

**Executive Summary – Enforcement Matter – Case No. 49295
Chevron Phillips Chemical Company LP
RN100209857
Docket No. 2014-1329-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: Yes, Docket No. 2014-1877-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: No

Texas Register Publication Date: February 6, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$104,525

Amount Deferred for Expedited Settlement: \$20,905

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$41,810

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$41,810

Name of SEP: Southeast Texas Regional Planning Commission

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN – Satisfactory

Major or Minor Source: Major

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002 and April 2014

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Chevron Phillips Chemical Company LP
RN100209857
Docket No. 2014-1329-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: August 5, 2014

Date(s) of NOE(s): August 20, 2014

Violation Information

1. Failed to comply with the annual allowable volatile organic compounds ("VOC") emissions rate for the Gasoline Storage Tank, Emission Point Number ("EPN") T-500 [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. 01235, Special Terms and Conditions ("STC") No. 22, and New Source Review ("NSR") Permit Nos. 21101 and PSDTX1248, Special Conditions ("SC") No. 8].

2. Failed to comply with the annual allowable benzene and nitrogen oxide ("NOx") maintenance, start-up, and shutdown ("MSS") emissions rates for the Ethylene Unit, EPN 1544-MSS [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 01235, STC No. 22, and NSR Permit No. 83741, SC No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On July 19, 2013, obtained Permit by Rule Registration No. 111174 that certified the increase of annual throughput for the Gasoline Storage Tank, EPN T-500;
- b. On October 31, 2013, returned to compliance with the annual allowable VOC emissions rate for the Gasoline Storage Tank, EPN T-500; and
- c. On August 28, 2014, submitted a permit amendment application for NSR Permit No. 21101 to increase the annual allowable benzene and NOx MSS emissions rates for the Ethylene Unit, EPN 1544-MSS and to consolidate NSR Permit No. 83741 under NSR Permit No. 21101.

Technical Requirements:

1. The Order will require the Respondent to implement and complete a SEP. (See SEP Attachment A)
2. The Order will also require the Respondent to:
 - a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment application for NSR Permit No. 21101

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RN100209857
Docket No. 2014-1329-AIR-E

within 30 days after the date of such requests, or by any other deadline specified in writing; and

b. Within 180 days, submit written certification to demonstrate that either a permit amendment has been obtained or that operation has ceased until such time that appropriate authorization is obtained.

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

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Jessica Schildwachter, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-2617; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456
TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565
Respondent: Michael P. Nemeth, Plant Manager, Chevron Phillips Chemical Company LP, P.O. Box 1547, Port Arthur, Texas 77641
Respondent's Attorney: N/A

Attachment A
Docket Number: 2014-1329-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Chevron Phillips Chemical Company LP
Penalty Amount:	Eighty-Three Thousand Six Hundred Twenty Dollars (\$83,620)
SEP Offset Amount:	Forty-One Thousand Eight Hundred Ten Dollars (\$41,810)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Southeast Texas Regional Planning Commission
Project Name:	<i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i>
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 the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Southeast Texas Regional Planning Commission** for the *West Port Arthur Home Energy Efficiency Program - Lighthouse Program* Project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to hire a contractor to conduct initial inspections of eligible applicants' homes. The inspections will determine whether the home is in a condition suitable for weatherization and energy efficiency upgrades. Upgrades will not be completed at homes that need new roofs or significant foundation work. The contractor shall also determine what weatherization and energy efficiency upgrades are necessary and appropriate for the home and write a work plan. This contractor shall also conduct the final inspection of the home after the work is completed.

