

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**

Page 1 of 2

**DOCKET NO.:** 2007-1419-AIR-E **TCEQ ID:** RN100825249 **CASE NO.:** 34527**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> Chevron Phillips Chemical Sweeny Complex, 21689 Highway 35, Old Ocean, Brazoria County</p> <p><b>TYPE OF OPERATION:</b> Chemical manufacturing</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There are five additional pending enforcement actions regarding this facility location, Docket Nos. 2006-1821-AIR-E, 2007-1079-AIR-E, 2007-1581-AIR-E, 2007-1861-AIR-E, and 2007-0286-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 January 21, 2008. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768  <b>TCEQ Enforcement Coordinator:</b> Ms. Nadia Hameed, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3629;  Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171  <b>Respondent:</b> Mr. Carl Holmgren, Senior Environmental Specialist, Chevron Phillips Chemical Company LP, State Highway 35 at Farm-to-Market Road 524, Old Ocean, Texas 77463  Ms. Charleen Dickson, Plant Manager, Chevron Phillips Chemical Company LP, State Highway 35 at Farm-to-Market Road 524, Old Ocean, Texas 77463  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:		
VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> July 19, 2007</p> <p><b>Date of NOV/NOE Relating to this Case:</b> August 17, 2007 (NOE)</p> <p><b>Background Facts:</b> This was a routine record review investigation. Two violations were documented.</p> <p><b>AIR</b></p> <p>1) Failure to prevent unauthorized emissions. Specifically, 3,422 pounds ("lbs") of ethylene was released when the Respondent failed to close an open bleeder valve, resulting in an emissions event in Ethylene Unit 22 that started on May 15, 2007, and lasted for one hour (Incident No. 91263). Since these emissions were avoidable and inadequately reported, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.715(a), Flexible Air Permit No. 22690, Special Condition No. 1 and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2) Failure to submit a timely final report for an emissions event (Incident No. 91263) which started and ended on May 15, 2007. The final report, which was due on May 29, 2007, was not submitted until May 30, 2007 [30 TEX. ADMIN. CODE § 101.201(b) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$10,234</p> <p><b>Total Deferred:</b> \$2,046  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$4,094</p> <p><b>Total Paid to General Revenue:</b> \$4,094</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>Corrective Actions Taken:</b></p> <p>1) The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. On June 21, 2007, the operators responsible for failing to close the open bleeder valve prior to returning the system to service were retrained to ensure that the error is not repeated; and</p> <p>b. On July 24, 2007, the Respondent purchased brightly colored tags to put on bleeder valves at Ethylene Unit 22, in order to prevent this type of error from occurring in the future.</p> <p><b>Ordering Provisions:</b></p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)</p> <p>2) The Order will also require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Implement measures designed to prevent recurrence of emissions due to the same cause as the May 15, 2007, emissions event (Incident No. 91263);</p> <p>ii. Complete training to ensure that emissions event notifications and final reports are submitted within the required time frames (Incident No. 91263); and</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a.i. and 2.a.ii.</p>

Attachment A  
Docket Number: 2007-1419-AIR-E

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** Chevron Phillips Chemical Company LP

**Payable Penalty Amount:** Eight Thousand One Hundred Eighty-Eight Dollars (\$8,188)

**SEP Amount:** Four Thousand Ninety-Four Dollars (\$4,094)

**Type of SEP:** Pre-approved

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

**Location of SEP:** Brazoria County

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

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



B. Environmental Benefit

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

C. Minimum Expenditure

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

**2. Performance Schedule**

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

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

**3. Records and Reporting**

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

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

**4. Failure to Fully Perform**

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

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

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



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

**5. Publicity**

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

**6. Clean Texas Program**

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

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

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



**Penalty Calculation Worksheet (PCW)**  
 Policy Revision 2 (September 2002) PCW Revision June 26, 2007

**TCEQ**  
**DATES**  
 Assigned   
 PCW  Screening  EPA Due

**RESPONDENT/FACILITY INFORMATION**  
 Respondent   
 Reg. Ent. Ref. No.   
 Facility/Site Region  Major/Minor Source

**CASE INFORMATION**  
 Enf./Case ID No.  No. of Violations   
 Docket No.  Order Type   
 Media Program(s)  Enf. Coordinator   
 Multi-Media  EC's Team   
 Admin. Penalty \$  \$0  \$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**  Enhancement Subtotals 2, 3, & 7

