09/30/2004	(287848)
46	08/13/2004	(277844)
47	06/20/2002	(204009)
48	08/15/2005	(404700)
49	08/16/2004	(278248)
50	06/23/2003	(204010)
51	07/14/2005	(392795)
52	08/16/2004	(277845)
53	05/05/2003	(29004)
54	05/30/2006	(479928)

55	07/16/2001	(204012)
56	07/22/2002	(204013)
57	07/22/2003	(204014)
58	06/25/2003	(96672)
59	08/17/2001	(204016)
60	10/31/2004	(287875)
61	08/23/2002	(204017)
62	04/10/2003	(29966)
63	02/21/2003	(204018)
64	02/09/2004	(259540)
65	06/28/2002	(3177)
66	10/31/2004	(289550)
67	07/14/2005	(396285)
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	04/07/2003	(23967)
77	10/19/2001	(204023)
78	03/25/2005	(374513)
79	10/31/2004	(289554)
80	09/01/2004	(277846)
81	04/19/2004	(314723)
82	05/25/2005	(349417)
83	10/21/2002	(204024)
84	12/13/2004	(289555)
85	07/14/2004	(360120)
86	05/18/2004	(314725)
87	12/13/2004	(289556)
88	08/20/2004	(360121)
89	08/24/2005	(397056)
90	09/01/2004	(288665)
91	11/12/2001	(204027)
92	07/14/2005	(392796)
93	09/21/2004	(360122)
94	09/30/2004	(289557)
95	06/17/2004	(314727)
96	11/22/2002	(204028)
97	10/19/2004	(360123)
98	11/16/2004	(360124)
99	08/29/2005	(405282)
100	12/20/2004	(360125)
101	09/01/2004	(288722)
102	09/19/2003	(314731)
103	12/17/2001	(204031)
104	10/26/2004	(292713)
105	05/30/2006	(479910)
106	08/31/2002	(4912)
107	12/17/2002	(204032)

108	10/21/2003	(314733)
109	11/21/2003	(314734)
110	05/10/2005	(339150)
111	12/29/2003	(314735)
112	08/31/2002	(9413)
113	01/18/2002	(204035)
114	09/19/2003	(314736)
115	01/23/2003	(204036)
116	09/30/2004	(289561)
117	08/16/2004	(277785)
118	02/14/2005	(386364)
119	04/04/2003	(29321)
120	06/28/2002	(3145)
121	03/18/2005	(386365)
122	09/03/2004	(279795)
123	01/14/2005	(386366)
124	11/29/2004	(339359)
125	10/14/2002	(11512)
126	09/30/2004	(289677)
127	12/13/2004	(289563)
128	08/05/2005	(403334)
129	06/25/2003	(99067)
130	07/03/2002	(3285)
131	06/22/2001	(103234)
132	07/11/2001	(103235)
133	09/30/2004	(289566)
134	07/11/2001	(103236)
135	05/29/2003	(31277)
136	07/16/2001	(103237)
137	07/24/2001	(103238)
138	08/08/2001	(103239)
139	09/01/2004	(278352)
140	08/08/2001	(103240)
141	09/03/2004	(280037)
142	08/30/2001	(103241)
143	07/19/2005	(445026)
144	11/06/2001	(103242)
145	09/30/2004	(289679)
146	08/06/2002	(7039)
147	11/08/2004	(339632)
148	01/08/2002	(103243)
149	08/10/2005	(445027)
150	09/03/2004	(280123)
151	01/24/2002	(103244)
152	08/28/2003	(152674)
153	09/20/2005	(445028)
154	07/14/2005	(392797)
155	02/04/2002	(103245)
156	02/04/2002	(103246)
157	10/24/2005	(445029)
158	02/07/2002	(103247)
159	11/09/2004	(339460)
160	04/18/2005	(424253)

161 09/30/2004 (287862)
162 02/07/2002 (103248)
163 05/31/2006 (341397)
164 05/17/2005 (424254)
165 02/07/2002 (103249)
166 01/19/2006 (439145)
167 02/07/2002 (103250)
168 08/13/2002 (6041)
169 06/17/2005 (424255)
170 02/07/2002 (103251)
171 12/13/2004 (271258)
172 08/31/2002 (9080)
173 02/13/2002 (103252)
174 02/03/2006 (437332)
175 02/21/2002 (103253)
176 02/22/2002 (103254)
177 11/29/2004 (339626)
178 09/03/2004 (279817)
179 02/26/2002 (103255)
180 03/28/2006 (452535)
181 02/26/2002 (103256)
182 02/26/2002 (103257)
183 02/26/2002 (103258)
184 02/26/2002 (103259)
185 02/28/2006 (457054)
186 03/01/2002 (103260)
187 06/18/2004 (271703)
188 08/13/2004 (278593)
189 02/21/2006 (476045)
190 09/03/2004 (280111)
191 11/28/2005 (476046)
192 03/04/2002 (103261)
193 09/30/2004 (287902)
194 12/20/2005 (476047)
195 09/30/2004 (288587)
196 06/18/2004 (271704)
197 08/31/2004 (278199)
198 01/23/2006 (476048)
199 02/07/2006 (433592)
200 04/22/2005 (377892)
201 08/31/2002 (8103)
202 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: 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. 2006-0736-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding 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 presented this agreement to the Commission.

