

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**  
**DOCKET NO.: 2005-0859-AIR-E TCEQ ID: RN103919817 CASE NO.: 25458**  
**RESPONDENT NAME: CHEVRON PHILLIPS CHEMICAL COMPANY LP**

<b>ORDER TYPE:</b>		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p><b>SITE WHERE VIOLATION(S) OCCURRED:</b> 9500 Interstate 10 East, Baytown, Harris County</p> <p><b>TYPE OF OPERATION:</b> Chemical manufacturing plant</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. As of October 20, 2008, there are four additional pending enforcement actions regarding this facility location, Docket Nos. 2007-1080-AIR-E, 2006-1960-AIR-E, 2008-0921-AIR-E, and 2008-1457-AIR-E.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on November 3, 2008. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney:</b> Ms. Laurencia Fasoyiro, Litigation Division, MC R-12, (713) 422-8914  Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-0019  <b>SEP Coordinator:</b> Ms. Sharon Blue, Litigation Division, MC 175, (512) 239-2223  <b>TCEQ Enforcement Coordinator:</b> Ms. Kimberly Morales, Air Enforcement Section, MC R-12, (713) 422-8938  <b>TCEQ Regional Contact:</b> Ms. Linda Vasse, Houston Regional Office, MC R-12, (713) 767-3637  <b>Respondent:</b> Mr. David Speaker, Senior Counsel, Environmental, Chevron Phillips Chemical Company, LP, 10001 Six Pines Drive, The Woodlands, TX 77387-4910  <b>Respondent's Attorney:</b> Ms. Gindi Eckel Vincent, Pillsbury Winthrop Shaw Pittman LLP, 909 Fannin Street, 21<sup>st</sup> Floor, Houston, Texas 77010</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date of Complaints Relating to this Case:</b>                      None</p> <p><b>Dates of Investigation Relating to this Case:</b>                      March 8, 2005, March 9, 2005, and April 14, 2005</p> <p><b>Dates of NOEs Relating to this Case:</b>                      April 20, 2005, May 18, 2005, and July 11, 2005</p> <p><b>Background Facts:</b>                      The EDRP was filed on September 11, 2007. The Respondent filed an Answer and the case was referred to SOAH. The Respondent signed the Agreed Order on June 26, 2008.</p> <p><b>Current Compliance Status:</b>                      The Respondent has completed all corrective actions since the Agreed Order was signed on August 29, 2008.</p> <p><b>AIR:</b></p> <p>1. Failed to prevent unauthorized emissions during an October 25, 2004, emissions event. Since the emissions event was avoidable, the Respondent failed to meet the demonstration criteria for an affirmative defense [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), Air Permit No. 1504A PSD-TX-748 Special Condition No. 1, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2. Failed to prevent unauthorized emissions during an emissions event that was discovered on November 29, 2004 and determined to have started on November 18, 2004. Since the emissions event was avoidable, the Respondent failed to meet the demonstration criteria for an affirmative defense [30 TEX. ADMIN. CODE § 116.115(c), Air Permit No. 37063 Special Condition No. 1, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>3. Failed to prevent unauthorized emissions during a November 16, 2004 emissions event. Since the emissions event was avoidable, the Respondent failed to meet the demonstration criteria for an affirmative defense [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), Air Permit No. 1504A PSD-TX-748 Special Condition No. 1, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$20,200</p> <p><b>Total Deferred:</b> \$10,100  <input type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay  <input checked="" type="checkbox"/> SEP Conditional Offset</p> <p><b>Total Paid to General Revenue:</b>                      \$10,100</p> <p>The Respondent has paid \$10,100 of the administrative penalty. The remaining amount of \$10,100 shall be conditionally offset by the completion of a Supplemental Environmental Project.</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b>                      September 2002</p>	<p><b>Ordering Provisions</b></p> <p>Respondent shall implement and complete a SEP, as described in Attachment "A" of the Agreed Order.</p> <p><b>Corrective Action(s) Taken</b></p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures:</p> <ol style="list-style-type: none"> <li>On October 25, 2005, the Respondent ceased unauthorized emissions from the corroded piping in the C4/C5 piping system by installing temporary piping which was then depressurized and purged with nitrogen to the unit flare. The Respondent removed the C4/C5 piping system from service in December 2005, and completed demolition of the pipeline system on April 19, 2007.</li> <li>On November 29, 2004, the Respondent ceased unauthorized emissions from the D-567 condensate vent by routing the emissions to the unit flare. In addition, the Respondent replaced the failed debutenizer reboiler bundles and brought the system back on-line on December 9, 2004. The Respondent completed an incident investigation and metallurgical analysis in December 2004, and evaluated design changes to the exchanger in April 2005. Following this evaluation, the Respondent installed a new design exchanger, which was operational by November 11, 2006.</li> <li>On November 16, 2004, the Respondent ceased unauthorized emissions from instrument tubing on FA-211 by blocking the tubing as soon as it was discovered that the wrong tubing was opened and unauthorized emissions were released. On November 22, 2004, the Respondent provided instruction to all relevant plant personnel on the findings of the incident investigation and the corrective measures implemented to prevent a similar event.</li> </ol>

Attachment A  
Docket Number: 2005-0859-AIR-E

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** CHEVRON PHILLIPS CHEMICAL COMPANY LP  
**Penalty Amount:** Twenty thousand two hundred dollars (\$20,200)  
**SEP Amount:** Ten thousand one hundred dollars (\$10,100)  
**Type of SEP:** Pre-approved  
**Third-Party Recipient:** Texas Association of RC&D – *Clean School Buses*  
**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 shall contribute the SEP Amount to the Third-Party Recipient named above. The contribution will be to Texas Association of RC&D – *Clean School Buses* project in Harris County as set forth in an agreement between the Third-Party Recipient and the TCEQ. SEP funds will be used to aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fueled or clean diesel buses; or 2) retrofitting older diesel buses with new cleaner technology. RC&D shall disburse SEP Funds to school districts, area transit agencies, or local governments on a needs-rated basis, using non-attainment area status, condition of buses, or economic status of recipient as possible rating factors if competition for funds exists. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

The Respondent certifies that it has no prior commitment to make this contribution and that it is being done solely in an effort to settle this enforcement action.