Notes

**Culpability**   Enhancement Subtotal 4

Notes

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

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

Notes

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

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

Notes

**PAYABLE PENALTY**

**Screening Date** 23-Aug-2007

**Docket No.** 2007-1419-AIR-E

**PCW**

**Respondent** Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

**Case ID No.** 34527

PCW Revision June 26, 2007

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

**Media [Statute]** Air

**Enf. Coordinator** Nadia Hameed

### Compliance History Worksheet

>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	14	70%
	Other written NOVs	4	8%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	3	60%
	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 ( <i>number of events</i> )	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 submitted</i> )	2	-2%
	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%

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)** 134%

>> **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 three 1660 agreed orders with denial of liability, 14 same or similar NOVs, and four non-similar NOVs. Penalty reduction for two Notices of Audit, and one Disclosure of Violation.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 134%

<b>Screening Date</b> 23-Aug-2007	<b>Docket No.</b> 2007-1419-AIR-E	<b>PCW</b>	
<b>Respondent</b> Chevron Phillips Chemical Company LP	<i>Policy Revision 2 (September 2002)</i>		
<b>Case ID No.</b> 34527	<i>PCW Revision June 26, 2007</i>		
<b>Reg. Ent. Reference No.</b> RN100825249			
<b>Media [Statute]</b> Air			
<b>Enf. Coordinator</b> Nadia Hameed			
<b>Violation Number</b> <input type="text" value="1"/>			
<b>Rule Cite(s)</b>	30 Tex. Admin. Code § 116.715(a), Flexible Air Permit No. 22690, Special Condition No. 1 and Tex. Health & Safety Code § 382.085(b)		
<b>Violation Description</b>	Failed to prevent unauthorized emissions. Specifically, 3,422 pounds ("lbs") of ethylene was released when Chevron Phillips failed to close an open bleeder valve, resulting in an emissions event in Ethylene Unit 22 that started on May 15, 2007, and lasted for one hour (Incident No. 91263). Since these emissions were avoidable and inadequately reported, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.		
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>	
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>			
<b>Harm</b>			
<b>Release</b>	Major	Moderate	Minor
Actual	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>OR</b>	<b>Percent</b>		<input type="text" value="50%"/>
<b>&gt;&gt; Programmatic Matrix</b>			
<b>Falsification</b>			
Major	Moderate	Minor	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>
<b>Matrix Notes</b>	Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.		
<b>Adjustment</b>		<input type="text" value="\$5,000"/>	
		<input type="text" value="\$5,000"/>	
<b>Violation Events</b>			
<b>Number of Violation Events</b>	<input type="text" value="1"/>	<b>Number of violation days</b>	<input type="text" value="1"/>
<i>mark only one with an x</i>	daily	<input type="text"/>	
	monthly	<input checked="" type="text" value="x"/>	
	quarterly	<input type="text"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text"/>	
<b>Violation Base Penalty</b>		<input type="text" value="\$5,000"/>	
One monthly event is recommended.			
<b>Economic Benefit (EB) for this violation</b>		<b>Statutory Limit Test</b>	
<b>Estimated EB Amount</b>	<input type="text" value="\$41"/>	<b>Violation Final Penalty Total</b>	<input type="text" value="\$11,700"/>
<b>This violation Final Assessed Penalty (adjusted for limits)</b>		<input type="text" value="\$10,000"/>	

## Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 34527  
**Reg. Ent. Reference No.** RN100825249  
**Media Air**  
**Violation No.** 1

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

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

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$500	15-May-2007	21-Jun-2007	0.1	\$3	n/a	\$3
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$1,000	15-May-2007	19-Feb-2008	0.8	\$38	n/a	\$38

Notes for DELAYED costs

Estimated cost of training operators. Date required is the date of the emissions event; Final date is the date when training of the operators was completed and the date by which the installation of brightly colored tags is expected to be completed.

