

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 3
DOCKET NO.: 2007-1079-AIR-E **TCEQ ID:** RN100825249 **CASE NO.:** 33867
RESPONDENT NAME: Chevron Phillips Chemical Company LP

ORDER TYPE:		
<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	
CASE TYPE:		
<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>SITE WHERE VIOLATION(S) OCCURRED: Chevron Phillips Chemical Sweeny Complex, 21689 Highway 35, Old Ocean, Brazoria County</p> <p>TYPE OF OPERATION: Chemical manufacturing plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are six pending enforcement actions regarding this facility location, Docket Nos. 2006-0675-AIR-E, 2006-1821-AIR-E, 2007-0286-AIR-E, 2007-1419-AIR-E, 2007-1581-AIR-E, and 2007-1861-AIR-E.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on January 28, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768 TCEQ Enforcement Coordinator: Ms. Nadia Hameed, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3629; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Carl Holmgren, Senior Environmental Specialist, Chevron Phillips Chemical Company LP, P.O. Box 1000, Sweeny, Texas 77480 Ms. Charleen S. Dickson, Plant Manager, Chevron Phillips Chemical Company LP, P.O. Box 1000, Sweeny, Texas 77480 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: April 30, 2007, May 9, 2007 and June 27, 2007</p> <p>Date of NOV/NOE Relating to this Case: May 21, 2007, July 25, 2007 and July 26, 2007 (NOE)</p> <p>Background Facts: This was a record review.</p> <p>AIR</p> <p>1) Failure to prevent unauthorized emissions. Specifically, 3,156 pounds ("lbs") of ethylene, 371 lbs of benzene, 322 lbs of 1,3-butadiene, 147 lbs of acetylene, 1,603 lbs of volatile organic compounds ("VOC"), 1,086 lbs of propylene, 7,733 lbs of carbon monoxide ("CO"), and 1,017 lbs of nitric oxide ("NO") were released when the Respondent failed to prevent plugging in the lower tap of the sight glass, creating a faulty low-level indication, which caused a shutdown of Ethylene Unit 33, resulting in an emissions event that occurred on December 30, 2006, and lasted for twenty hours and forty-five minutes (Incident No. 85518). Since these emissions were avoidable, 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 & SAFETY CODE § 382.085(b)].</p> <p>2) Failure to prevent unauthorized emissions. Specifically, 617 lbs of ethylene, 471 lbs of propylene, 1,024 lbs of CO, 134 lbs of NO, and 50% visible emissions from flare Emission Point Number ("EPN") 56-61-12; 19 lbs of 1,3-butadiene, 2,588 lbs of ethylene, 1,749 lbs</p>	<p>Total Assessed: \$38,179</p> <p>Total Deferred: \$7,635 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$15,272</p> <p>Total Paid to General Revenue: \$15,272</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that on February 28, 2007, the Respondent fully opened the air instrument valve, and prior to returning the Ethylene Unit into service, the debris from the instrument air line was purged (Incident No. 87763).</p> <p>Ordering Provisions:</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, implement measures designed to prevent recurrence of emissions due to the same cause as the February 28, 2007, and April 15, 2007, emissions events;</p> <p>b. Within 30 days after the effective date of this Agreed Order, complete training to ensure that initial notifications and final reports are submitted within the required time frames (Incident No. 90306);</p> <p>c. Within 45 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provisions 2.a. and 2.b. as described in Ordering Provision 2.f.;</p> <p>d. No later than February 29, 2008, complete the corrective actions associated with Incident No. 85518 by replacing the existing liquid monitoring system on vessel 33D-314 with a modified design, consisting of six nozzles for the new pressure level taps and the installation of triplicate differential pressure transmitters for level indication;</p> <p>e. No later than 15 days after completion of the work referenced in Ordering Provision 2.d., submit written certification of compliance as described in Ordering Provision 2.f.; and</p>

