

**Executive Summary – Enforcement Matter – Case No. 46171
Chevron Phillips Chemical Company LP
RN100209857
Docket No. 2013-0312-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Chevron Phillips Chemical Port Arthur Facility, 2001 Gulfway Drive, Port Arthur, Jefferson County

Type of Operation:

Chemical manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: June 21, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$30,000

Amount Deferred for Expedited Settlement: \$6,000

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$12,000

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$12,000

Name of SEP: Southeast Texas Regional Planning Commission

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

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RN100209857
Docket No. 2013-0312-AIR-E**

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: October 9, 2012
Date(s) of NOE(s): January 4, 2013

Violation Information

Failed to prevent unauthorized emissions during an emissions event. Specifically, during an emissions event that began on July 25, 2012 and lasted 48 days (Incident No. 173380), Respondent released 2,971 pounds ("lbs") of benzene, 880 lbs of carbon monoxide and 122 lbs of nitrogen oxides from Flare 40, Emission Point No. F-40-Flare. This emissions event occurred due to a partially open valve that was not properly seated on the casing of pump P5100. Since this event was avoidable due to operator error, the demonstration criteria for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 could not be met [30 TEX. ADMIN. CODE §§ 106.6(b) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit No. O1235, Special Terms and Conditions No. 22, and Permit by Rule Registration No. 79446].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

1. The Order will require Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)
2. The Order will also require Respondent to:
 - a. Within 30 days, update and implement training and operating procedures designed to prevent the recurrence of an emissions event due to the same cause as Incident No. 173380; and
 - b. Within 45 days, submit written certification demonstrating compliance with Ordering Provision a.

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

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Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Rajesh Acharya, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-0577; Debra Barber, Enforcement Division,
MC 219, (512) 239-0412

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division,
MC 219, (512) 239-3565

Respondent: Margaret Conway, Plant Manager, Chevron Phillips Chemical Company
LP, 2001 Gulfway Drive, Port Arthur, Texas 77640-4534

Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-0312-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Chevron Phillips Chemical Company LP
Penalty Amount: Twenty-Four Thousand Dollars (\$24,000)
SEP Amount: Twelve Thousand Dollars (\$12,000)
Type of SEP: Contribution to a Third-Party Pre-Approved SEP
Third-Party Recipient: Southeast Texas Regional Planning Commission
- Southeast Texas Regional Air Monitoring
Network Ambient Air Monitoring Station
Location of SEP: Jefferson County

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

Respondent shall contribute the SEP offset amount to the Third-Party Recipient named above. The contribution will be to the **Southeast Texas Regional Planning Commission** to be used for the *Meteorological and Air Monitoring Network* as set forth in an agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to operate, maintain, and potentially expand the existing Southeast Texas Regional Air Monitoring Network which includes nine monitoring stations currently at the following locations:

1. Beaumont CAM#2
2. Cove School CAM #C695
3. Mauriceville CAM#642
4. Port Arthur (Motiva) Industrial Site CAM #C628
5. Port Arthur Memorial High School campus CAM #C689
6. Port Neches CAM #136
7. Sabine Pass CAM #C640
8. Southeast Texas Regional Airport CAM #C643
9. West Orange CAM #C9

Chevron Phillips Chemical Company LP
Agreed Order - Attachment A

The pollutants currently monitored at each station are identified in Table 1.1 of the agreement between the Third-Party Recipient and the TCEQ. Additional parameters or monitoring sites may, contingent upon available funding and approval of TCEQ, be added. Operation and maintenance of the ambient air monitoring stations includes canister sampling and gas chromatographs. Ancillary equipment includes sample conditioning systems, meteorological towers, climate controlled equipment shelters, a remote communications system, and electronic data logging capability. Ambient monitoring protocols have been and will continue to conform to applicable TCEQ or U.S. Environmental Protection Agency guidelines.