**Avoided Costs**

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$41

Screening Date 23-Aug-2007

Docket No. 2007-1419-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 34527

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN100825249

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 2

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

Violation Description Failed to submit a timely final report for an emissions event (Incident No. 91263) which started and ended on May 15, 2007. The final report, which was due May 29, 2007, was not submitted until May 30, 2007.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
			X	1%

Matrix Notes At least 70% of the rule requirement was met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1 1 Number of violation days

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

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$19

Violation Final Penalty Total \$234

This violation Final Assessed Penalty (adjusted for limits) \$234

## Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 34527  
**Reg. Ent. Reference No.** RN100825249  
**Media Air**  
**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 Costs	EB Amount
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No commas or \$

**Delayed Costs**

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$500	15-May-2007	19-Feb-2008	0.8	\$19	n/a	\$19
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 training to ensure timely submittal of reports. Date required is the date of the emissions event. Final date is the date by which the corrective actions are expected 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 \$19

## Compliance History

Customer/Respondent/Owner-Operator:	CN600303614	Chevron Phillips Chemical Company LP	Classification: AVERAGE	Rating: 3.68																																										
Regulated Entity:	RN100825249	CHEVRON PHILLIPS CHEMICAL SWEENEY COMPLEX	Classification: AVERAGE	Site Rating: 2.10																																										
ID Number(s):	<table style="width: 100%; border-collapse: collapse;"> <tr><td>AIR OPERATING PERMITS</td><td>ACCOUNT NUMBER</td><td>BL0758C</td></tr> <tr><td>AIR OPERATING PERMITS</td><td>PERMIT</td><td>2151</td></tr> <tr><td>AIR OPERATING PERMITS</td><td>PERMIT</td><td>52061</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>75473</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>75479</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>75447</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>ACCOUNT NUMBER</td><td>BL0758C</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>75072</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>22690</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>75059</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>AFS NUM</td><td>4803900145</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>50960</td></tr> <tr><td>INDUSTRIAL AND HAZARDOUS WASTE GENERATION</td><td>EPA ID</td><td>TXR000039834</td></tr> <tr><td>INDUSTRIAL AND HAZARDOUS WASTE GENERATION</td><td>SOLID WASTE REGISTRATION # (SWR)</td><td>86586</td></tr> </table>				AIR OPERATING PERMITS	ACCOUNT NUMBER	BL0758C	AIR OPERATING PERMITS	PERMIT	2151	AIR OPERATING PERMITS	PERMIT	52061	AIR NEW SOURCE PERMITS	REGISTRATION	75473	AIR NEW SOURCE PERMITS	REGISTRATION	75479	AIR NEW SOURCE PERMITS	REGISTRATION	75447	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	BL0758C	AIR NEW SOURCE PERMITS	REGISTRATION	75072	AIR NEW SOURCE PERMITS	PERMIT	22690	AIR NEW SOURCE PERMITS	REGISTRATION	75059	AIR NEW SOURCE PERMITS	AFS NUM	4803900145	AIR NEW SOURCE PERMITS	REGISTRATION	50960	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXR000039834	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	86586
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Location:	21689 HIGHWAY 35, OLD OCEAN, TX, 77463		Rating Date: 9/1/2006 Repeat Violator: NO																																											
TCEQ Region:	REGION 12 - HOUSTON																																													
Date Compliance History Prepared:	September 05, 2007																																													
Agency Decision Requiring Compliance History:	Enforcement																																													
Compliance Period:	August 22, 2002 to August 22, 2007																																													