<p>of propylene, 4,223 lbs of CO, 549 lbs of NO and opacity of 50% from flare EPN 56-61-10; and 59 lbs of propylene from Unit 22 process fugitives, were released when the Respondent failed to keep debris cleared from the instrument air valve, which caused a shutdown of Ethylene Unit 22, resulting in an emissions event that began on February 28, 2007 and lasted for ninety-six hours (Incident No. 87763). Since these emissions were avoidable, 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 & SAFETY CODE § 382.085(b)].</p> <p>3) Failure to prevent unauthorized emissions. Specifically, 2,303 lbs of VOC, 48 lbs of 1,3-butadiene, 15 lbs of acetylene, 349 lbs of methane, 1,009 lbs of ethane, 522 lbs of propane, 12 lbs of butenes, 1,528 lbs of ethylene, 264 lbs of hydrogen, 98 lbs of butanes and 63 lbs of propylene from flare 14 EPN 56-61-14 and flare 20 EPN 56-61-20, were released when the Respondent shutdown Unit 24 to replace a compressor diaphragm that was incorrectly manufactured without providing prior notification to the agency, thus making the shutdown activity an emissions event that began on April 15, 2007, and lasted 288 hours (Incident No. 90306). Since these emissions were avoidable and the event was improperly 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 & SAFETY CODE § 382.085(b)].</p> <p>4) Failure to submit an initial notification or a final report for an unplanned maintenance activity (Incident No. 90306) to replace a faulty compressor diaphragm that began in Unit 24 on April 15, 2007 and lasted until April 26, 2007 [30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and (b), 101.211(a) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>		<p>f. The certifications referenced in Ordering Provisions 2.c. and 2.e. shall include detailed supporting documentation such as photographs, receipts, and/or other records demonstrating compliance.</p>
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Additional ID No(s): BL0758C

Attachment A
Docket Number: 2007-1079-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Chevron Phillips Chemical Company LP

Payable Penalty Amount: Thirty Thousand Five Hundred Forty-Four Dollars (\$30,544)

SEP Amount: Fifteen Thousand Two Hundred Seventy-Two Dollars (\$15,272)

Type of SEP: Pre-approved

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

Location of SEP: Brazoria County

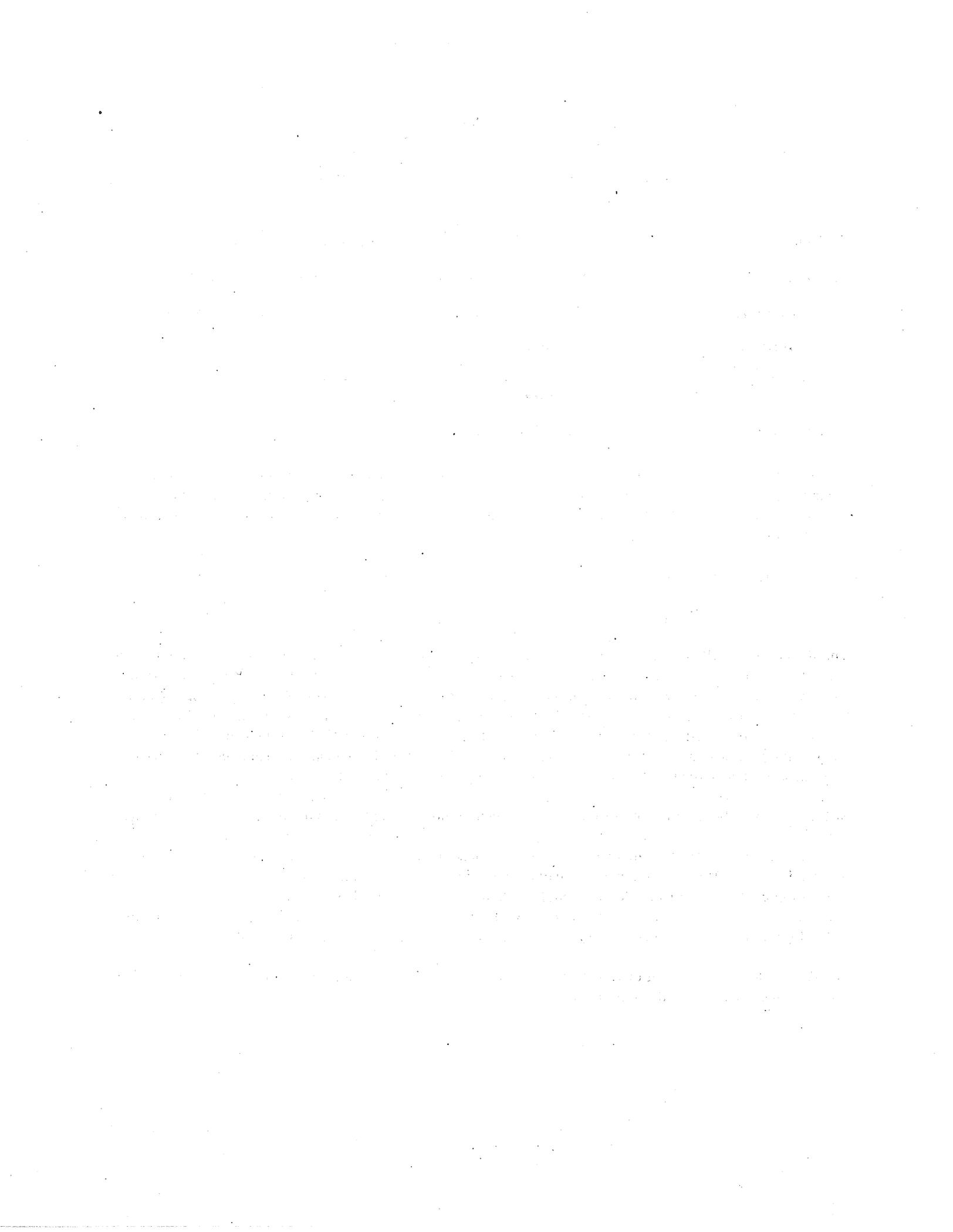
The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned 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 March 19, 2007