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator will also prepare all contracts with contractors and homeowners; coordinate between the contractors and the homeowners to answer questions; ensure that work is done timely and properly; and arrange for any necessary repairs to new equipment under the 12-

month warranty period after work is completed. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

Implementation of this Project will benefit air by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and the nitrogen oxides associated with the combustion of fuel and the generation of electricity. Past energy audits have shown a 12-30% reduction in energy usages after completion of the weatherization and energy upgrades.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator 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 Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

Southeast Texas Regional Planning Commission
Attention: Pamela Lewis, Program Manager
2210 Eastex Freeway
Beaumont, Texas 77703

3. Records and Reporting

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

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

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

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

5. Publicity

Any public statements concerning this SEP and/or project, 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 Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	25-Aug-2014	Screening	11-Sep-2014	EPA Due	17-May-2015
	PCW	28-Oct-2014				

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.	49295	No. of Violations	1
Docket No.	2014-1329-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Jessica Schildwachter
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$27,500
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	196.0% Enhancement	Subtotals 2, 3, & 7	\$53,900
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Notes: Enhancement for one NOV with same or similar violations, five orders with denial of liability, three orders without denial of liability, and repeat violator status. Reduction for three notices of intent to conduct an audit and three disclosures of violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$6,875
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$481
Estimated Cost of Compliance	\$3,500

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$74,525
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount \$74,525

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$74,525
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DEFERRAL	20.0% Reduction	Adjustment	-\$14,905
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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	\$59,620
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Screening Date 11-Sep-2014

Docket No. 2014-1329-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 49295

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100209857

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

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>)	5	100%
	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	3	75%
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 judgments 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>)	3	-3%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	3	-6%
<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) 171%

>> Repeat Violator (Subtotal 3)

Yes

Adjustment Percentage (Subtotal 3) 25%

>> 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, five orders with denial of liability, three orders without denial of liability, and repeat violator status. Reduction for three notices of intent to conduct an audit and three disclosures of violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 196%

Screening Date 11-Sep-2014 **Docket No.** 2014-1329-AIR-E **PCW**
Respondent Chevron Phillips Chemical Company LP *Policy Revision 2 (September 2002)*
Case ID No. 49295 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100209857
Media [Statute] Air
Enf. Coordinator Jessica Schildwachter

Violation Number 1
Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit No. 01235, Special Terms and Conditions ("STC") No. 22, and New Source Review Permit Nos. 21101 and PSDTX1248, Special Conditions No. 8
Violation Description Failed to comply with the annual allowable volatile organic compounds ("VOC") emissions rate for the Gasoline Storage Tank, Emission Point Number ("EPN") T-500. Specifically, the Respondent exceeded the annual allowable VOC emissions rate of 0.74 ton per year, based on a 12-month rolling period, for the 12-month periods ending on January 2011 through September 2013, resulting in the unauthorized release of approximately 7,075 pounds of VOC.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 11 973 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$27,500

Eleven quarterly events are recommended for the period of non-compliance that occurred from January 31, 2011 through September 30, 2013.

Good Faith Efforts to Comply 25.0% Reduction \$6,875

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

Notes The Respondent completed corrective actions by October 31, 2013, prior to the August 20, 2014 NOE.

Violation Subtotal \$20,625

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount \$481 **Violation Final Penalty Total** \$74,525

This violation Final Assessed Penalty (adjusted for limits) \$74,525

Economic Benefit Worksheet

Respondent: Chevron Phillips Chemical Company LP
Case ID No: 49295
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	\$0	\$0
Record Keeping System				0.00	\$0	\$0	\$0
Training/Sampling				0.00	\$0	\$0	\$0
Remediation/Disposal				0.00	\$0	\$0	\$0
Permit Costs				0.00	\$0	\$0	\$0
Other (as needed)	\$3,500	31-Jan-2011	31-Oct-2013	2.75	\$481	\$0	\$481

Notes for DELAYED costs

Estimated cost to ensure compliance with the allowable VOC emissions rate for EPN T-500. The Date Required is the first date of non-compliance and the Final Date is the 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

\$3,500

TOTAL

\$481



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	25-Aug-2014	Screening	11-Sep-2014	EPA Due	17-May-2015
	PCW	28-Oct-2014				