B. Environmental Benefit

Passengers, drivers, and students in the area where school buses idle during transportation are subject to harmful diesel exhaust emission every school day. Apart from containing particulate matter (PM), and the ozone precursors NOx and hydrocarbon (HC), diesel exhaust is known to cause or exacerbate a number of respiratory diseases, including asthma. Due to the more stringent emissions standards introduced by the Environmental Protection Agency (EPA), a model year 2007 bus will be 90% cleaner in terms of particulate matter emissions than a model year 2004 bus. New HC and NOx standards phased in between 2007 and 2010

will result in new school bus engines being 72% cleaner for HC and 90% cleaner for NOx than a bus produced to meet the 2004 federal standards for these pollutants. This SEP will provide a discernible environmental benefit by reducing exposure of children and other bus passengers to harmful air pollutants.

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 a copy of the Agreed Order with the contribution to:

Marva Beck, President  
Texas Association of Resource Conservation and Development Areas, Inc.  
1716 Briarcrest Dr. Ste 510  
Bryan, TX 77802

**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:

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

**4. Failure to Fully Perform**

If Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset 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 Offset Amount.

In the event of incomplete performance, the Respondent shall include on the check the docket number of this Agreed Order and a note that it is for reimbursement of a SEP. The Respondent shall make the payment for the amount due to "Texas Commission on Environmental Quality" and mail it to:

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

**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 a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Policy Revision 2 (September 2002)

# Penalty Calculation Worksheet (PCW)

PCW Revision May 03, 2005

<b>DATES</b>	Assigned	25-Apr-2005	Screening	09-May-2005	Priority Due	24-Jun-2005	EPA Due	15-Jan-2006
	PCW	07-May-2008						

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

<b>CASE INFORMATION</b>			
Enf./Case ID No.	25458	No. of Violations	3
Docket No.	2005-0859-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Kimberly Morales
Multi-Media		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

## Penalty Calculation Section

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

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

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

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

Notes

Penalty enhancement due to fifteen same or similar NOV's, one unrelated NOV, eleven self-reported effluent violations, and one Agreed Order containing a denial of liability. Penalty reduction due to three Notices of Audits submitted, one Disclosure of Violation submitted, the plant's participation in a voluntary pollution reduction program, and the plant's early compliance with emission reduction requirements.

**Culpability**   Subtotal 4

Notes

The respondent does not meet the culpability criteria.

**Good Faith Effort to Comply**  Subtotal 5

Extraordinary

Ordinary

N/A

Before NOV    NOV to EDRP/Settlement Offer

   (mark with a small x)

Notes

The respondent is not yet in compliance.

**Economic Benefit**  Subtotal 6

Total EB Amounts

Approx. Cost of Compliance

\*Capped at the Total EB \$ Amount

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

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  Adjustment

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

Notes

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** Final Assessed Penalty

**DEFERRAL**  Adjustment

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

Notes

No deferral recommended since this is not an expedited enforcement action.

**PAYABLE PENALTY**

Screening Date 09-May-2005

Docket No. 2005-0859-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 25458

PCW Revision May 03, 2005

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

**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 ( <i>number of NOVs meeting criteria</i> )	15	75%
	Other written NOVs	12	24%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgements or consent decrees meeting criteria</i> )	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 ( <i>number of counts</i> )	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 ( <i>number of audits for which notices were</i>	3	-3%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	1	-2%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	Yes	-5%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	Yes	-5%

**Adjustment Percentage (Subtotal 2) 104%**

>> Repeat Violator (Subtotal 3)

No <

**Adjustment Percentage (Subtotal 3) 0%**

>> Compliance History Person Classification (Subtotal 7)

Average Performer <

**Adjustment Percentage (Subtotal 7) 0%**

>> Compliance History Summary

Compliance History Notes

Penalty enhancement due to fifteen same or similar NOVs, one unrelated NOV, eleven self-reported effluent violations, and one Agreed Order containing a denial of liability. Penalty reduction due to three Notices of Audits submitted, one Disclosure of Violation submitted, the plant's participation in a voluntary pollution reduction program, and the plant's early compliance with emission reduction requirements.

**Total Adjustment Percentage (Subtotals 2, 3, & 7) 104%**

PCW-5708.qpw

Screening Date 09-May-2005

Docket No. 2005-0859-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 25458

PCW Revision May 03, 2005

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 1

Primary Rule Cite(s) Air Permit 1504A PSD-TX-748, Special Condition No. 1

Secondary Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c), 101.20(3), and Tex. Health and Safety Code § 382.085(b)

Violation Description Failure to prevent unauthorized emissions during a October 25, 2004 emissions event. Since the emissions event was avoidable, Chevron Phillips Chemical Company LP failed to meet the demonstration criteria for an affirmative defense under 30 Tex. Admin. Code § 101.222. See attached table for quantity and type of unauthorized emissions.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

		Harm				
Release		Major	Moderate	Minor		
OR	Actual			X	Percent	25%
	Potential					

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent

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

Adjustment -\$7,500

Base Penalty Subtotal \$2,500

Violation Events

Number of Violation Events 1

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

Statutory Limit Test

Estimated EB Amount \$127

Violation Final Penalty Total \$5,100

This violation Final Assessed Penalty (adjusted for limits) \$5,100

### Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 25458  
**Reg. Ent. Reference No.** RN103919817  
**Media [Statute]** Air Quality  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<b>Delayed Costs</b>							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$2,000	25-Oct-2005	20-Sep-2006	0.9	\$6	\$121	\$127
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 to implement measures to ensure the piping is properly de-inventoried of liquid. Date required is the date the piping developed external corrosion resulting in an emissions event due to the liquid's vapor being released to the atmosphere. Final date based on the projected date the respondent will implement measures designed to prevent the recurrence of an emissions event due to the same cause.

Item	Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<b>Avoided Costs</b>							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

**Notes for AVOIDED costs**

Approx. Cost of Compliance **\$2,000** **TOTAL \$127**

PCW 5-7-08.qpw

Screening Date 09-May-2005

Docket No. 2005-0859-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 25458

PCW Revision May 03, 2005

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 2

Primary Rule Cite(s) Air Permit 37063, Special Condition No. 1

Secondary Rule Cite(s) 30 Tex. Admin. Code § 116.115(c) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failure to prevent unauthorized emissions during an emissions event that was discovered on November 29, 2004 and determined to have started on November 18, 2004. Since the emissions event was avoidable Chevron Phillips Chemical Company LP was unable to meet the demonstration criteria for an affirmative defense under 30 Tex. Admin. Code § 101.222. See attached table for quantity and type of unauthorized emissions.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		X		50%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants, including over 6,000 pounds of highly reactive volatile organic compounds, which did not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment -\$5,000

Base Penalty Subtotal \$5,000

Violation Events

Number of Violation Events 1

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

Violation Base Penalty \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$257

Violation Final Penalty Total \$10,200

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

### Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 25458  
**Reg. Ent. Reference No.** RN103919817  
**Media [Statute]** Air Quality  
**Violation No.** 2

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime	EB
						Costs	Amount
<b>Delayed Costs</b>							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$2,000	18-Nov-2004	20-Sep-2006	1.8	\$12	\$245	\$257
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 to implement measures to ensure the heat exchanger is operated in the manner in which the debutenizer reboiler bundles were designed for. Date required is the date the debutenizer reboiler bundles failed and the emissions event began. Final date based on the projected date the respondent will implement measures designed to prevent the recurrence of an emissions event due to the same cause.