DATES	Assigned	30-Jul-2007	Screening	1-Aug-2007	EPA Due	15-Feb-2008
	PCW	14-Aug-2007				

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

CASE INFORMATION			
Enf./Case ID No.	33867	No. of Violations	4
Docket No.	2007-1079-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	Nadia Hameed
Multi-Media		EC's Team	EnforcementTeam 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 Enhancement **Subtotals 2, 3, & 7**

Notes
Penalty enhancement due to three 1660 agreed orders with denial of liability, 13 same or similar NOVs, and four non-similar NOVs. Penalty reduction for two Notice of Audits, and one Disclosure of Violation.

Culpability Enhancement **Subtotal 4**

Notes
The Respondent does not meet the culpability criteria.

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

	Before NOV	NOV to EDRP/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
The Respondent does not meet the good faith criteria.

Total EB Amounts **50% Enhancement*** **Subtotal 6**
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 Reduction **Adjustment**

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

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 1-Aug-2007

Docket No. 2007-1079-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 33867

PCW Revision March 19, 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 (number of NOVs meeting criteria)	13	65%
	Other written NOVs	4	8%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	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 (number of judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	2	-2%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	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) 129%

>> 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, 13 same or similar NOVs, and four non-similar NOVs. Penalty reduction for two Notice of Audits, and one Disclosure of Violation.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 129%

Screening Date 1-Aug-2007

Docket No. 2007-1079-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 33867

PCW Revision March 19, 2007

Reg. Ent. Reference No. RN100825249

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Flexible Air Permit No. 22690, Special Condition No. 1 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 3,156 pounds ("lbs") of ethylene, 371 lbs of benzene, 322 lbs of 1,3-butadiene, 147 lbs of acetylene, 1,603 lbs of volatile organic compounds ("VOC"), 1,086 lbs of propylene, 7,733 lbs of carbon monoxide ("CO"), and 1,017 lbs of nitric oxide ("NO") were released when Chevron Phillips failed to prevent plugging in the lower tap of the sight glass, creating a faulty low-level indication, which caused a shutdown of Ethylene Unit 33, resulting in an emissions event that occurred on December 30, 2006, and lasted for twenty hours and forty-five minutes (Incident No. 85518). Since these emissions were avoidable, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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.

Adjustment \$5,000

\$5,000

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 \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$53,104

Violation Final Penalty Total \$13,950

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

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 33867
Reg. Ent. Reference No. RN100825249
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment	\$650,000	30-Dec-2006	29-Feb-2008	1.2	\$2,529	\$50,575	\$53,104
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost of modifications to prevent future plugging. 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

\$650,000

TOTAL

\$53,104

Screening Date 1-Aug-2007

Docket No. 2007-1079-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 33867

PCW Revision March 19, 2007

Reg. Ent. Reference No. RN100825249

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Flexible Air Permit No. 22690, Special Condition No. 1 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 617 lbs of ethylene, 471 lbs of propylene, 1,024 lbs of CO, 134 lbs of NO, and 50% visible emissions from flare Emission Point Number ("EPN") 56-61-12; 19 lbs of 1,3-butadiene, 2,588 lbs of ethylene, 1,749 lbs of propylene, 4,223 lbs of CO, 549 lbs of NO and opacity of 50% from flare EPN 56-61-10; and 59 lbs of propylene from Unit 22 process fugitives, were released when Chevron Phillips failed to keep debris cleared from the instrument air valve, which caused a shutdown of Ethylene Unit 22, resulting in an emissions event that began on February 28, 2007 and lasted for ninety-six hours (Incident No. 87763). Since these emissions were avoidable, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		X	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1