A TCEQ-approved Quality Assurance Project Plan containing all applicable EPA QA-R5 elements shall be maintained. Analysis of all data collected from these sites will comply with Standard Operating Procedures for the analysis and measurement of Volatile Organic Compounds in Ambient Air. The laboratory data generated by this project will be from a TCEQ accredited laboratory in compliance with state laws and rules regarding use of certified or accredited testing laboratories. For example, the Third-Party Recipient must comply with 30 Texas Administrative Code, Chapter 25, Subchapter A, relating to Environmental Testing Laboratory Accreditation and Certification, as amended.

The SEP Offset Amount will be used to purchase equipment (such as automated canister samplers), hardware, software, and licenses to enable the monitoring, and for the cost of operating, maintaining, and periodically upgrading or adding to these air monitoring stations along with ancillary equipment approved by TCEQ. The data will be validated and sent to TCEQ's Leading Environmental Analysis and Display ("LEADS") system. All costs associated with the collection, transfer, and formatting of these data to be compatible with the LEADS system is the responsibility of the Third-Party Recipient. No portion of the SEP Offset Amount will be used for administrative costs or salaries of the Third-Party Recipient. The Third-Party Recipient may use contractors to perform the monitoring project, subject to special conditions concerning costs.

The project will be administered in accordance with federal, state, and local environmental laws and regulations. Respondent certifies that there is no prior commitment to make this contribution and that it is being performed solely in an effort to settle this enforcement action.

b. Environmental Benefit

Particulate matter, sulfides, nitrogen oxides, volatile organic carbon compounds, and ambient air conditions are measured at the stations and the data are made accessible to TCEQ and the public. Sites may also provide continuous assessment of benzene, 1, 3-butadiene and styrene. This monitoring was not previously covered by existing ambient

Chevron Phillips Chemical Company LP
Agreed Order - Attachment A

air monitoring systems. The data is shared with the TCEQ, industry, and the public at http://www.tceq.state.tx.us/cgi-bin/compliance/monops/site_info.pl.

Continued monitoring in this area of the community will help better understand air quality pollutants and will enable better identification of emission sources. The data will focus on specific chemicals that may raise air quality concerns.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset 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, Respondent must contribute the SEP amount to the Third-Party Recipient. Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Southeast Texas Regional Planning Commission
Bob Dickinson, Director of Transportation & Environmental Resources
Attention: SEP
2210 Eastex Freeway
Beaumont, Texas 77703

3. Records and Reporting

Concurrent with the payment of the SEP amount, 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. 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 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 No. 3 above, the Executive Director may require immediate payment of all or part of the SEP amount.

Chevron Phillips Chemical Company LP
Agreed Order - Attachment A

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

Respondent shall also mail a copy of the check to the Enforcement Division SEP Coordinator at the address in No. 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of 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

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 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 3 (September 2011)

PCW Revision August 3, 2011

DATES	Assigned	7-Jan-2013	Screening	4-Feb-2013	EPA Due	23-Sep-2013
	PCW	11-Feb-2013				

RESPONDENT/FACILITY INFORMATION	
Respondent	Chevron Phillips Chemical Company LP
Reg. Ent. Ref. No.	RN100209857
Facility/Site Region	10-Beaumont
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	46171	No. of Violations	1
Docket No.	2013-0312-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rajesh Acharya
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$15,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$15,000**

Notes: Enhancement for one NOV with same or similar violations, seven orders containing denial of liability, and four orders without a denial of liability. Reduction for four notices of intent to conduct an audit and two disclosures of violations.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$0**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts **\$167**
 Approx. Cost of Compliance **\$2,500**
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$30,000**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$30,000**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$30,000**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$6,000**

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 **\$24,000**

Screening Date 4-Feb-2013

Docket No. 2013-0312-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 3 (September 2011)

Case ID No. 46171

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100209857

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Compliance History Worksheet

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

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	7	140%
	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	4	100%
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>)	4	-4%
	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>)	2	-4%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	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) 237%

>> **Repeat Violator (Subtotal 3)**

No

Adjustment Percentage (Subtotal 3) 0%

>> **Compliance History Person Classification (Subtotal 7)**

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes

Enhancement for one NOV with same or similar violations, seven orders containing denial of liability, and four orders without a denial of liability. Reduction for four notices of intent to conduct an audit and two disclosures of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 237%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 100%