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.	49295	No. of Violations	1
Docket No.	2014-1329-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Jessica Schildwachter
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$15,000
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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
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Notes: Enhancement for one NOV with same or similar violations, five orders with denial of liability, three orders without denial of liability, and repeat violator status. Reduction for three notices of intent to conduct an audit and three disclosures of violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$306
 Estimated Cost of Compliance: \$3,500
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$30,000
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$30,000
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$30,000
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DEFERRAL	20.0% Reduction	Adjustment	-\$6,000
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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
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Screening Date 11-Sep-2014

Docket No. 2014-1329-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 49295

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100209857

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

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>)	5	100%
	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	3	75%
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 judgments 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>)	3	-3%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	3	-6%

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) 171%

>> Repeat Violator (Subtotal 3)

Yes

Adjustment Percentage (Subtotal 3) 25%

>> 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, five orders with denial of liability, three orders without denial of liability, and repeat violator status. Reduction for three notices of intent to conduct an audit and three disclosures of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 196%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 11-Sep-2014

Docket No. 2014-1329-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 49295

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100209857

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit No. 01235, Special Terms and Conditions No. 22, and New Source Review Permit No. 83741, Special Conditions No. 1

Violation Description

Failed to comply with the annual allowable benzene and nitrogen oxide ("NOx") maintenance, start-up, and shutdown ("MSS") emissions rates for the Ethylene Unit, EPN 1544-MSS. Specifically, the Respondent exceeded the annual allowable benzene MSS emissions rate of 1.87 tpy and exceeded the annual allowable NOx MSS emissions rate of 14.16 tpy, based on a 12-month rolling period, for the 12-month periods ending on July 2013 through June 2014, resulting in the unauthorized release of approximately 3,780 pounds ("lbs") of benzene and 3,492 lbs of NOx.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 4

334 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$15,000

Four quarterly events are recommended for the period of non-compliance that occurred from July 31, 2013 through June 30, 2014.

Good Faith Efforts to Comply

0.0%

Reduction \$0

	Before NOE/NOV	NOE/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 \$306

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. 49295
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
<small>No commas or \$</small>							

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)	\$3,500	31-Jul-2013	1-May-2015	1.75	\$306	n/a	\$306

Notes for DELAYED costs

Estimated cost to ensure compliance with the allowable benzene and NOx MSS emissions rates for EPN 1544-MSS. The Date Required is the first date of non-compliance and the 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

\$3,500

TOTAL

\$306

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN600303614, RN100209857, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN600303614, Chevron Phillips Chemical Company LP **Classification:** SATISFACTORY **Rating:** 11.32

Regulated Entity: RN100209857, CHEVRON PHILLIPS CHEMICAL PORT ARTHUR FACILITY **Classification:** SATISFACTORY **Rating:** 50.57

Complexity Points: 15 **Repeat Violator:** YES

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
AIR OPERATING PERMITS PERMIT 2954

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 83963

AIR NEW SOURCE PERMITS PERMIT 83831
AIR NEW SOURCE PERMITS REGISTRATION 85575
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
AIR NEW SOURCE PERMITS REGISTRATION 118411
AIR NEW SOURCE PERMITS PERMIT 103765
AIR NEW SOURCE PERMITS REGISTRATION 119833
IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 83963
POLLUTION PREVENTION PLANNING ID NUMBER P01806

AIR OPERATING PERMITS PERMIT 1235
INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXR000004390
AIR NEW SOURCE PERMITS PERMIT 5215A

AIR NEW SOURCE PERMITS PERMIT 82132
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 REGISTRATION 112053
AIR NEW SOURCE PERMITS REGISTRATION 112611
AIR NEW SOURCE PERMITS REGISTRATION 111174
AIR NEW SOURCE PERMITS REGISTRATION 109328
AIR EMISSIONS INVENTORY ACCOUNT NUMBER JE0508W

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: August 27, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: August 27, 2009 to August 27, 2014

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

Name: Jessica Schildwachter

Phone: (512) 239-2617

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: 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.
- 2 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,
- 3 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
- 4 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

5 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.