4 Number of violation days

mark only one with an 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 \$323

Violation Final Penalty Total \$13,950

This violation Final Assessed Penalty (adjusted for limits) \$13,950

Economic Benefit Worksheet

Respondent: Chevron Phillips Chemical Company LP
Case ID No.: 33867
Reg. Ent. Reference No.: RN100825249
Media: Air
Violation No.: 2

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$5,000	28-Feb-2007	31-Jan-2008	0.9	\$15	\$308	\$323
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$1,000	28-Feb-2007	28-Feb-2007	0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost of purging debris and preventing it from recurring in the instrument air line. Date required is the date of the emissions event. On February 28, 2007, the debris causing the problem was removed. Final date is the date by which the remaining 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

\$6,000

TOTAL

\$323

Screening Date 1-Aug-2007

Docket No. 2007-1079-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 33867

PCW Revision March 19, 2007

Reg. Ent. Reference No. RN100825249

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Flexible Air Permit No. 22690, Special Condition No. 1 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, 2,303 lbs of VOC, 48 lbs of 1,3-butadiene, 15 lbs of acetylene, 349 lbs of methane, 1,009 lbs of ethane, 522 lbs of propane, 12 lbs of butenes, 1,528 lbs of ethylene, 264 lbs of hydrogen, 98 lbs of butanes and 63 lbs of propylene from flare 14 EPN 56-61-14 and flare 20 EPN 56-61-20, were released when Chevron Phillips shutdown Unit 24 to replace a compressor diaphragm that was incorrectly manufactured without providing prior notification to the agency, thus making the shutdown activity an emissions event that began on April 15, 2007, and lasted 288 hours (Incident No. 90306). Since these emissions were avoidable and the event was improperly reported, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1

12 Number of violation days

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$199

Violation Final Penalty Total \$13,950

This violation Final Assessed Penalty (adjusted for limits) \$13,950

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 33867
Reg. Ent. Reference No. RN100825249
Media Air
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
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

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				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)	\$5,000	15-Apr-2007	31-Jan-2008	0.8	\$199	n/a	\$199

Notes for DELAYED costs

Estimated cost to ensure that faulty parts are detected and not installed. 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

\$5,000

TOTAL

\$199

Screening Date 1-Aug-2007

Docket No. 2007-1079-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 33867

PCW Revision March 19, 2007

Reg. Ent. Reference No. RN100825249

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(a)(1)(B) and (b), 101.211(a) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit an initial notification or a final report for an unplanned maintenance activity (Incident No. 90306) to replace a faulty compressor diaphragm that began in Unit 24 on April 15, 2007 and lasted until April 26, 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

100% of the rule requirement was not met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1

108 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 \$60

Violation Final Penalty Total \$279

This violation Final Assessed Penalty (adjusted for limits) \$279

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 33867
Reg. Ent. Reference No. RN100825249
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$1,500	15-Apr-2007	31-Jan-2008	0.8	\$60	n/a	\$60
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 notifications to the agency are submitted within the required time frame. 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)

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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