Screening Date 4-Feb-2013

Docket No. 2013-0312-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 3 (September 2011)

Case ID No. 46171

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100209857

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 106.6(b) and (c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit No. O1235, Special Terms and Conditions No. 22, and Permit by Rule Registration No. 79446

Violation Description

Failed to prevent unauthorized emissions during an emissions event. Specifically, during an emissions event that began on July 25, 2012 and lasted 48 days (Incident No. 173380), the Respondent released 2,971 pounds ("lbs") of benzene, 880 lbs of carbon monoxide and 122 lbs of nitrogen oxides from Flare 40, Emission Point No. F-40-Flare. This emissions event occurred due to a partially open valve that was not properly seated on the casing of pump P5100. Since this event was avoidable due to operator error, the demonstration criteria for an affirmative defense in 30 Tex. Admin. Code § 101.222 could not be met.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

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 \$17,500

\$7,500

Violation Events

Number of Violation Events 2

48 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$15,000

Two monthly events are recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

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

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$15,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$167

Violation Final Penalty Total \$30,000

This violation Final Assessed Penalty (adjusted for limits) \$30,000

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 46171
Reg. Ent. Reference No. RN100209857
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				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$2,500	25-Jul-2012	25-Nov-2013	1.34	\$167	n/a	\$167

Notes for DELAYED costs

Estimated costs to update and implement training and operating procedures to prevent the recurrence of emissions events due to same cause as Incident No. 173380. Date Required is the date the emissions event began. Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,500

TOTAL

\$167



Compliance History Report

PUBLISHED Compliance History Report for CN600303614, RN100209857, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator:	CN600303614, Chevron Phillips Chemical Company LP	Classification: SATISFACTORY	Rating: 9.94
Regulated Entity:	RN100209857, CHEVRON PHILLIPS CHEMICAL PORT ARTHUR FACILITY	Classification: SATISFACTORY	Rating: 37.63
Complexity Points:	15	Repeat Violator:	NO
CH Group:	05 - Chemical Manufacturing		
Location:	2001 GULFWAY DR PORT ARTHUR, TX 77640-4534, JEFFERSON COUNTY		
TCEQ Region:	REGION 10 - BEAUMONT		

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER JE0508W
INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXR000004390
AIR NEW SOURCE PERMITS ACCOUNT NUMBER JE0508W
AIR NEW SOURCE PERMITS PERMIT 21101
AIR NEW SOURCE PERMITS PERMIT 32713
AIR NEW SOURCE PERMITS AFS NUM 4824500162
AIR NEW SOURCE PERMITS REGISTRATION 77954
AIR NEW SOURCE PERMITS REGISTRATION 78162
AIR NEW SOURCE PERMITS REGISTRATION 79030
AIR NEW SOURCE PERMITS REGISTRATION 81329
AIR NEW SOURCE PERMITS PERMIT 83741
AIR NEW SOURCE PERMITS REGISTRATION 89947
AIR NEW SOURCE PERMITS REGISTRATION 90098
AIR NEW SOURCE PERMITS REGISTRATION 92053
AIR NEW SOURCE PERMITS REGISTRATION 94024
AIR NEW SOURCE PERMITS REGISTRATION 96468
AIR NEW SOURCE PERMITS REGISTRATION 100121
AIR NEW SOURCE PERMITS REGISTRATION 101824
AIR NEW SOURCE PERMITS PERMIT 103765
AIR EMISSIONS INVENTORY ACCOUNT NUMBER JE0508W