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

Name: NHameed Phone: 713-767-3629

### Site Compliance History Components

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

### Components (Multimedia) for the Site :

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

Effective Date: 02/02/2003	ADMINORDER 2002-0127-AIR-E
Classification: Moderate	
Citation: 30 TAC Chapter 101, SubChapter A 101.6[G] 5C THC Chapter 382, SubChapter A 382.085(b)	
Description: Failure to report an upset within 24 hours that occurred on September 8, 2001.	
Classification: Moderate	
Citation: 5C THC Chapter 382, SubChapter A 382.085(a)	
Description: Failure to prevent a release of 21872 pounds of propylene on September 8, 2001.	
Effective Date: 04/14/2006	ADMINORDER 2005-1709-AIR-E
Classification: Moderate	
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)	
Rqmt Prov: No. 22690 and and PSD-TX-751M1 SC. #1 PA	
Description: Failed to prevent unauthorized emissions during an avoidable emissions event that occurred on February 28, 2005.	
Effective Date: 02/05/2007	ADMINORDER 2006-0904-AIR-E
Classification: Moderate	
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter D 382.085(b)	
Rqmt Prov: TCEQ Flexible Permit #22690, SC#1 PERMIT	
Description: Failure to prevent unauthorized emissions during an April 15, 2006 emissions event.	

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	08/31/2002	(9986)
2	10/07/2002	(11428)
3	03/07/2003	(21689)
4	03/27/2003	(23382)
5	04/03/2003	(25138)
6	05/27/2003	(282800)
7	07/26/2003	(61715)
8	07/26/2003	(61716)
9	07/31/2003	(12829)
10	08/27/2003	(152358)
11	10/08/2003	(248893)
12	10/08/2003	(248868)
13	10/22/2003	(250248)
14	11/13/2003	(254712)
15	01/12/2004	(259447)
16	05/05/2004	(265440)
17	06/30/2004	(275987)
18	06/30/2004	(276008)
19	07/12/2004	(258432)
20	08/23/2004	(259527)
21	08/31/2004	(275640)
22	08/31/2004	(275727)
23	08/31/2004	(275582)
24	10/29/2004	(293172)
25	11/14/2004	(273790)
26	12/13/2004	(335760)
27	12/13/2004	(339619)
28	12/13/2004	(335727)
29	12/14/2004	(339248)
30	01/07/2005	(289178)
31	01/07/2005	(339259)
32	01/07/2005	(289620)
33	01/07/2005	(289641)
34	02/21/2005	(345241)
35	02/21/2005	(345242)
36	02/21/2005	(345244)
37	03/31/2005	(374023)
38	04/27/2005	(378280)
39	05/19/2005	(378004)
40	05/25/2005	(379870)
41	07/26/2005	(401365)
42	08/02/2005	(402542)
43	08/22/2005	(405938)
44	08/26/2005	(397897)
45	08/30/2005	(398784)
46	09/28/2005	(405189)
47	10/31/2005	(434581)
48	12/05/2005	(434398)
49	12/05/2005	(433634)
50	12/05/2005	(434458)
51	01/17/2006	(450657)
52	01/19/2006	(449735)
53	01/20/2006	(434431)
54	01/25/2006	(438519)
55	01/30/2006	(451420)
56	01/30/2006	(451165)
57	01/30/2006	(451081)
58	01/30/2006	(449589)
59	01/30/2006	(450728)
60	02/03/2006	(452920)