<b>Avoided Costs</b>		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

**TOTAL**

Screening Date 09-May-2005

Docket No. 2005-0859-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 25458

PCW Revision May 03, 2005

Reg. Ent. Reference No. RN103919817

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 3

Primary Rule Cite(s) Air Permit 1504A PSD-TX-748, Special Condition No. 1

Secondary Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c), 101.20(3), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failure to prevent unauthorized emissions during a November 16, 2004 emissions event. Since the emissions event was avoidable, Chevron Phillips Chemical Company LP failed to meet the demonstration criteria for an affirmative defense under 30 Tex. Admin. Code § 101.222. See attached table for quantity and type of unauthorized emissions.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent

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

Adjustment -\$7,500

Base Penalty Subtotal \$2,500

Violation Events

Number of Violation Events 1

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 \$65

Statutory Limit Test

Violation Final Penalty Total \$5,100

This violation Final Assessed Penalty (adjusted for limits) \$5,100

### Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP  
 Case ID No. 25458  
 Reg. Ent. Reference No. RN103919817  
 Media [Statute] Air Quality  
 Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<b>Delayed Costs</b>							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$500	16-Nov-2004	20-Sep-2006	1.8	\$3	\$61	\$65
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 to implement measures designed to ensure that instrument tubing is properly taken out of service. Date required based on the date the wrong instrument tubing was inadvertently opened resulting in an emissions event. Final date based on the projected date the respondent will implement measures designed to prevent the recurrence of an emissions event due to the same cause.

**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 \$65**

**Unauthorized Emissions Violation Table**

Respondent	Chevron Phillips Chemical Company LP
ID Number(s)	RN103919817
Docket Number	2005-0859-AIR-E
Enf. Coordinator	Kimberly Morales

Corresponds to Violation Number: 1

Date of Unauthorized Emissions: October 25, 2004

Emission Point	Permit Number	Permit Limit	Pollutant	Duration	Amount Released	Unauthorized Emissions
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	1,3-Butadiene	1 hour and 45 minutes	150.30 lbs	150.30 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Benzene	1 hour and 45 minutes	6.50 lbs	6.50 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Butane	1 hour and 45 minutes	194.70 lbs	194.70 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Butene	1 hour and 45 minutes	133.30 lbs	133.30 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Cyclopentane	1 hour and 45 minutes	45.80 lbs	45.80 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Dicyclopentadiene	1 hour and 45 minutes	13.10 lbs	13.10 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Hexane	1 hour and 45 minutes	3.30 lbs	3.30 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Methyl Pentane	1 hour and 45 minutes	3.30 lbs	3.30 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Methylcyclopentane	1 hour and 45 minutes	3.30 lbs	3.30 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Pentane	1 hour and 45 minutes	101.50 lbs	101.50 lbs

Name:  
pounds per hour  
pounds

Abbreviaion:  
lbs/hr  
lbs

**Unauthorized Emissions Violation Table**

Respondent	Chevron Phillips Chemical Company LP
ID Number(s)	RN103919817
Docket Number	2005-0859-AIR-E
Enf. Coordinator	Kimberly Morales

Corresponds to Violation Number: **2**Date of Unauthorized Emissions: **November 29, 2004**

Emission Point	Permit Number	Permit Limit	Pollutant	Duration	Amount Released	Unauthorized Emissions
D-567 Condensate Vent	37063	0.00 lbs	Butene	499 hours and 30 minutes	6,020.40 lbs	6,020.40 lbs

<u>Name</u>	<u>Abbreviation</u>
pounds per hour	lbs/hr
pounds	lbs

**Unauthorized Emissions Violation Table**

Respondent	Chevron Phillips Chemical Company
ID Number(s)	RN103919817
Docket Number	2005-0859-AIR-E
Enf. Coordinator	Kimberly Morales

Corresponds to Violation Number: **3**

Date of Unauthorized Emissions: **November 16, 2004**

Emission Point	Permit Number	Permit Limit	Pollutant	Duration	Amount Released	Unauthorized Emissions
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Ethylene	30 seconds	20.70 lbs	20.70 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Acetylene	30 seconds	0.35 lbs	0.35 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Propylene	30 seconds	11.70 lbs	11.70 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Propane	30 seconds	0.32 lbs	0.32 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Butene	30 seconds	2.68 lbs	2.68 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Butane	30 seconds	0.12 lbs	0.12 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	1,3-Butadiene	30 seconds	2.82 lbs	2.82 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Pentene	30 seconds	1.38 lbs	1.38 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Hexene	30 seconds	1.98 lbs	1.98 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Benzene	30 seconds	2.33 lbs	2.33 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Toluene	30 seconds	0.83 lbs	0.83 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Other VOCs	30 seconds	0.59 lbs	0.59 lbs

<u>Name</u>	<u>Abbreviation</u>
pounds per hour	lbs/hr
volatile organic compounds	VOCs
pounds	lbs

# Compliance History

Customer/Respondent/Owner-Operator: CN600303614 Chevron Phillips Chemical Company LP Classification: AVERAGE Rating: 1.830

Regulated Entity: RN103919817 CHEVRON CEDAR BAYOU CHEMICAL PLANT Classification: AVERAGE Site Rating: 0.43