6 Effective Date: 04/05/2012 ADMINORDER 2011-1597-AIR-E (1660 Order-Agreed Order With Denial)

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.

7 Effective Date: 06/13/2013 ADMINORDER 2012-1441-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Major
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)
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 Terms and Conditions OP
Special Condition 14 PERMIT
Special Condition 22 OP
Special Condition 8 PERMIT
STC 1 OP

Description: Failure to maintain emission rates below the allowable emission limits.

8 Effective Date: 09/12/2013 ADMINORDER 2013-0312-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 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 THSC Chapter 382 382.085(b)

Rqmt Prov: GENERAL CONDITIONS OP
SC 22 OP

Description: Failure to maintain an emission rate below the allowable emission limits for Incident 173380.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	September 24, 2009	(763955)
Item 2	February 05, 2010	(787727)
Item 3	February 08, 2010	(788299)
Item 4	April 23, 2010	(798649)
Item 5	May 02, 2010	(796396)
Item 6	July 31, 2010	(829795)
Item 7	August 16, 2010	(841917)
Item 8	August 21, 2010	(829830)
Item 9	November 03, 2010	(871540)
Item 10	November 15, 2010	(873239)
Item 11	November 23, 2010	(877892)
Item 12	February 12, 2011	(891454)
Item 13	May 12, 2011	(906687)
Item 14	July 20, 2011	(923716)
Item 15	September 12, 2011	(951957)
Item 16	October 25, 2011	(959073)
Item 17	October 31, 2011	(963129)
Item 18	November 29, 2011	(968456)
Item 19	May 08, 2012	(1002125)
Item 20	August 28, 2012	(1023967)
Item 21	May 07, 2013	(1086170)
Item 22	May 31, 2013	(1093175)
Item 23	October 21, 2013	(1124298)
Item 24	March 05, 2014	(1150983)

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: 08/20/2014 (1184705) CN600303614
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
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 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1033(b)(1)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 11E PERMIT
Special Condition 18E PERMIT
Special Condition 2 PERMIT
Special Condition 4 PERMIT
Special Term and Condition 1A OP
Special Term and Condition 22 OP

Description: Failure to maintain a valve or line with a cap, blind flange, plug or second valve in VOC service. Category C10

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(6)(ii)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 12D(1) PERMIT
Special Condition 14 PERMIT
Special Condition 18 PERMIT
Special Term and Condition 1A OP
Special Term and Condition 22 OP

Description: Failure to maintain a minimum net heating value of 300 Btu/scf or greater at Flare 24 (EPN: E-24-FLARE) and Flare 40 (EPN: E-40-FLARE). Category B19g1

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
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)
General Terms and Conditions OP
Special Condition 8 PERMIT
Special Term and Condition 22 OP

Description: Failure to limit annual Carbon Monoxide emissions for the Secondary Diesel Engine (EPN: E-11-1544). Category B19g1

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
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)
General Terms and Conditions OP
Special Condition 8 PERMIT
Special Term and Condition 22 OP

Description: Failure to limit Volatile Organic Compound (VOC) emissions at the Process Flare (Flare 24) (EPN: E-24-FLARE). Category B19g1

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)
General Terms and Conditions OP
Special Condition 1 PERMIT
Special Term and Condition 22 OP

Description: Failure to limit Volatile Organic Compound (VOC) Maintenance, Start-up, and Shutdown (MSS) activity emissions at the Ethylene Unit (EPN: 1544-MSS). Category B19g1

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)
General Terms and Conditions OP
Special Condition 10B PERMIT
Special Term and Condition 22 OP

Description: Failure to record emissions and destruction efficiency data for the Hydrocarbon Vapor Recovery Unit's (HVRU) Carbon Adsorption Unit (CAU) (EPN: CA-1). Category B3