61	02/08/2006	(451286)
62	02/16/2006	(434647)
63	02/16/2006	(452146)
64	02/23/2006	(451616)
65	02/23/2006	(455308)
66	02/24/2006	(455128)
67	02/24/2006	(449980)
68	02/28/2006	(456109)
69	03/14/2006	(435096)
70	03/23/2006	(439922)
71	03/23/2006	(456133)
72	03/27/2006	(381420)
73	04/06/2006	(456117)
74	04/06/2006	(456167)
75	04/17/2006	(437247)
76	04/20/2006	(462475)
77	05/12/2006	(457773)
78	05/12/2006	(457763)
79	05/12/2006	(457767)
80	05/12/2006	(457729)
81	05/12/2006	(457714)
82	05/12/2006	(457770)
83	05/12/2006	(457753)
84	05/15/2006	(457756)
85	05/17/2006	(458185)
86	05/22/2006	(464707)
87	05/23/2006	(466215)
88	06/14/2006	(466748)
89	07/06/2006	(457725)
90	07/07/2006	(483754)
91	07/20/2006	(486881)
92	08/04/2006	(487670)
93	08/24/2006	(480002)
94	09/28/2006	(511672)
95	10/19/2006	(511690)
96	12/13/2006	(518692)
97	12/13/2006	(519123)
98	01/03/2007	(518929)
99	01/09/2007	(533451)
100	01/10/2007	(535946)
101	01/11/2007	(534901)
102	02/05/2007	(538166)
103	02/06/2007	(512451)
104	02/14/2007	(535930)
105	02/14/2007	(536814)
106	02/28/2007	(539690)
107	04/20/2007	(539694)
108	05/16/2007	(559164)
109	05/16/2007	(555914)
110	05/21/2007	(560418)
111	05/25/2007	(561001)
112	05/31/2007	(560629)
113	06/08/2007	(555170)
114	06/15/2007	(561008)
115	07/26/2007	(563100)
116	08/17/2007	(568455)

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

Date:	01/29/2003	(23382)	
Self Report?	NO		Classification: Major
Citation:	30 TAC Chapter 117, SubChapter B 117.213(c)(1)(B) 30 TAC Chapter 117, SubChapter B 117.213(d)(1)(A) 30 TAC Chapter 117, SubChapter B 117.213(l)		
Description:	The regulated entity is in compliance with the reporting requirements of 30 Tex. Admin. Code 117.219(d). However, during the reporting period there were several periods of excess NOx emissions and several periods of NOx and CO CEMS downtime. Therefore, a notice of violation is being issued to Chevron Phillips.		
Date:	07/31/2003	(12829)	

Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
 Description: CPC failed to record the daily flare observation. For year 2003, Unit 33 flare had no records of observation on a number of days: 6 days (February); 1 day (March), and 3 days (April). The records were below 98% of the required observations.  
 Date: 10/08/2003 (248893)

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)  
 Rqmt Prov: PERMIT 22690 General Condition No. 8  
 Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of MAERT limits of TCEQ Air Permit No. 22690.  
 Date: 10/08/2003 (248868)

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)  
 Rqmt Prov: PERMIT 22690, General Condition No. 8  
 Description: Failure to meet the demonstrations criteria for an emissions event resulting in a violation of the MAERT of TCEQ Air Permit No. 22690.  
 Date: 10/22/2003 (250248)

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 Description: Failed to close an electrically opeated transfer valve during preventative maintenance on unit 33 furance # 3 (33-36-3).  
 Date: 05/06/2004 (265440)

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
 30 TAC Chapter 115, SubChapter D 115.352(4)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.242-6(a)(2)  
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)  
 Rqmt Prov: PA 22690and PSD-TX-751M1, SC14E  
 Description: Chevron Phillips Chemical Company, (CPCC) failed to cap or plug valve nos., 16, and 425 in unit 24.1, Debutanized Aromatic Concentrate,(DAC) Hydrotreater. All valves are in VOC service and without the required cap or plug.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(1)  
 Rqmt Prov: PA 22690, and PSD-TX-751M1, SC 14H  
 Description: During the record review, it was discovered that in 2000, CPCC failed to make attempt repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)  
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(2)  
 Description: During the record review, it was discovered that in 2000, CPCC failed to make first attempt repair on the leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001 first attempt repairs were not made on valve nos. 678, 02893, and 4560.