**ID Number(s):**

AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0310V
IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30091
USED OIL	ID NUMBER	HOU00074
WASTEWATER	PERMIT	TX0003948
WASTEWATER	PERMIT	TPDES0003948
WASTEWATER	PERMIT	WQ0001006000
AIR NEW SOURCE PERMITS	PERMIT	75055
AIR NEW SOURCE PERMITS	REGISTRATION	74596
AIR NEW SOURCE PERMITS	REGISTRATION	74458
AIR NEW SOURCE PERMITS	PERMIT	73159
AIR NEW SOURCE PERMITS	REGISTRATION	72911
AIR NEW SOURCE PERMITS	REGISTRATION	72420
AIR NEW SOURCE PERMITS	PERMIT	54712
AIR NEW SOURCE PERMITS	PERMIT	53751
AIR NEW SOURCE PERMITS	PERMIT	53752
AIR NEW SOURCE PERMITS	PERMIT	53768
AIR NEW SOURCE PERMITS	PERMIT	50759
AIR NEW SOURCE PERMITS	PERMIT	50758
AIR NEW SOURCE PERMITS	PERMIT	50757
AIR NEW SOURCE PERMITS	PERMIT	52312
AIR NEW SOURCE PERMITS	PERMIT	50370
AIR NEW SOURCE PERMITS	PERMIT	56502
AIR NEW SOURCE PERMITS	PERMIT	70326
AIR NEW SOURCE PERMITS	REGISTRATION	71762
AIR NEW SOURCE PERMITS	REGISTRATION	71530
AIR NEW SOURCE PERMITS	REGISTRATION	71487
AIR NEW SOURCE PERMITS	REGISTRATION	71483
AIR NEW SOURCE PERMITS	REGISTRATION	71479
AIR NEW SOURCE PERMITS	REGISTRATION	71350
AIR NEW SOURCE PERMITS	REGISTRATION	56852
AIR NEW SOURCE PERMITS	AFS NUM	1282
AIR NEW SOURCE PERMITS	REGISTRATION	75546
AIR NEW SOURCE PERMITS	REGISTRATION	75545
AIR NEW SOURCE PERMITS	REGISTRATION	76051
AIR NEW SOURCE PERMITS	PERMIT	55648
AIR NEW SOURCE PERMITS	REGISTRATION	75577
AIR NEW SOURCE PERMITS	REGISTRATION	76369
AIR NEW SOURCE PERMITS	REGISTRATION	75918
AIR NEW SOURCE PERMITS	REGISTRATION	54930
AIR NEW SOURCE PERMITS	REGISTRATION	54882
AIR NEW SOURCE PERMITS	REGISTRATION	54675
AIR NEW SOURCE PERMITS	PERMIT	52188
AIR NEW SOURCE PERMITS	REGISTRATION	71968
AIR NEW SOURCE PERMITS	PERMIT	1504A
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30091
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD003913381
WATER LICENSING	LICENSE	1012335
AIR OPERATING PERMITS	PERMIT	2370
AIR OPERATING PERMITS	PERMIT	2116
AIR OPERATING PERMITS	PERMIT	2115
AIR OPERATING PERMITS	PERMIT	2114
AIR OPERATING PERMITS	PERMIT	2113
AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0310V
AIR NEW SOURCE PERMITS	PERMIT	50325
AIR NEW SOURCE PERMITS	PERMIT	49322
AIR NEW SOURCE PERMITS	PERMIT	48084
AIR NEW SOURCE PERMITS	PERMIT	46783
AIR NEW SOURCE PERMITS	PERMIT	46305
AIR NEW SOURCE PERMITS	PERMIT	46041
AIR NEW SOURCE PERMITS	PERMIT	44759
AIR NEW SOURCE PERMITS	PERMIT	44005

AIR NEW SOURCE PERMITS	PERMIT	41691
AIR NEW SOURCE PERMITS	PERMIT	40534
AIR NEW SOURCE PERMITS	PERMIT	39958
AIR NEW SOURCE PERMITS	PERMIT	38590
AIR NEW SOURCE PERMITS	PERMIT	37063
AIR NEW SOURCE PERMITS	PERMIT	32866
AIR NEW SOURCE PERMITS	PERMIT	26062
AIR NEW SOURCE PERMITS	PERMIT	24093
AIR NEW SOURCE PERMITS	PERMIT	19027
AIR NEW SOURCE PERMITS	PERMIT	2462C
AIR NEW SOURCE PERMITS	PERMIT	8930A
AIR NEW SOURCE PERMITS	PERMIT	7403A
AIR NEW SOURCE PERMITS	PERMIT	6517A
AIR NEW SOURCE PERMITS	PERMIT	2139A
AIR NEW SOURCE PERMITS	PERMIT	2138A
AIR NEW SOURCE PERMITS	PERMIT	1504A
AIR NEW SOURCE PERMITS	AFS NUM	0018
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0310V
PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1012335
STORMWATER	PERMIT	TXR05Q341
PETROLEUM STORAGE TANK	REGISTRATION	28477
REGISTRATION		
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG1269J

Location: 9500 IH 10 E, BAYTOWN, TX, 77521 Rating Date: 9/1/04 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: July 26, 2005

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: July 26, 2000 to July 26, 2005

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History  
 Name: Rebecca Johnson Phone: (713) 422-8931

**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
- 6. Comments: STEERS

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

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

Effective Date: 12/21/03 ADMINORDER 2003-0295-AIR-E  
 Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Citation: GC8 PERMIT  
 Description: Failed to maintain the annual Maximum Allowable Emissions Rate for Volatone Organic Compounds, Nitrogen Oxides, and Carbon Monoxide from Emission Point Number 110 (the Z-101 Flare) from September 24, 1997 until September 24, 2002.

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. 06/30/2003 (33989)
2. 07/31/2003 (38160)
3. 08/08/2002 (5888)
4. 06/24/2002 (2454)
5. 06/21/2005 (393595)
6. 11/21/2003 (294968)
7. 12/15/2004 (282588)
8. 07/09/2003 (38183)
9. 02/22/2005 (381762)
10. 02/25/2005 (345201)
11. 12/10/2003 (294969)
12. 12/20/2004 (381763)
13. 08/09/2002 (5292)
14. 09/21/2004 (351925)
15. 07/10/2003 (38199)
16. 02/03/2005 (333891)
17. 08/18/2004 (281927)
18. 01/20/2004 (294971)
19. 01/24/2003 (219753)
20. 02/25/2005 (345203)
21. 01/23/2002 (219752)
22. 07/21/2005 (400409)
23. 01/23/2001 (219751)
24. 10/25/2004 (351926)
25. 02/22/2001 (157124)
26. 08/18/2004 (281973)
27. 12/30/2002 (219749)
28. 12/27/2001 (219748)
29. 01/14/2005 (340184)
30. 08/01/2002 (5721)
31. 11/23/2004 (351927)
32. 12/21/2000 (219747)
33. 02/19/2002 (157125)
34. 02/20/2003 (157126)
35. 02/25/2004 (262589)
36. 11/22/2002 (219745)
37. 12/29/2004 (292369)
38. 11/27/2001 (219744)
39. 07/18/2002 (5095)
40. 08/16/2004 (282057)
41. 10/25/2004 (351928)
42. 10/17/2003 (248463)
43. 11/21/2000 (219743)
44. 02/12/2004 (260170)
45. 03/22/2001 (157127)
46. 07/19/2002 (5135)
47. 10/19/2004 (292959)
48. 03/18/2002 (157128)
49. 10/22/2002 (219741)
50. 03/21/2003 (157129)
51. 07/03/2002 (3871)
52. 07/10/2003 (40888)
53. 11/01/2001 (219740)
54. 12/21/2004 (283434)
55. 06/25/2003 (40843)
56. 08/28/2003 (150887)
57. 10/20/2000 (219739)
58. 04/20/2001 (157132)
59. 12/21/2004 (289254)
60. 08/21/2003 (150910)
61. 09/23/2002 (219738)
62. 09/17/2001 (219737)
63. 04/18/2002 (157133)
64. 09/21/2000 (219736)
65. 08/27/2003 (150926)
66. 08/11/2003 (219735)
67. 04/22/2003 (157134)
68. 07/11/2005 (398110)
69. 08/07/2002 (247504)
70. 08/16/2002 (219734)