\$60

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	08/14/2002	(7963)
2	08/31/2002	(9986)
3	10/07/2002	(11428)
4	03/07/2003	(21689)
5	03/27/2003	(23382)
6	04/03/2003	(25138)
7	05/27/2003	(282800)
8	07/26/2003	(61715)
9	07/26/2003	(61716)
10	07/31/2003	(12829)
11	08/27/2003	(152358)
12	10/08/2003	(248893)
13	10/08/2003	(248868)
14	10/22/2003	(250248)
15	11/13/2003	(254712)
16	01/12/2004	(259447)
17	05/05/2004	(265440)
18	06/30/2004	(275987)
19	06/30/2004	(276008)
20	07/12/2004	(258432)
21	08/23/2004	(259527)
22	08/31/2004	(275640)
23	08/31/2004	(275727)
24	08/31/2004	(275582)
25	10/29/2004	(293172)
26	11/14/2004	(273790)
27	12/13/2004	(335760)
28	12/13/2004	(339619)
29	12/13/2004	(335727)
30	12/14/2004	(339248)
31	01/07/2005	(289178)
32	01/07/2005	(339259)
33	01/07/2005	(289620)
34	01/07/2005	(289641)
35	02/21/2005	(345241)
36	02/21/2005	(345242)
37	02/21/2005	(345244)
38	03/31/2005	(374023)
39	04/27/2005	(378280)
40	05/19/2005	(378004)
41	05/25/2005	(379870)
42	07/26/2005	(401365)
43	08/02/2005	(402542)
44	08/22/2005	(405938)
45	08/26/2005	(397897)
46	08/30/2005	(398784)
47	09/28/2005	(405189)
48	10/31/2005	(434581)
49	12/05/2005	(434398)
50	12/05/2005	(433634)
51	12/05/2005	(434458)
52	01/17/2006	(450657)
53	01/19/2006	(449735)
54	01/20/2006	(434431)
55	01/25/2006	(438519)
56	01/30/2006	(451420)
57	01/30/2006	(451165)

58	01/30/2006	(451081)
59	01/30/2006	(449589)
60	01/30/2006	(450728)
61	02/03/2006	(452920)
62	02/08/2006	(451286)
63	02/16/2006	(434647)
64	02/16/2006	(452146)
65	02/23/2006	(451616)
66	02/23/2006	(455308)
67	02/24/2006	(455128)
68	02/24/2006	(449980)
69	02/28/2006	(456109)
70	03/14/2006	(435096)
71	03/23/2006	(439922)
72	03/23/2006	(456133)
73	03/27/2006	(381420)
74	04/06/2006	(456117)
75	04/06/2006	(456167)
76	04/17/2006	(437247)
77	04/20/2006	(462475)
78	05/12/2006	(457773)
79	05/12/2006	(457763)
80	05/12/2006	(457767)
81	05/12/2006	(457729)
82	05/12/2006	(457714)
83	05/12/2006	(457770)
84	05/12/2006	(457753)
85	05/15/2006	(457756)
86	05/17/2006	(458185)
87	05/22/2006	(464707)
88	05/23/2006	(466215)
89	06/14/2006	(466748)
90	07/06/2006	(457725)
91	07/07/2006	(483754)
92	07/20/2006	(486881)
93	08/04/2006	(487670)
94	08/24/2006	(480002)
95	09/28/2006	(511672)
96	10/19/2006	(511690)
97	12/13/2006	(518692)
98	12/13/2006	(519123)
99	01/03/2007	(518929)
100	01/09/2007	(533451)
101	01/10/2007	(535946)
102	01/11/2007	(534901)
103	02/05/2007	(538166)
104	02/06/2007	(512451)
105	02/14/2007	(535930)
106	02/14/2007	(536814)
107	02/28/2007	(539690)
108	04/20/2007	(539694)
109	05/16/2007	(559164)
110	05/16/2007	(555914)
111	05/21/2007	(560418)
112	05/25/2007	(561001)
113	05/31/2007	(560629)
114	06/08/2007	(555170)
115	06/15/2007	(561008)
116	07/26/2007	(563100)

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 (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 operated transfer valve during preventative maintenance on unit 33 furnace # 3 (33-36-3).

Date 05/06/2004 (265440)

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

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

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

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

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

Date 07/12/2004 (258432)

Self Report? NO Classification Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:	PERMIT TCEQ AIR PERMIT #22690, SC #1		
Description:	Exceeded VOC permit limits during an avoidable emissions event.		
Date	08/23/2004 (259527)		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PA Flexible Permit No. 22690, SC 1		
Description:	Exceeded permit limits during an avoidable emissions event.		
Date	11/14/2004 (273790)		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Flex Air Permit #22690, SC #1		
Description:	Exceeded VOC permit limit during an avoidable emissions event.		
Date	09/28/2005 (405189)		
Self Report?	YES	Classification	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.211(b)(9)		
Description:	Failure to identify in the final record of a scheduled maintenance, startup, or shutdown activity with unauthorized emissions, the preconstruction authorization number governing the facility involved in the scheduled maintenance, startup, or shutdown activity.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT Special Condition 1		
Description:	Failure to comply with any and all general and special conditions contained in a flexible permit.		
Date	01/25/2006 (438519)		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter G 116.715(a) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Flexible Permit #22690, SC #1		
Description:	Chevron failed to prevent contact with the remote electrical control panel.		
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 the Furnace.		