Self Report? NO Classification: Moderate  
 Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.171(a)  
 Rqmt Prov: PA 22690, and PSD-TX-751M1, SC 114H  
 Description: It was discovered that in 2000, CPCC failed to make attempt at repair on leaky valves with tag nos 1522, 4956, 4377, 4469, 5030, 5270, 1670. Also, in 2001, attempt repairs were not made on valve nos. 678, 02893, and 4560 within 15 days before these valves were placed on unit Shutdown list.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
 30 TAC Chapter 115, SubChapter B 115.142(1)(A)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.346(b)(1)  
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.136(e)(1)(f)  
 Rqmt Prov: PA 22690, and PSD-TX-751M1, SC 3C  
 Description: CPCC failed to equip process drain nos. 84, 89, 93,95, 100, 112, 624, 1527, with required water seal controls or a tightly sealed cap of plug (each drain found to be emitting volatile organic compound (VOC) in excess of 500 ppm)  
 Date: 07/12/2004 (258432)

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ AIR PERMIT #22690, SC #1

Description: Exceeded VOC permit limits during an avoidable emissions event.  
 Date: 08/23/2004 (259527)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PA Flexible Permit No. 22690, SC 1  
 Description: Exceeded permit limits during an avoidable emissions event.  
 Date: 11/14/2004 (273790)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Flex Air Permit #22690, SC #1  
 Description: Exceeded VOC permit limit during an avoidable emissions event.  
 Date: 09/28/2005 (405189)  
 Self Report? YES Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)(9)  
 Description: Failure to identify in the final record of a scheduled maintenance, startup, or  
 shutdown activity with unauthorized emissions, the preconstruction authorization  
 number governing the facility involved in the scheduled maintenance, startup, or  
 shutdown activity.  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT Special Condition 1  
 Description: Failure to comply with any and all general and special conditions contained in a  
 flexible permit.  
 Date: 01/25/2006 (438519)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Flexible Permit #22690, SC #1  
 Description: Chevron failed to prevent contact with the remote electrical control panel.  
 Date: 02/14/2006 (452146)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Permit # 22690, Special Condition 1  
 Description: Failure to prevent unauthorized emissions.  
 Date: 04/07/2006 (456117)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Flexible Permit #22690  
 Description: Chevron failed to properly maintain the primary and secondary vacuum  
 condensate pumps.  
 Date: 05/16/2006 (486731)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)  
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within  
 60 days following startup of Furnace 1 (EPN 22-36-1.)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)  
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within  
 60 days following startup of Furnace 2 (EPN 22-36-2.)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)  
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within  
 60 days following startup of Furnace 3 (EPN 22-36-3.)  
 Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within  
 60 days following startup of the Furnace.  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)  
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within  
 60 days following startup of Furnace 4 (EPN 22-36-4.)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)  
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within  
 60 days following startup of Furnace 6 (EPN 22-36-6.)  
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)  
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 7 (EPN 22-36-7.)  
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)  
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of Furnace 8 (EPN 22-36-8.)  
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(A)(i)(II)  
 Description: Violation of 30 TAC 117. 520 (c)(2)(A)(i)(II). Testing was completed, but not within 60 days following startup of the Turbine Bypass Stack (EPN 22-95-27.)  
 Date: 12/13/2006 (519123)  
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Flexible Permit No. 22690, SC #1  
 Description: Chevron failed to prevent a leak in a decoke process line of Ethylene Unit's 24's cracking furnace #6.  
 Date: 01/10/2007 (534901)  
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Flexible Permit No. 22690, SC #1  
 PERMIT TCEQ Flexible Permit No. 22690, SC #15  
 Description: Chevron failed to maintain a flame on Unit 18 Process flare which resulted in unauthorized emissions.  
 Date: 04/19/2007 (539694)  
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PA 22690 SC. 1  
 Description: RE failed to prevent unauthorized emissions from Unit 24.  
 Date: 06/15/2007 (561008)  
 Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Air Flexible Permit No. 22690, SC#1  
 Description: Chevron failed to prevent mineral deposits from fouling on the valve stems causing a release of unauthorized emissions.