71. 01/14/2005 (340901)  
72. 12/09/2004 (343665)  
73. 04/08/2005 (348606)  
74. 08/21/2001 (219733)  
75. 09/30/2004 (293341)  
76. 08/16/2004 (282411)  
77. 01/07/2005 (340081)  
78. 08/17/2000 (219732)  
79. 01/20/2005 (338916)  
80. 05/22/2001 (157136)  
81. 01/04/2005 (286354)  
82. 10/19/2004 (292912)  
83. 12/02/2002 (17970)  
84. 06/24/2003 (219731)  
85. 07/18/2002 (219730)  
86. 01/02/2005 (283495)  
87. 05/20/2002 (157137)  
88. 07/23/2001 (219729)  
89. 12/17/2003 (152105)  
90. 12/28/2004 (282257)  
91. 05/20/2003 (157138)  
92. 06/24/2003 (219727)  
93. 04/21/2005 (372231)  
94. 11/15/2000 (40174)  
95. 02/14/2003 (20304)  
96. 06/18/2002 (219726)  
97. 08/14/2002 (5872)  
98. 06/20/2001 (219725)  
99. 01/07/2005 (340082)  
100. 10/31/2004 (286738)  
101. 06/21/2001 (157140)  
102. 06/17/2002 (157141)  
103. 11/19/2004 (339740)  
104. 05/19/2003 (219723)  
105. 07/10/2003 (139402)  
106. 05/17/2002 (219722)  
107. 02/05/2004 (260955)  
108. 08/27/2003 (150924)  
109. 06/23/2003 (157142)  
110. 08/02/2000 (79133)  
111. 02/21/2005 (344997)  
112. 02/25/2004 (262587)  
113. 08/14/2000 (79134)  
114. 05/22/2001 (219721)  
115. 08/28/2002 (6801)  
116. 04/20/2005 (372236)  
117. 08/14/2000 (79135)  
118. 06/14/2005 (375880)  
119. 07/24/2001 (157144)  
120. 08/24/2000 (79136)  
121. 10/31/2004 (286179)  
122. 04/22/2003 (219719)  
123. 08/24/2000 (79137)  
124. 07/03/2002 (2968)  
125. 08/25/2000 (79138)  
126. 04/22/2002 (219718)  
127. 08/30/2000 (79139)  
128. 04/24/2001 (219717)  
129. 07/23/2002 (157145)  
130. 11/13/2000 (79140)  
131. 10/24/2003 (252855)  
132. 10/17/2003 (248509)  
133. 05/30/2002 (1752)  
134. 11/13/2000 (79141)  
135. 05/20/2003 (157146)  
136. 11/13/2000 (79142)  
137. 11/13/2000 (79143)  
138. 08/17/2000 (157147)  
139. 04/11/2005 (376384)  
140. 03/24/2003 (219714)  
141. 12/28/2000 (79144)  
142. 01/19/2001 (79145)  
143. 03/21/2002 (219713)  
144. 01/24/2003 (20319)  
145. 08/21/2001 (157148)

146. 08/17/2004 (283539)  
147. 01/24/2001 (79146)  
148. 02/26/2005 (372327)  
149. 03/23/2001 (219712)  
150. 01/25/2001 (79147)  
151. 08/17/2004 (282610)  
152. 08/20/2002 (157149)  
153. 03/19/2001 (79148)  
154. 02/21/2003 (219711)  
155. 12/20/2004 (339391)  
156. 04/14/2004 (264014)  
157. 03/28/2001 (79149)  
158. 11/20/2002 (17279)  
159. 02/22/2002 (219710)  
160. 06/03/2004 (269885)  
161. 09/20/2000 (157150)  
162. 02/26/2001 (219709)  
163. 06/18/2003 (36346)  
164. 09/21/2001 (157151)  
165. 12/28/2004 (339392)  
166. 09/23/2002 (157152)  
167. 12/14/2004 (339393)  
168. 01/02/2005 (284716)  
169. 10/23/2000 (157153)  
170. 12/15/2004 (339394)  
171. 11/01/2001 (157154)  
172. 08/27/2004 (266898)  
173. 10/30/2002 (157155)  
174. 12/14/2004 (339395)  
175. 10/17/2003 (248486)  
176. 08/27/2003 (150937)  
177. 11/11/2004 (293130)  
178. 12/28/2004 (284682)  
179. 11/19/2004 (338998)  
180. 10/17/2003 (247681)  
181. 05/05/2003 (31743)  
182. 11/17/2000 (157157)  
183. 02/24/2004 (262471)  
184. 11/26/2001 (157158)  
185. 06/29/2005 (344167)  
186. 02/23/2004 (294952)  
187. 11/21/2002 (157159)  
188. 10/17/2003 (250526)  
189. 06/18/2004 (271284)  
190. 01/03/2005 (285841)  
191. 01/13/2003 (20355)  
192. 05/18/2004 (268884)  
193. 03/18/2003 (294954)  
194. 04/21/2004 (294955)  
195. 08/31/2000 (104292)  
196. 03/11/2004 (262456)  
197. 02/16/2001 (104293)  
198. 10/29/2004 (293050)  
199. 08/21/2003 (150918)  
200. 03/20/2001 (104294)  
201. 05/18/2004 (294957)  
202. 12/22/2000 (157161)  
203. 01/08/2002 (104295)  
204. 12/27/2001 (157162)  
205. 01/02/2005 (283460)  
206. 08/16/2004 (282020)  
207. 05/17/2005 (372229)  
208. 05/14/2003 (23660)  
209. 06/21/2004 (294959)  
210. 01/07/2005 (338932)  
211. 08/28/2002 (2755)  
212. 12/17/2002 (157163)  
213. 12/04/2003 (254252)  
214. 01/16/2001 (157165)  
215. 02/25/2004 (262389)  
216. 05/18/2004 (294961)  
217. 05/30/2003 (9853)  
218. 04/20/2005 (372237)  
219. 01/24/2002 (157166)  
220. 06/29/2005 (344174)