AIR OPERATING PERMITS PERMIT 1235
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 83963
AIR NEW SOURCE PERMITS PERMIT 18568
AIR NEW SOURCE PERMITS REGISTRATION 24266
AIR NEW SOURCE PERMITS REGISTRATION 76323
AIR NEW SOURCE PERMITS REGISTRATION 78071
AIR NEW SOURCE PERMITS REGISTRATION 78021
AIR NEW SOURCE PERMITS REGISTRATION 78143
AIR NEW SOURCE PERMITS REGISTRATION 80459
AIR NEW SOURCE PERMITS REGISTRATION 80886
AIR NEW SOURCE PERMITS REGISTRATION 85121
AIR NEW SOURCE PERMITS REGISTRATION 85115
AIR NEW SOURCE PERMITS REGISTRATION 87113
AIR NEW SOURCE PERMITS REGISTRATION 93605
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1248
AIR NEW SOURCE PERMITS REGISTRATION 95831
AIR NEW SOURCE PERMITS REGISTRATION 99073
AIR NEW SOURCE PERMITS REGISTRATION 101908
IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 83963
POLLUTION PREVENTION PLANNING ID NUMBER P01806

Compliance History Period:	September 01, 2007 to August 31, 2012	Rating Year:	2012	Rating Date:	09/01/2012
Date Compliance History Report Prepared:	February 04, 2013				
Agency Decision Requiring Compliance History:	Enforcement				
Component Period Selected:	February 04, 2008 to February 04, 2013				

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Rajesh Acharya **Phone:** (512) 239-0577

Site and Owner/Operator History:

- 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/operator of the site during the compliance period? NO
- 3) If YES for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 07/03/2008 ADMINORDER 2007-1514-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: FOP O-01235, General Terms and Condition OP
FOP O-01235, Special Condition 21 OP
FOP O-01235, Special Condition 2I OP
NSR Permit 21101, Special Condition 8 PERMIT
Description: Failed to comply with the permitted emissions limits.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)
30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failed to list the compound descriptive type for an emissions event and to furnish the correct authorized emission limit.
- 2 Effective Date: 12/20/2008 ADMINORDER 2006-1598-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Minor
Citation: 30 TAC Chapter 106, SubChapter K 106.261(a)(7)(A)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: 01235 OP
Description: Failed to limit emissions to the PBR authorizations. Specifically, an analyzer without a flame ionization detector was installed at Ethylene Unit 1544, but its emissions were not registered with the agency.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 113, SubChapter C 113.130
30 TAC Chapter 113, SubChapter C 113.520
30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT J 61.112(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1033(b)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1033(b)(1)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: 21101 PERMIT
01235 OP
Description: Failed to equip each open-ended line with a cap, blind flange, plug, or a second valve. Specifically, during a period from February 23, 2005 through February 9, 2006, 98 components were identified without sealing devices.
Classification: Major
Citation: 30 TAC Chapter 106, SubChapter T 106.452(2)(D)
30 TAC Chapter 106, SubChapter T 106.452(2)(E)
30 TAC Chapter 116, SubChapter B 116.110(a)(4)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: 01235 OP
Description: Failed to register an outside blast cleaning facility with the TCEQ using Form PI-7 and failure to receive written site approval from the executive director prior to construction. Specifically, a completed PI-7 was not submitted and approved for the DACF prior to construction.
Classification: Minor
Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(5)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: 01235 OP

Description: Failed to maintain records required for PBRs. Specifically, fugitive emissions monitoring records, calibration records, abrasive usage records, and operating hours records were not maintained.

Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter B 117.205(f)(3)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 01235 OP

Description: Failed to comply with CO emission limitations at Boiler BA-118. Specifically, the 24-hour rolling average limit of 400 ppmv for CO was exceeded for nine hours on September 16, 2005.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter A 106.1
30 TAC Chapter 106, SubChapter A 106.6(b)
30 TAC Chapter 106, SubChapter A 106.6(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 01235 OP

Description: Failed to comply with the maximum emission rates as certified in the application for a Permit by Rule (PBR). Specifically, the 12-month rolling average limits for VOCs were exceeded under three PBRs.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 106, SubChapter A 106.6(b)
30 TAC Chapter 106, SubChapter A 106.6(c)
30 TAC Chapter 115, SubChapter D 115.354(2)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 01235 OP

Description: Failed to monitor fugitive components as required by the applicable PBR.