Exxon 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, Exxon agrees to waive all notice and procedural rights.

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

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

I. FINDINGS OF FACT

1. Exxon owns and operates a chemical plant located at 3525 Decker Drive, Baytown, Harris County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

3. During an investigation on November 16, 2004, TCEQ staff documented that:

a. An avoidable emissions event occurred in the Utilities Train No. 4 Unit on May 28, 2004 that lasted 100 hours, releasing 8,400 pounds ("lbs") of the highly reactive volatile organic compound (HRVOC) propylene and 6,200 lbs of the HRVOC ethylene; and

b. The initial notification for the May 28, 2004 emissions event was not submitted in a timely manner.

4. Exxon received notice of the violations on June 5, 2006.

5. The Executive Director recognizes that Exxon:

a. Installed individual alarms for all heat recovery steam generator fuel vent valves in order to provide an indication when a valve fails to open to prevent the recurrence of emissions due to similar causes as that of the May 28, 2004 emissions event; and

b. Submitted the initial notification for the May 28, 2004 emissions event on June 6, 2004.

II. CONCLUSIONS OF LAW

1. Exxon 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.a., Exxon failed to prevent an avoidable emissions event on May 28, 2004, in violation of 30 TEX. ADMIN. CODE § 116.715(a), Flexible Air Permit No. 3452, Special Condition No. 1and TEX. HEALTH & SAFETY CODE § 382.085(b). Since these emissions were avoidable and determined to be excessive, Exxon failed to meet the demonstrations necessary for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

3. As evidenced by Finding of Fact No. 3.b., Exxon failed to submit the initial notification for the May 28, 2004 emissions event in a timely manner, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b).

4. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Exxon 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.

5. An administrative penalty in the amount of Fifty Thousand One Hundred Forty-Seven Dollars ($50,147) 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. Exxon has paid Twenty-Five Thousand Seventy-Four Dollars ($25,074) of the administrative penalty. Twenty-Five Thousand Seventy-Three Dollars ($25,073) shall be conditionally offset by Exxon's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

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

1. Exxon is assessed an administrative penalty in the amount of Fifty Thousand One Hundred Forty-Seven Dollars ($50,147), as set forth in Section II, Paragraph 5 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Exxon's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Exxon Mobil Corporation, Docket No. 2006-0736-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 II, Paragraph 5 above, Twenty-Five Thousand Seventy-Three Dollars ($25,073) 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. Exxon shall undertake the following technical requirements:

   a. Within 30 days after the effective date of this Agreed Order, implement measures designed to ensure the timely reporting of emissions events;

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

   c. Within 60 days of any request by the TCEQ, submit a corrective action plan ("CAP") regarding the emissions event that occurred on May 28, 2004, in accordance with 30 TEX. ADMIN. CODE § 101.223(a)(1);

   d. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by any other deadline specified in writing;

   e. Upon TCEQ approval, implement the CAP in accordance with the approved schedule; and

f. Within 15 days after completion of the CAP, submit written certification to demonstrate compliance with the CAP as described below:

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 this 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 has 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. 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 Exxon if the Executive Director determines that Exxon has not complied with one or more of the terms or conditions in this Agreed Order.

8. 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.

9. 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.

10. 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.

11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Exxon Mobil Corporation. I am authorized to agree to the attached Agreed Order on behalf of Exxon Mobil Corporation, 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, Exxon Mobil Corporation 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

2/1/07
Date

Darrin Talley
Name (printed or typed)
Authorized Representative
Exxon Mobil Corporation

Plant Manager
Title

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

Attachment A
Docket Number: 2006-0736-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Exxon Mobil Corporation**
Payable Penalty Amount:	**Fifty Thousand One Hundred Forty-Seven Dollars ($50,147)**
SEP Amount:	**Twenty-Five Thousand Seventy-Three Dollars ($25,073)**
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.