- 221. 01/21/2003 (157167)
- 222. 08/19/2003 (294963)
- 223. 08/22/2002 (4594)
- 224. 04/08/2005 (348897)
- 225. 12/16/2004 (284752)
- 226. 08/01/2002 (5492)
- 227. 02/21/2005 (340395)
- 228. 09/19/2003 (294965)
- 229. 10/31/2004 (282375)
- 230. 07/08/2003 (40968)
- 231. 05/12/2004 (267824)
- 232. 01/02/2005 (282884)
- 233. 06/22/2005 (393592)
- 234. 11/18/2002 (15741)
- 235. 02/22/2005 (381760)
- 236. 07/17/2002 (4253)
- 237. 10/21/2003 (294967)
- 238. 02/09/2004 (259978)
- 239. 03/14/2005 (381761)
- 240. 08/24/2004 (351924)
- 241. 11/01/2004 (283579)

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

Date: 09/30/2003 (294967) 1  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter

Date: 02/28/2005 (381761) 2  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter

Date: 11/30/2004 (381763) 3  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter

Date: 12/19/2003 (152105) 4  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)(C)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)  
 Description: Chevron Phillips Chemical Company (CPCC) failed to monitor 16 valves in the 1796 Unit.

Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)  
 Description: Failure to cap, blind flange, or plug open-ended lines.

Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(2)  
 Description: Failure to conduct first attempt at repairs, for leaking valves, within 5 calendar days

Date: 01/31/2001 (157124) 5  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter

Date: 11/04/2003 (254252) 6  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(C)  
 Description: Failure to operate within the opacity limits.

Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)  
 Description: Failure to submit the initial notification within 24 hours of an emissions event.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(C)  
 Description: Failure to operate within required opacity limits.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)[G]  
Rqmt Prov: PERMIT IA  
Description: Failure to operate within NOX hourly limits

Date: 12/28/2004 (282257) 7  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)  
30 TAC Chapter 101, SubChapter F 101.201(b)(7)  
Description: Chevron failed to submit a timely initial emissions event notification.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT IA  
Description: Exceeded permit limits during an avoidable emissions event.

Date: 01/31/2003 (157126) 8  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date: 09/30/2002 (219741) 9  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date: 10/17/2003 (248463) 10  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)  
Description: Failure to submit the initial notification within 24 hours of an emissions event.

Date: 09/30/2004 (293341) 11  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT DDD 60.563(d)(2)  
Rqmt Prov: OP IA  
Description: Failed to conduct the monthly car seal inspections.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 115, SubChapter D 115.352[G]  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT DDD 60.562-2(a)  
Rqmt Prov: OP IA  
Description: Failed to conduct fugitive monitoring on 66 components.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)[G]  
30 TAC Chapter 116, SubChapter B 116.115(c)  
Rqmt Prov: PA IA  
Description: Failure to operate within MAERT limits for Flare EPN VE-9003.

Date: 09/30/2001 (219740) 12  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date: 01/03/2005 (285841) 13  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT IA  
Description: Exceeded permit limits during an avoidable emissions event.

Date: 11/17/2003 (248486) 14  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(C)  
Description: Failure to operate within required opacity limits.

Date: 10/17/2003 (247681) 15  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(C)  
Description: Failure to operate within the opacity limits.

Date: 08/27/2004 (266898) 16

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT IA  
Description: Exceeded VOC permit limit during an avoidable emissions event.

Date: 04/30/2002 (157137) 17  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date: 10/17/2003 (248509) 18  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)  
Description: Failure to submit the initial notification within 24 hours.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)[G]  
Rqmt Prov: PERMIT IA  
Description: Failure to operate within NOX hourly limits

Date: 01/20/2005 (338916) 1A  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
Rqmt Prov: OP IA  
PERMIT IA  
Description: Failure to operate the stack, Unit 1794-16, within the required opacity limit.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
Rqmt Prov: OP IA  
PERMIT IA  
Description: Failure to maintain a plug on an open-ended line.  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
Rqmt Prov: OP IA  
Description: Failure to record the time of day for the flare observation for Flare FS-5210.

Date: 08/31/2001 (157151) 20  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date: 05/30/2003 (9853) 21  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)[G]  
Description: Failure to meet the exemption demonstrations in 30 TAC 101.11.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(7)(A)  
Description: Failure to operate within the visible emission limitations of 30 TAC 111.111(a)(7)(A)

Date: 01/04/2005 (286354) 22  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT IA  
Description: Exceeded permit limit during an avoidable emissions event.

Date: 10/31/2002 (157159) 23  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date: 12/21/2004 (283434) 24  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter F 101.221(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)  
Description: Chevron failed to comply with 30 Tex. Admin. Code 101.222(b)  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: 5C THC Chapter 382, SubChapter A 382.085(b)  
PERMIT IA  
Description: Chevron failed to comply with 30 Tex. Admin. Code 101.222(b).  
Date: 12/21/2004 (289254) 25  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter H 116.814(a)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Rqmt Prov: PERMIT IA  
Description: Chevron failed to comply with 30 Tex. Admin. Code 101.222(b).