3 Effective Date: 04/20/2009 ADMINORDER 2008-1584-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: NSR Permit 21101, Special Condition 8 PERMIT

Description: Failure to maintain emission rates below the allowable emission limits. EIC A,8,c,2,A,ii MOD 2,D

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter A 106.6(b)
30 TAC Chapter 106, SubChapter A 106.6(c)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 116, SubChapter B 116.116(a)(1)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: S.C. No. 9 PERMIT

Description: Failure to operate Temporary Flare 3 as represented in the application for PBR 78162. EIC A2C MOD 2G

4 Effective Date: 04/20/2009 ADMINORDER 2006-1028-IHW-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.6(b)
30 TAC Chapter 335, SubChapter A 335.6(c)

Description: Failure to immediately provide notice of waste management methods and units.

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter A 335.2(b)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT B 262.20(b)

Description: Failure to ship two hazardous waste streams, 0100102H (D018) and 0010003H (D018, D001) to an approved designated facility.

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)

Description: Failure to store hazardous waste (D001 [Perchloric Acid]) on site for less than 90 days.

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(d)(1)

30 TAC Chapter 335, SubChapter E 335.112(a)(8)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(1)(i)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT I 265.173(a)

Description: Failure to keep a container of hazardous waste, 0100102H (D018) closed.

5 Effective Date: 06/15/2009 ADMINORDER 2008-1878-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O-01235 General Terms and Conditions OP
NSR Permit 21101, Special Condition 8 PERMIT
Special Conditions 2 and 21 OP

Description: Failed to prevent unauthorized emissions during an event that occurred on June 29, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O-01235 General Terms and Conditions OP
NSR Permit 21101 Special Condition 8 PERMIT
Special Conditions 2 and 21 OP

Description: Failed to prevent unauthorized emissions during an event that occurred on May 22, 2008.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Terms and Conditions 2 OP

Description: Failed to properly report unauthorized emissions during two events, May 22, 2008 and June 29, 2008.

6 Effective Date: 09/21/2009 ADMINORDER 2009-0489-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)
5C THSC Chapter 382 382.085(b)

Description: Failed to properly report Incident No. 105342.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 18568, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions during Incident No. 105342.

7 Effective Date: 09/21/2009 ADMINORDER 2009-0389-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: NSR Permit 21101 Special Condition 8 PERMIT

Description: Failed to comply with permitted emissions limits. Specifically, during a three hour emissions event on November 24, 2008, an improperly set pressure control valve opened to Flare 24 (Emissions Point Number E-24-FLARE), and the flare released the following unauthorized emissions: 23.07 pounds ("lbs") of nitrogen oxides, 169.27 lbs of carbon monoxide, and 231.17 lbs of volatile organic compounds. Since the Respondent could have prevented the release by better operational oversight,

8 Effective Date: 03/08/2010 ADMINORDER 2009-0221-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(F)
30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O-01235 General Terms and Condition OP
FOP O-01235 Special Condition 2 OP

Description: Failure to properly report an emission event. EIC C,3 MIN 3,D

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O-01235 General Terms and Conditions OP
FOP O-01235 Special Condition 21 OP
NSR Permit 21101 Special Condition 8 PERMIT

Description: Failure to maintain emission rates below the allowable emission limits. EIC A,8,c,2,A,ii MOD 2,D

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O-01235 General Terms and Conditions OP
FOP O-01235 Special Condition 21 OP
NSR Permit 21101 Special Condition 8 OP

Description: Failure to maintain emission rates below the allowable emission limits. EIC A,8,c,2,A,ii MOD 2,D

9 Effective Date: 07/11/2010 ADMINORDER 2009-2037-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Condition 8 PERMIT
General Terms and Conditions OP
Special Condition 21 OP
Special Condition 8 PERMIT

Description: Failed to prevent the unauthorized release of 265.2 pounds ("lbs") of nitrogen oxides ("NOx"), 1,855.3 lbs of carbon monoxide ("CO"), and 1,519.5 lbs of volatile organic compounds ("VOC") from Flare 24 during a six-hour emissions event on July 7, 2009 (Incident No. 126542). The event resulted from the improper regeneration of the ethylene Guard Dryer FA-403 desiccant. A manually operated valve on the dryer's inlet line had been left partially open which had impeded the regeneration of the dryer