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)

General Terms and Conditions OP
 Special Condition 3D(1) PERMIT
 Special Term and Condition 22 OP
 Description: Failure to achieve a 10 percent lower explosion limit (LEL) prior to conducting the Cumene Feed Preparation Unit (CFPU) Maintenance, Start-up, and Shutdown (MSS) activity (EPN: 1740-FMSS). Category B19g1
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 115, SubChapter D 115.354(11)
 30 TAC Chapter 115, SubChapter D 115.354(2)(C)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(b)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1023(a)(1)(i)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1023(a)(1)(iii)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT YY 63.1103(e)(3)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP
 Special Condition 4 PERMIT
 Special Conditions 11F and 12A PERMIT
 Special Conditions 16F and 17 PERMIT
 Special Conditions 8F and 9 PERMIT
 Special Term and Condition 1A OP
 Special Term and Condition 22 OP
 Description: Failure to identify and monitor 8 valves and 23 connectors. Category C1
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 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)
 General Terms and Conditions OP
 Special Condition 4 PERMIT
 Special Term and Condition 22 OP
 Description: Failure to limit the 30-operating day rolling average Carbon Monoxide emissions (pounds per MMBtu) at the Ethylene Furnace BA117 (EPN: E-04A-1544). EIC Category B19g1

F. Environmental audits:

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)

Disclosure Date: 08/14/2012

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter C 115.244

Description: Failure to inspect Stage II vapor recovery system on a daily basis. Specifically, inspection of Stage II vapor recovery system did not occur on weekends or holidays.

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

Disclosure Date: 01/23/2013

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354

30 TAC Chapter 115, SubChapter D 115.356

40 CFR Part 60, Subpart VV 60.482-7

40 CFR Part 60, Subpart VV 60.486

40 CFR Part 61, Subpart V 61.242-7

40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.246

40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1022

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 63.1038

40 CFR Part 63, Subpart H 63.168

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.181

Rqmt Prov: PERMIT Special Conditions 11 and 12

PERMIT Special Conditions 17 and 18

Description: Failure to identify and monitor 1 valve and 4 connectors.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354

30 TAC Chapter 115, SubChapter D 115.356

40 CFR Part 60, Subpart VV 60.482-7

40 CFR Part 60, Subpart VV 60.486

40 CFR Part 61, Subpart V 61.242-7

40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.246

40 CFR Chapter 63, SubChapter C, PT 63, SubPT UU 63.1022

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 63.1038

40 CFR Part 63, Subpart H 63.168

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.181

Rqmt Prov: PERMIT Special Conditions 11 and 12

PERMIT Special Conditions 9 and 10

Description: Failure to identify and monitor 19 valves and 68 connectors.

Viol. Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.354

30 TAC Chapter 115, SubChapter D 115.356

40 CFR Part 60, Subpart VV 60.482-7

40 CFR Part 60, Subpart VV 60.486

40 CFR Part 61, Subpart V 61.242-7

40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.246

Rqmt Prov: PERMIT Special Conditions 17 and 18

Description: Failure of the DTM valve to receive follow-up monitoring within 90 days of repair.

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
RN100209857**

**§
§
§
§
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§**

**BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2014-1329-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 located 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 August 25, 2014.
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 One Hundred Four Thousand Five Hundred Twenty-Five Dollars (\$104,525) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Forty-One

Thousand Eight Hundred Ten Dollars (\$41,810) of the administrative penalty and Twenty Thousand Nine Hundred Five Dollars (\$20,905) 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. Forty-One Thousand Eight Hundred Ten Dollars (\$41,810) 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 recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On July 19, 2013, obtained Permit by Rule Registration No. 111174 that certified the increase of annual throughput for the Gasoline Storage Tank, Emission Point Number ("EPN") T-500;
 - b. On October 31, 2013, returned to compliance with the annual allowable volatile organic compounds ("VOC") emissions rate for the Gasoline Storage Tank, EPN T-500; and
 - c. On August 28, 2014, submitted a permit amendment application for New Source Review ("NSR") Permit No. 21101 to increase the annual allowable benzene and nitrogen oxide ("NOx") maintenance, start-up, and shutdown ("MSS") emissions rates for the Ethylene Unit, EPN 1544-MSS and to consolidate NSR Permit No. 83741 under NSR Permit No. 21101.
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 the Respondent 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, the Respondent is alleged to have:

1. Failed to comply with the annual allowable VOC emissions rate for the Gasoline Storage Tank, EPN T-500, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O1235, Special Terms and Conditions ("STC") No. 22, and NSR Permit Nos. 21101 and PSDTX1248, Special Conditions ("SC") No. 8, as documented during a record review conducted on August 5, 2014. Specifically, the Respondent exceeded the annual allowable VOC emissions rate of 0.74 ton per year ("tpy"), based on a 12-month rolling period, for the 12-month periods ending on January 2011 through September 2013, resulting in the unauthorized release of approximately 7,075 pounds ("lbs") of VOC.
2. Failed to comply with the annual allowable benzene and NOx MSS emissions rates for the Ethylene Unit, EPN 1544-MSS, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1235, STC No. 22, and NSR Permit No. 83741, SC No. 1, as documented during a record review conducted on August 5, 2014. Specifically, the Respondent exceeded the annual allowable benzene MSS emissions rate of 1.87 tpy and exceeded the annual allowable NOx MSS emissions rate of 14.16 tpy, based on a 12-month rolling period, for the 12-month periods ending on July 2013 through June 2014, resulting in the unauthorized release of approximately 3,780 lbs of benzene and 3,492 lbs of NOx.

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. 2014-1329-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, Forty-One Thousand Eight Hundred Ten Dollars (\$41,810) of the assessed administrative penalty shall be offset

with the condition that the Respondent implement 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. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment application for NSR Permit No. 21101 within 30 days after the date of such requests, or by any other deadline specified in writing;
- b. Within 180 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 that either a permit amendment has been obtained or that operation has ceased until such time that appropriate authorization is obtained. 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

Ramona Garcia
For the Executive Director

3/25/15
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.

Michael P. Nemeth
Signature

12/30/14
Date

Michael P. Nemeth
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: 2014-1329-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Chevron Phillips Chemical Company LP
Penalty Amount:	Eighty-Three Thousand Six Hundred Twenty Dollars (\$83,620)
SEP Offset Amount:	Forty-One Thousand Eight Hundred Ten Dollars (\$41,810)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Southeast Texas Regional Planning Commission
Project Name:	<i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i>
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 the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Southeast Texas Regional Planning Commission** for the *West Port Arthur Home Energy Efficiency Program - Lighthouse Program* Project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to hire a contractor to conduct initial inspections of eligible applicants' homes. The inspections will determine whether the home is in a condition suitable for weatherization and energy efficiency upgrades. Upgrades will not be completed at homes that need new roofs or significant foundation work. The contractor shall also determine what weatherization and energy efficiency upgrades are necessary and appropriate for the home and write a work plan. This contractor shall also conduct the final inspection of the home after the work is completed.

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator will also prepare all contracts with contractors and homeowners; coordinate between the contractors and the homeowners to answer questions; ensure that work is done timely and properly; and arrange for any necessary repairs to new equipment under the 12-

month warranty period after work is completed. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

Implementation of this Project will benefit air by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and the nitrogen oxides associated with the combustion of fuel and the generation of electricity. Past energy audits have shown a 12-30% reduction in energy usages after completion of the weatherization and energy upgrades.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator 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 Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

Southeast Texas Regional Planning Commission
Attention: Pamela Lewis, Program Manager
2210 Eastex Freeway
Beaumont, Texas 77703

3. Records and Reporting

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

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

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

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

5. Publicity

Any public statements concerning this SEP and/or project, 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 Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.