F. Environmental audits.

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

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

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

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

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

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

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

Viol. Classification: Moderate  
 Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A  
 Description: Failure to make first attempts to repair flow meters, water seals on the process drains, and seals on the junction boxes after the June 20, 2001 visual inspection for Unit Nos. 10ABC and 24

Viol. Classification: Moderate  
 Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT A  
 Description: Failure to control organic emissions and replace carbon canisters immediately when breakthrough is detected for

each Carbon Absorption System ("CAS") for Unit No. 33

Viol. Classification: Minor

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

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

Viol. Classification: Minor

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

Description: Failure to maintain corrective action records for flow indicators

Viol. Classification: Minor

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

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

Viol. Classification: Moderate

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

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

Notice of Intent Date: 12/14/2006 (536537)

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.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A



# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



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

§  
§  
§  
§  
§  
§

**BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2007-1419-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, through the Enforcement Division, and Chevron Phillips appear before the Commission and together stipulate that:

1. Chevron Phillips owns and operates a chemical manufacturing plant at 21689 Highway 35 in Old Ocean, Brazoria County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
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 August 22, 2007.
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 Ten Thousand Two Hundred Thirty-Four Dollars (\$10,234) is assessed by the Commission in settlement of the violations alleged in Section II



("Allegations"). Chevron Phillips has paid Four Thousand Ninety-Four Dollars (\$4,094) of the administrative penalty and Two Thousand Forty-Six Dollars (\$2,046) is deferred contingent upon Chevron Phillips' timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Chevron Phillips fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Chevron Phillips to pay all or part of the deferred penalty. Four Thousand Ninety-Four Dollars (\$4,094) 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 June 21, 2007, the operators responsible for failing to close the open bleeder valve prior to returning the system to service were retrained to ensure that the error is not repeated; and
  - b. On July 24, 2007, Chevron Phillips purchased brightly colored tags to put on bleeder valves at Ethylene Unit 22, in order to prevent this type of error from occurring in the future.
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:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), Flexible Air Permit No. 22690, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on July 19, 2007. Specifically, 3,422 pounds ("lbs") of ethylene was released when Chevron Phillips failed to close an open



bleeder valve, resulting in an emissions event in Ethylene Unit 22 that started on May 15, 2007, and lasted for one hour (Incident No. 91263). Since these emissions were avoidable and inadequately reported, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.

2. Failed to submit a timely final report for an emissions event (Incident No. 91263) which started and ended on May 15, 2007, in violation of 30 TEX. ADMIN. CODE § 101.201(b) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on July 19, 2007. The final report, which was due on May 29, 2007, was not submitted until May 30, 2007.

### 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's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Chevron Phillips Chemical Company LP, Docket No. 2007-1419-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 I, Paragraph 6 above, Four Thousand Ninety-Four Dollars (\$4,094) of the assessed administrative penalty shall be offset with the condition that Chevron Phillips implement the SEP defined in Attachment A, incorporated herein by reference. Chevron Phillips' obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that Chevron Phillips shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order:
    - i. Implement measures designed to prevent recurrence of emissions due to the same cause as the May 15, 2007, emissions event (Incident No. 91263);
    - ii. Complete training to ensure that emissions event notifications and final reports are submitted within the required time frames (Incident No. 91263); and



- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 3.a.i. and 3.a.ii. 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:

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

4. 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 Plant operations referenced in this Agreed Order.
5. 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.
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 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.

7. 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.
8. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to 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.



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SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John Zoller  
For the Executive Director

12/21/2007  
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 failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

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

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

Charleen Dickson  
Signature

11/29/07  
Date

Charleen Dickson  
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.



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Attachment A  
Docket Number: 2007-1419-AIR-E

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** Chevron Phillips Chemical Company LP

**Payable Penalty Amount:** Eight Thousand One Hundred Eighty-Eight Dollars (\$8,188)

**SEP Amount:** Four Thousand Ninety-Four Dollars (\$4,094)

**Type of SEP:** Pre-approved

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

**Location of SEP:** Brazoria County

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