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O-01235 General Terms and Conditions OP
FOP O-01235 Special Condition 21 OP
General Condition 8 PERMIT
NSR Permit 21101, Special Condition 8 PERMIT

Description: Failed to prevent the unauthorized release from Flare 24 of 215.08 lbs of VOC, 863.28 lbs of CO, and 202.8 lbs of NOx during the 24-hour event, and 1,704.28 lbs of CO and 420.3 lbs of NOx during the 49-hour event starting on September 9 and October 1, 2009, respectively (Incident Numbers 129206 and 130187). The releases are not considered emissions events because the incidents do not meet the definition of an upset event since they were not caused due to an EIC A,8,c,2,A,ii MOD 2,D

10 Effective Date: 08/13/2011 ADMINORDER 2011-0202-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: NSR Permit 21101, Special Condition 8 PERMIT
Special Terms and Conditions No.21 OP

Description: Failed to prevent unauthorized emissions. Since this emissions event could have been avoided by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Conditions OP
 SC 8 PERMIT
 STC 21 OP

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: GC OP
 SC 8 PERMIT
 STC 21 OP

Description: Failed to prevent unauthorized emissions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	March 05, 2008	(616484)
Item 2	May 27, 2008	(671309)
Item 3	June 13, 2008	(653659)
Item 4	June 18, 2008	(653647)
Item 5	June 26, 2008	(654341)
Item 6	July 21, 2008	(685979)
Item 7	August 08, 2008	(688599)
Item 8	August 25, 2008	(684503)
Item 9	January 21, 2009	(709592)
Item 10	January 29, 2009	(721606)
Item 11	April 06, 2009	(740619)
Item 12	April 09, 2009	(738631)
Item 13	April 22, 2009	(737807)
Item 14	May 04, 2009	(738149)
Item 15	June 04, 2009	(747794)
Item 16	July 22, 2009	(762990)
Item 17	September 24, 2009	(763955)
Item 18	February 05, 2010	(787727)
Item 19	February 08, 2010	(788299)
Item 20	April 23, 2010	(798649)
Item 21	May 02, 2010	(796396)
Item 22	July 31, 2010	(829795)
Item 23	August 16, 2010	(841917)
Item 24	August 21, 2010	(829830)
Item 25	November 03, 2010	(871540)
Item 26	November 15, 2010	(873239)
Item 27	November 23, 2010	(877892)
Item 28	February 12, 2011	(891454)
Item 29	May 12, 2011	(906687)
Item 30	July 20, 2011	(923716)
Item 31	September 12, 2011	(951957)
Item 32	October 25, 2011	(959073)
Item 33	October 31, 2011	(963129)
Item 34	November 29, 2011	(968456)

Item 35 May 08, 2012 (1002125)
Item 36 August 28, 2012 (1023967)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1 Date: 06/08/2012 (1006747) CN600303614
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 21 OP
Special Conditions 11 & 12 PERMIT
Special Conditions 17 & 18 PERMIT
Special Conditions 8 & 9 PERMIT
Description: Failure to identify, monitor, and maintain records on connectors and valves in Volatile Organic Compound (VOC) service.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)
5C THSC Chapter 382 382.085(a)
Special Condition 11E PERMIT
Special Condition 18E PERMIT
Special Condition 1A PERMIT
Special Condition 21 OP
Description: Failure to maintain a sealing device on an open-ended line.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 21 OP
Special Condition 4 PERMIT
Description: Failure to maintain thirty-day rolling average for Carbon Monoxide emissions below permitted conditions.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Description: Failure to report deviations on several semi-annual deviation reports.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(1)
30 TAC Chapter 122, SubChapter B 122.146(5)(D)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Description: Failure to accurately certify compliance with the terms and conditions of permit FOP O-01235.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 115, SubChapter D 115.352(2)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)
5C THSC Chapter 382 382.085(b)
Special Condition 18I PERMIT
Special Condition 1A PERMIT
Special Condition 21 OP
Description: Failure to repair a leaking component in VOC service within fifteen (15) days after discovering the leak.