Date: 12/31/2002 (157167) 26  
Self Report? YES Classification: Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)[G]  
Description: Failure to meet the limit for one or more permit parameter

Date: 02/03/2005 (333891) 27  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 115, SubChapter D 115.352(4)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)  
Rqmt Prov: OP IA  
PERMIT IA  
Description: Failure to maintain caps or plugs on open-ended lines.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 115, SubChapter D 115.352(4)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)  
Rqmt Prov: OP IA  
PERMIT IA

Description: Failure to maintain caps or plugs on a open-ended lines in F-1798-30.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
Rqmt Prov: OP IA  
PERMIT IA

Description: Failure to maintain caps or plugs on open-ended lines in Unit 1795-66.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
Rqmt Prov: OP IA  
PERMIT IA

Description: Failure to operate tanks 17 and 24A as represented in permit 8364A.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
Rqmt Prov: OP IA  
PERMIT IA

Description: Failure to operate Tank 28 as represented in permit 37063.  
Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 115, SubChapter D 115.352(1)[G]  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-8(c)[G]

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

Rqmt Prov: OP IA  
PERMIT IA  
Description: Failure to monitor fugitive components in the F-1798-30 Unit area.  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

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

Rqmt Prov: OP IA  
 PERMIT IA  
 Description: Failure to monitor fugitive components in the F-130 Unit Area.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)[G]  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA  
 PERMIT IA  
 Description: Failure to monitor fugitive components in the F-1795-66 Unit Area.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT RRR 60.705(b)(2)(ii)

Rqmt Prov: OP IA  
 Description: Failure to conduct monthly bypass line valve car seal inspections for 40 valves.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT RRR 60.705(d)(2)

Rqmt Prov: OP IA  
 Description: Failure to include all car seal ID numbers on monthly car seal inspection records.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 115, SubChapter C 115.212(a)(2)  
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA  
 Description: Failure to route hexene vapors to control while depressuring a tank truck.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP IA  
 PERMIT IA  
 Description: Failure to operate heater H-3 with the required firing rate.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)

Rqmt Prov: OP IA  
 PERMIT IA  
 Description: Failure to maintain a flare pilot light at all times on Flare Z-1101

F. Environmental audits.

Notice of Intent Date: 12/19/2002  
 No DOV Associated

Notice of Intent Date: 06/12/2003  
 Disclosure Date: 07/18/2003

Citation: Viol. Classification: Moderate  
 Description: Hazardous waste manifest inadequate.

Citation: Viol. Classification: Moderate  
 Description: The flare logs did not include times of observation.

Citation: Viol. Classification: Moderate  
 Description: Failure to demonstrate that all air emission events were evaluated within time constraints.

Citation: Viol. Classification: Moderate  
 Description: Failed to ensure that tank 903 was certified by an engineer.

Citation: Viol. Classification: Moderate  
 Description: Tank 902 leaked.

Citation: Viol. Classification: Minor  
 Description: The facility did not provide all required information on and maintain copies of each initial land disposal restriction notice.

Citation: Viol. Classification: Minor  
 Description: Final records for air releases are not always dated to demonstrate compliance within a 14 day window.

Notice of Intent Date: 05/13/2005

No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

Type	Tier	Certification Date
NATIONAL ENVIRONMENT		01/01/2002

J. Early compliance.

Date Achieved	Description
12/31/2003	early compliance with NOx emissions required for compliance with 30 TAC Chapter 101 Subchapter H, Division 3, Mass Emissions Cap and Trade Program and Chapter 117 Control of Air Pollution from Nitrogen Compounds rules.

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



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

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

**AGREED ORDER**  
**DOCKET NO. 2005-0859-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 Chevron Phillips Chemical Company LP ("Chevron Phillips") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, represented by the Litigation Division, and Chevron Phillips represented by Gindi Eckel Vincent, of the law firm of Pillsbury Winthrop Shaw Pittman LLP, appear before the Commission and together stipulate that:

1. Chevron Phillips owns and operates a chemical manufacturing plant located at 9500 Interstate 10 East, Baytown, Harris County, Texas (the "Plant").
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. The Commission and Chevron Phillips agree that the Commission has jurisdiction to enter this Agreed Order, and that Chevron Phillips is subject to the Commission's jurisdiction.
4. Chevron Phillips received notice of the violations alleged in Section II ("Allegations") on or about April 25, 2005, May 23, 2005, and July 16, 2005.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Chevron Phillips of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of twenty thousand two hundred dollars (\$20,200.00) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Chevron Phillips has paid ten thousand one hundred dollars (\$10,100.00) of the administrative penalty. Ten thousand one hundred dollars

(\$10,100.00) shall be conditionally offset by Chevron Phillips' completion of a Supplemental Environmental Project ("SEP").

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 Chevron Phillips have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that Chevron Phillips has implemented the following Corrective measures at the Plant:
  - a. On October 25, 2005, Chevron Phillips ceased unauthorized emissions from the corroded piping in the C4/C5 piping system by installing temporary piping which was then depressurized and purged with nitrogen to the unit flare. Chevron Phillips removed the C4/C5 piping system from service in December 2005, and completed demolition of the pipeline system on April 19, 2007;
  - b. On November 29, 2004, Chevron Phillips ceased unauthorized emissions from the D-567 condensate vent by routing the emissions to the unit flare. In addition, Chevron Phillips replaced the failed debutenizer reboiler bundles and brought the system back on-line on December 9, 2004. Chevron Phillips completed an incident investigation and metallurgical analysis in December 2004, and evaluated design changes to the exchanger in April 2005. Following this evaluation, Chevron Phillips installed a new design exchanger, which was operational by November 11, 2006; and
  - c. On November 16, 2004, Chevron Phillips ceased unauthorized emissions from instrument tubing on FA-211 by blocking the tubing as soon as it was discovered that the wrong tubing was opened and unauthorized emissions were released. On November 22, 2004, Chevron Phillips provided instruction to all relevant plant personnel on the findings of the incident investigation and the corrective measures implemented to prevent a similar event.
10. 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 Chevron Phillips has not complied with one or more of the terms or conditions in this Agreed Order.
11. 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.
12. 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, Chevron Phillips is alleged to have:

- Failed to prevent unauthorized emissions during an October 25, 2004 emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), Air Permit No. 1504A PSD-TX-748, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on March 8, 2005. Since the emissions event was avoidable, Chevron Phillips failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222. Unauthorized emissions during the emissions event were as follows:

Emission Point	Permit Number	Permit Limit	Pollutant	Duration	Amount Released	Unauthorized Emissions
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	1,3-Butadiene	1 hour and 45 minutes	150.30 lbs	150.30 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Benzene	1 hour and 45 minutes	6.50 lbs	6.50 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Butane	1 hour and 45 minutes	194.70 lbs	194.70 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Butene	1 hour and 45 minutes	133.30 lbs	133.30 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Cyclopentane	1 hour and 45 minutes	45.80 lbs	45.80 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Dicyclopentadiene	1 hour and 45 minutes	13.10 lbs	13.10 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Hexane	1 hour and 45 minutes	3.30 lbs	3.30 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Methyl Pentane	1 hour and 45 minutes	3.30 lbs	3.30 lbs
C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Methylcyclopentane	1 hour and 45 minutes	3.30 lbs	3.30 lbs