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.

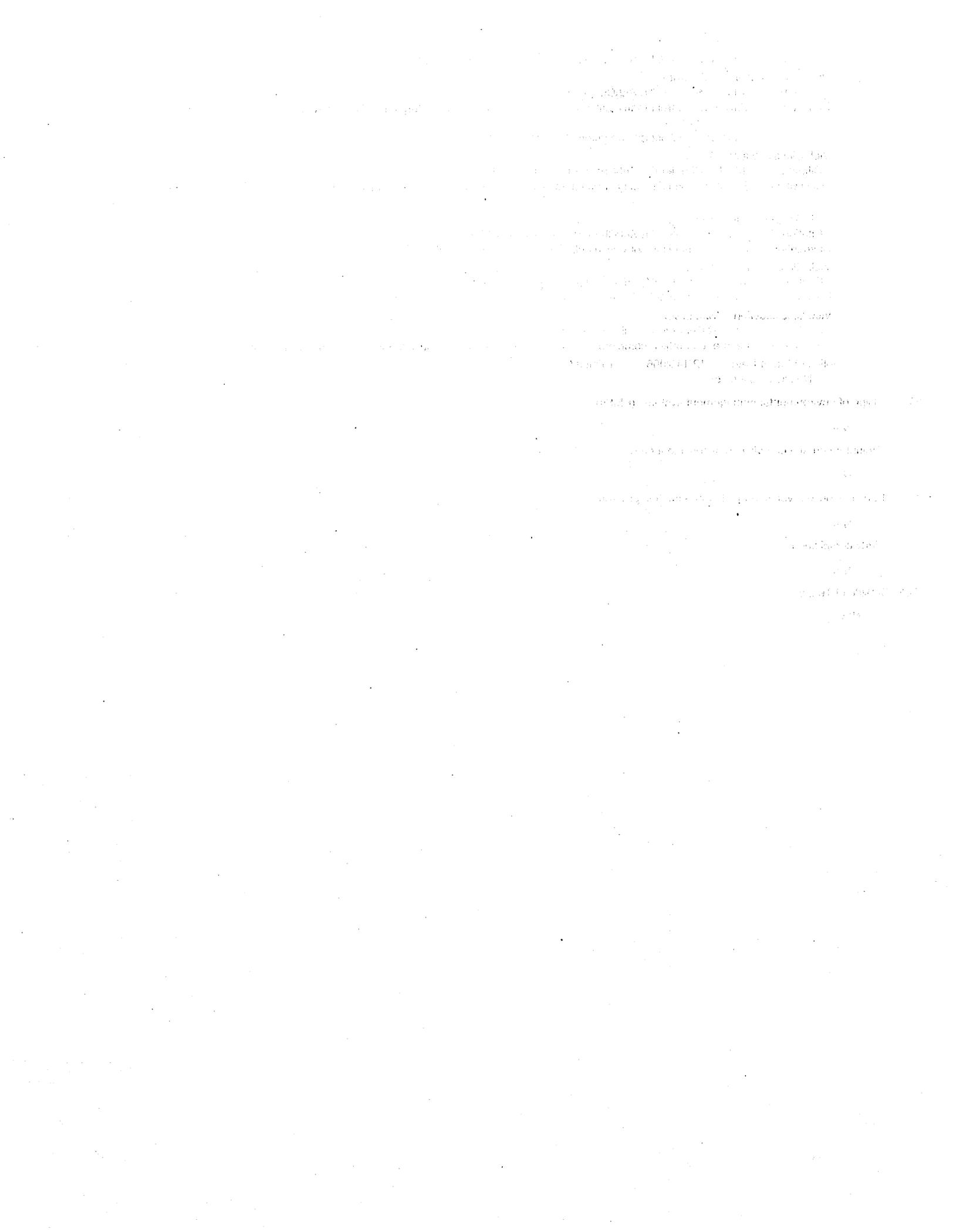
N/A

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

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BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2007-1079-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 May 26, 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 Thirty-Eight Thousand One Hundred Seventy-Nine Dollars (\$38,179) is assessed by the Commission in settlement of the violations alleged in Section