F. Environmental audits:

Notice of Intent Date: 02/16/2009 (739498)
Disclosure Date: 08/06/2009
Viol. Classification: Minor
Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.356(h)

Description: Failure to ensure that emissions tests of all vacuum trucks used of Benzene Waste Operations NESHAP operations always included background level measurements.

Notice of Intent Date: 02/22/2010 (797583)

Disclosure Date: 08/09/2010

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.356(2)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.480
40 CFR Part 60, Subpart VV 60.482-10
40 CFR Part 60, Subpart VV 60.482-7
40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.242-1(d)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.242-11
40 CFR Part 61, Subpart V 61.242-7
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1022(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1025
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1027
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1034
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162
40 CFR Part 63, Subpart H 63.168
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.172
40 CFR Part 63, Subpart H 63.174

Rqmt Prov: PERMIT PBR 79446
PERMIT SC 11 and 12
PERMIT SC 17 and 18
PERMIT SC 9 and 10

Description: Failure to ensure components such as valves and associated connectors are identified and monitored for leaks on a periodic basis. EPA and TCEQ regulations require that all equipment in VOC service subject to leak detection and repair (LDAR) standards should be identified and monitored for leaks on a periodic basis.

Notice of Intent Date: 02/06/2012 (997413)

No DOV Associated

Notice of Intent Date: 11/15/2012 (1051725)

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	§	BEFORE THE
ENFORCEMENT ACTION	§	
CONCERNING	§	TEXAS COMMISSION ON
CHEVRON PHILLIPS CHEMICAL	§	
COMPANY LP	§	ENVIRONMENTAL QUALITY
RN100209857	§	

AGREED ORDER
DOCKET NO. 2013-0312-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, 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 ("Respondent") 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 the Respondent together stipulate that:

1. The Respondent owns and operates a chemical manufacturing plant at 2001 Gulfway Drive in Port Arthur, Jefferson 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 Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about January 9, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Thirty Thousand Dollars (\$30,000) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twelve Thousand Dollars (\$12,000) of the

- administrative penalty and Six Thousand Dollars (\$6,000) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Twelve Thousand Dollars (\$12,000) shall be conditionally offset by the Respondent's 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 and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
 9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
 10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
 11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to prevent unauthorized emissions during an emissions event, in violation of 30 TEX. ADMIN. CODE §§ 106.6(b) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit No. O1235, Special Terms and Conditions No. 22, and Permit by Rule Registration No. 79446, as documented during a record review conducted on October 9, 2012. Specifically, during an emissions event that began on July 25, 2012 and lasted 48 days (Incident No. 173380), the Respondent released 2,971 pounds ("lbs") of benzene, 880 lbs of carbon monoxide and 122 lbs of nitrogen oxides from Flare 40, Emission Point No. F-40-Flare. This emissions event occurred due to a partially open valve that was not properly seated on the casing of pump P5100. Since this event was avoidable due to operator error, the demonstration criteria for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 could not be met.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent'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. 2013-0312-AIR-E" to:

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

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Twelve Thousand Dollars (\$12,000) of the assessed administrative penalty shall be offset with the condition that the Respondent implements the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, update and implement training and operating procedures designed to prevent the recurrence of an emissions event due to the same cause as Incident No. 173380; 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 No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of 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
Beaumont Regional Office
Texas Commission on Environmental Quality
3870 Eastex Freeway
Beaumont, Texas 77703-1892

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent 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 the Respondent 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, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent 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 the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent 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 the Respondent 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 Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature

could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

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

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Pam Maneri
For the Executive Director

7/19/13
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.