C4/C5 Piping System	1504A PSD-TX-748	0.00 lbs/hr	Pentane	1 hour and 45 minutes	101.50 lbs	101.50 lbs
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2. Failed to prevent unauthorized emissions during an emissions event that was discovered on November 29, 2004 and determined to have started on November 18, 2004, in violation of 30 TEX. ADMIN. CODE § 116.115(c), Air Permit No. 37063, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on April 14, 2005. Since the emissions event was avoidable, Chevron Phillips failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222. Unauthorized emissions during the emissions event were as follows:

Emission Point	Permit Number	Permit Limit	Pollutant	Duration	Amount Released	Unauthorized Emissions
D-567 Condensate Vent	37063	0.00 lbs	Butene	499 hours and 30 minutes	6,020.40 lbs	6,020.40 lbs

3. Failed to prevent unauthorized emissions during a November 16, 2004 emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), Air Permit No. 1504A PSD-TX-748, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on March 9, 2005. Since the emissions event was avoidable, Chevron Phillips failed to meet the demonstration criteria for an affirmative defense under 30 TEX. ADMIN. CODE § 101.222. Unauthorized emissions during the emissions event were as follows:

Emission Point	Permit Number	Permit Limit	Pollutant	Duration	Amount Released	Unauthorized Emissions
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Ethylene	30 seconds	20.70 lbs	20.70 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Acetylene	30 seconds	0.35 lbs	0.35 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Propylene	30 seconds	11.70 lbs	11.70 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Propane	30 seconds	0.32 lbs	0.32 lbs

Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Butene	30 seconds	2.68 lbs	2.68 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Butane	30 seconds	0.12 lbs	0.12 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	1,3-Butadiene	30 seconds	2.82 lbs	2.82 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Pentene	30 seconds	1.38 lbs	1.38 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Hexene	30 seconds	1.98 lbs	1.98 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Benzene	30 seconds	2.33 lbs	2.33 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Toluene	30 seconds	0.83 lbs	0.83 lbs
Instrument Tubing on FA-211	1504A PSD-TX-748	0.00 lbs	Other VOCs	30 seconds	0.59 lbs	0.59 lbs

### III. DENIALS

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

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Chevron Phillips pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Chevron Phillips' 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: Chevron Phillips Chemical Company LP, Docket No. 2005-0859-AIR-E" to:

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

2. Chevron Phillips shall implement and complete a SEP in accordance with TEX. WATER CODE §7.067. As set forth in Section II, Paragraph 6 above, ten thousand one hundred dollars (\$10,100.00) of the assessed administrative penalty shall be conditionally offset with the condition that Chevron Phillips implement the SEP defined in Attachment A, incorporated herein by reference. Chevron Phillips' obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon Chevron Phillips. Chevron Phillips is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the operations referenced in this Agreed Order.
4. If Chevron Phillips fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Chevron Phillips' failure to comply is not a violation of this Agreed Order. Chevron Phillips shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Chevron Phillips shall notify the Executive Director within seven days after Chevron Phillips becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Chevron Phillips shall be made in writing to the Executive Director. Extensions are not effective until Chevron Phillips receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Chevron Phillips in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. 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.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Chevron Phillips, or three days after the date on which the Commission mails notice of the Order to Chevron Phillips, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

Chevron Phillips Chemical Company LP  
TCEQ DOCKET NO. 2005-0859-AIR-E  
Page 7

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

*[Handwritten Signature]*

\_\_\_\_\_  
For the Executive Director

10/16/08

\_\_\_\_\_  
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 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 Chevron Phillips' failure to comply with the Ordering Provisions in this order and/or Chevron Phillips' failure to timely pay the penalty amount, may result in:

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

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

*[Handwritten Signature]*  
Signature

8/23/08  
Date

VAN G. LEWIS  
Name (Printed or typed)  
Authorized Representative of  
Chevron Phillips Chemical Company LP

Plant Manager  
Title

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

Attachment A  
Docket Number: 2005-0859-AIR-E

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** CHEVRON PHILLIPS CHEMICAL COMPANY LP  
**Penalty Amount:** Twenty thousand two hundred dollars (\$20,200)  
**SEP Amount:** Ten thousand one hundred dollars (\$10,100)  
**Type of SEP:** Pre-approved  
**Third-Party Recipient:** *Texas Association of RC&D – Clean School Buses*  
**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 shall contribute the SEP Amount to the Third-Party Recipient named above. The contribution will be to **Texas Association of RC&D – Clean School Buses** project in Harris County as set forth in an agreement between the Third-Party Recipient and the TCEQ. SEP funds will be used to aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fueled or clean diesel buses; or 2) retrofitting older diesel buses with new cleaner technology. RC&D shall disburse SEP Funds to school districts, area transit agencies, or local governments on a needs-rated basis, using non-attainment area status, condition of buses, or economic status of recipient as possible rating factors if competition for funds exists. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

The Respondent certifies that it has no prior commitment to make this contribution and that it is being done solely in an effort to settle this enforcement action.

B. Environmental Benefit

Passengers, drivers, and students in the area where school buses idle during transportation are subject to harmful diesel exhaust emission every school day. Apart from containing particulate matter (PM), and the ozone precursors NOx and hydrocarbon (HC), diesel exhaust is known to cause or exacerbate a number of respiratory diseases, including asthma. Due to the more stringent emissions standards introduced by the Environmental Protection Agency (EPA), a model year 2007 bus will be 90% cleaner in terms of particulate matter emissions than a model year 2004 bus. New HC and NOx standards phased in between 2007 and 2010

will result in new school bus engines being 72% cleaner for HC and 90% cleaner for NOx than a bus produced to meet the 2004 federal standards for these pollutants. This SEP will provide a discernible environmental benefit by reducing exposure of children and other bus passengers to harmful air pollutants.

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 a copy of the Agreed Order with the contribution to:

Marva Beck, President  
Texas Association of Resource Conservation and Development Areas, Inc.  
1716 Briarcrest Dr. Ste 510  
Bryan, TX 77802

**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:

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

**4. Failure to Fully Perform**

If Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset 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 Offset Amount.

In the event of incomplete performance, the Respondent shall include on the check the docket number of this Agreed Order and a note that it is for reimbursement of a SEP. The Respondent shall make the payment for the amount due to "Texas Commission on Environmental Quality" and mail it to:

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

**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 a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.