- II ("Allegations"). Chevron Phillips has paid Fifteen Thousand Two Hundred Seventy-Two Dollars (\$15,272) of the administrative penalty and Seven Thousand Six Hundred Thirty-Five Dollars (\$7,635) 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. Fifteen Thousand Two Hundred Seventy-Two Dollars (\$15,272) 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 on February 28, 2007, Chevron Phillips fully opened the air instrument valve, and prior to returning the Ethylene Unit into service, the debris from the instrument air line was purged (Incident No. 87763).
 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 April 30, 2007. Specifically, 3,156 pounds ("lbs") of ethylene, 371 lbs of benzene, 322 lbs of 1,3-butadiene, 147 lbs of acetylene, 1,603 lbs of volatile organic compounds ("VOC"), 1,086 lbs of propylene, 7,733 lbs of carbon monoxide ("CO"), and 1,017 lbs of nitric oxide ("NO") were released when Chevron Phillips failed to prevent plugging in the lower tap of the sight glass, creating a faulty low-level indication, which caused a shutdown of Ethylene Unit 33, resulting in an emissions event that occurred on December 30, 2006, and lasted for twenty hours and forty-five minutes (Incident No.

- 85518). Since these emissions were avoidable, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
2. 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 June 27, 2007. Specifically, 617 lbs of ethylene, 471 lbs of propylene, 1,024 lbs of CO, 134 lbs of NO, and 50% visible emissions from flare Emission Point Number ("EPN") 56-61-12; 19 lbs of 1,3-butadiene, 2,588 lbs of ethylene, 1,749 lbs of propylene, 4,223 lbs of CO, 549 lbs of NO and opacity of 50% from flare EPN 56-61-10; and 59 lbs of propylene from Unit 22 process fugitives, were released when Chevron Phillips failed to keep debris cleared from the instrument air valve, which caused a shutdown of Ethylene Unit 22, resulting in an emissions event that began on February 28, 2007 and lasted for ninety-six hours (Incident No. 87763). Since these emissions were avoidable, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
 3. 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 an investigation conducted on May 9, 2007. Specifically, 2,303 lbs of VOC, 48 lbs of 1,3-butadiene, 15 lbs of acetylene, 349 lbs of methane, 1,009 lbs of ethane, 522 lbs of propane, 12 lbs of butenes, 1,528 lbs of ethylene, 264 lbs of hydrogen, 98 lbs of butanes and 63 lbs of propylene from flare 14 EPN 56-61-14 and flare 20 EPN 56-61-20, were released when Chevron Phillips shutdown Unit 24 to replace a compressor diaphragm that was incorrectly manufactured without providing prior notification to the agency, thus making the shutdown activity an emissions event that began on April 15, 2007, and lasted 288 hours (Incident No. 90306). Since these emissions were avoidable and the event was improperly reported, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
 4. Failed to submit an initial notification or a final report for an unplanned maintenance activity (Incident No. 90306) to replace a faulty compressor diaphragm that began in Unit 24 on April 15, 2007 and lasted until April 26, 2007, in violation of 30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and (b), 101.211(a), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on May 9, 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' 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. 2007-1079-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, Fifteen Thousand Two Hundred Seventy-Two Dollars (\$15,272) 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, implement measures designed to prevent recurrence of emissions due to the same cause as the February 28, 2007, and April 15, 2007, emissions events;
 - b. Within 30 days after the effective date of this Agreed Order, complete training to ensure that initial notifications and final reports are submitted within the required time frames (Incident No. 90306);
 - c. Within 45 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provision 3.a. and 3.b. as described in Ordering Provision No. 3.f.;
 - d. No later than February 29, 2008, complete the corrective actions associated with Incident No. 85518 by replacing the existing liquid monitoring system on vessel 33D-314 with a modified design, consisting of six nozzles for the new pressure level taps and the installation of triplicate differential pressure transmitters for level indication;
 - e. No later than 15 days after completion of the work referenced in Ordering Provision No. 3.d., submit written certification of compliance as described in Ordering Provision No. 3.f.; and

- f. The certifications referenced in Ordering Provision Nos. 3.c. and 3.e. shall include detailed supporting documentation such as photographs, receipts, and/or other records demonstrating compliance. 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 fines 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.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John S. Sledge
For the Executive Director

2/7/08
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 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.

C. S. Dickson
Signature

11/29/07
Date

Charleen S 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.

Attachment A
Docket Number: 2007-1079-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Chevron Phillips Chemical Company LP

Payable Penalty Amount: Thirty Thousand Five Hundred Forty-Four Dollars (\$30,544)

SEP Amount: Fifteen Thousand Two Hundred Seventy-Two Dollars (\$15,272)

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.