M. I. Conway
Signature

4-29-13
Date

M. I. Conway
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, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2013-0312-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Chevron Phillips Chemical Company LP
Penalty Amount: Twenty-Four Thousand Dollars (\$24,000)
SEP Amount: Twelve Thousand Dollars (\$12,000)
Type of SEP: Contribution to a Third-Party Pre-Approved SEP
Third-Party Recipient: Southeast Texas Regional Planning Commission
- Southeast Texas Regional Air Monitoring
Network Ambient Air Monitoring Station
Location of SEP: Jefferson County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for 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

Respondent shall contribute the SEP offset amount to the Third-Party Recipient named above. The contribution will be to the **Southeast Texas Regional Planning Commission** to be used for the *Meteorological and Air Monitoring Network* as set forth in an agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to operate, maintain, and potentially expand the existing Southeast Texas Regional Air Monitoring Network which includes nine monitoring stations currently at the following locations:

1. Beaumont CAM#2
2. Cove School CAM #C695
3. Mauriceville CAM#642
4. Port Arthur (Motiva) Industrial Site CAM #C628
5. Port Arthur Memorial High School campus CAM #C689
6. Port Neches CAM #136
7. Sabine Pass CAM #C640
8. Southeast Texas Regional Airport CAM #C643
9. West Orange CAM #C9

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The pollutants currently monitored at each station are identified in Table 1.1 of the agreement between the Third-Party Recipient and the TCEQ. Additional parameters or monitoring sites may, contingent upon available funding and approval of TCEQ, be added. Operation and maintenance of the ambient air monitoring stations includes canister sampling and gas chromatographs. Ancillary equipment includes sample conditioning systems, meteorological towers, climate controlled equipment shelters, a remote communications system, and electronic data logging capability. Ambient monitoring protocols have been and will continue to conform to applicable TCEQ or U.S. Environmental Protection Agency guidelines.

A TCEQ-approved Quality Assurance Project Plan containing all applicable EPA QA-R5 elements shall be maintained. Analysis of all data collected from these sites will comply with Standard Operating Procedures for the analysis and measurement of Volatile Organic Compounds in Ambient Air. The laboratory data generated by this project will be from a TCEQ accredited laboratory in compliance with state laws and rules regarding use of certified or accredited testing laboratories. For example, the Third-Party Recipient must comply with 30 Texas Administrative Code, Chapter 25, Subchapter A, relating to Environmental Testing Laboratory Accreditation and Certification, as amended.

The SEP Offset Amount will be used to purchase equipment (such as automated canister samplers), hardware, software, and licenses to enable the monitoring, and for the cost of operating, maintaining, and periodically upgrading or adding to these air monitoring stations along with ancillary equipment approved by TCEQ. The data will be validated and sent to TCEQ's Leading Environmental Analysis and Display ("LEADS") system. All costs associated with the collection, transfer, and formatting of these data to be compatible with the LEADS system is the responsibility of the Third-Party Recipient. No portion of the SEP Offset Amount will be used for administrative costs or salaries of the Third-Party Recipient. The Third-Party Recipient may use contractors to perform the monitoring project, subject to special conditions concerning costs.

The project will be administered in accordance with federal, state, and local environmental laws and regulations. Respondent certifies that there is no prior commitment to make this contribution and that it is being performed solely in an effort to settle this enforcement action.

b. Environmental Benefit

Particulate matter, sulfides, nitrogen oxides, volatile organic carbon compounds, and ambient air conditions are measured at the stations and the data are made accessible to TCEQ and the public. Sites may also provide continuous assessment of benzene, 1, 3-butadiene and styrene. This monitoring was not previously covered by existing ambient

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air monitoring systems. The data is shared with the TCEQ, industry, and the public at http://www.tceq.state.tx.us/cgi-bin/compliance/monops/site_info.pl.

Continued monitoring in this area of the community will help better understand air quality pollutants and will enable better identification of emission sources. The data will focus on specific chemicals that may raise air quality concerns.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset 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, Respondent must contribute the SEP amount to the Third-Party Recipient. Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Southeast Texas Regional Planning Commission
Bob Dickinson, Director of Transportation & Environmental Resources
Attention: SEP
2210 Eastex Freeway
Beaumont, Texas 77703

3. Records and Reporting

Concurrent with the payment of the SEP amount, 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. 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 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 No. 3 above, the Executive Director may require immediate payment of all or part of the SEP amount.

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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

Respondent shall also mail a copy of the check to the Enforcement Division SEP Coordinator at the address in No. 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of 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

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.