Executive Summary – Enforcement Matter – Case No. 49823
Chevron Phillips Chemical Company LP
RN100209857
Docket No. 2014-1877-AIR-E

Order Type:
Findings Agreed Order
Findings Order Justification:
People or environmental receptors have been exposed to pollutants which exceed levels that are protective.
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: May 22, 2015
Comments Received: No

Penalty Information

Total Penalty Assessed: $95,000
Amount Deferred for Expedited Settlement: $0
Amount Deferred for Financial Inability to Pay: $0
Total Paid to General Revenue: $47,500
Total Due to General Revenue: $0
Payment Plan: N/A
Supplemental Environmental Project ("SEP") Conditional Offset: $47,500
Name of SEP: Southeast Texas Regional Planning Commission (Third-Party Pre-Approved)
Compliance History Classifications:
Person/CN - Satisfactory
Site/RN - Satisfactory
Major Source: Yes
Statutory Limit Adjustment: N/A
Applicable Penalty Policy: April 2014

Executive Summary – Enforcement Matter – Case No. 49823
Chevron Phillips Chemical Company LP
RN100209857
Docket No. 2014-1877-AIR-E

Investigation Information

Complaint Date(s): July 7, 2014 and July 13, 2014
Complaint Information: Alleged flaring activity at the facility.
Date(s) of Investigation: July 7, 2014
Date(s) of NOE(s): November 21, 2014

Violation Information

Failed to prevent unauthorized emissions. Since the emissions event could have been avoided through better operational practices, the Respondent is precluded from asserting an affirmative defense [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit No. O1235, Special Terms and Conditions No. 22, New Source Review ("NSR") Permit Nos. 21101 and PSDTX1248, Special Conditions ("SC") No. 8, and NSR Permit No. 83741, SC No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following:

a. By October 1, 2014, removed all sliding line blind devices from Lummus furnace charge decks;

b. By October 9, 2014, revised procedures related to Lummus furnace operations to coincide with modifications to charge deck equipment;

c. By November 6, 2014, trained all affected employees on revised procedures; and

d. By November 26, 2014, modified charge deck piping to include additional valves, instruments, and blinded flanges.

Technical Requirements:

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachment 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

Executive Summary – Enforcement Matter – Case No. 49823
Chevron Phillips Chemical Company LP
RN100209857
Docket No. 2014-1877-AIR-E

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: 2014-1877-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Chevron Phillips Chemical Company LP**
Penalty Amount:	**Ninety-Five Thousand Dollars ($95,000)**
SEP Offset Amount:	**Forty-Seven Thousand Five Hundred Dollars ($47,500)**
Type of SEP:	**Contribution to a Third-Party Pre-Approved SEP**
Third-Party Administrator:	**Southeast Texas Regional Planning Commission**
Project Name:	**Meteorological and Air Monitoring Network**
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 *Meteorological and Air Monitoring Network* 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 operate, maintain, and potentially expand the existing Southeast Texas Regional Air Monitoring Network which includes nine monitoring stations currently at the following locations:

- Beaumont CAM#2
- Cove School CAM #C695
- Mauriceville CAM#642
- Port Arthur (Motiva) Industrial Site CAM #C628
- Port Arthur Memorial High School campus CAM #C689
- Port Neches CAM #136
- Sabine Pass CAM #C640
- Southeast Texas Regional Airport CAM #C643

- West Orange CAM #C9

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. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely 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

Particulate matter, sulfides, oxides of nitrogen, 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 air monitoring systems.

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

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: Bob Dickinson, Director
2210 Eastex Freeway
Beaumont, Texas 77703-4929

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. Recognition

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 4 (April 2014) — *PCW Revision March 26, 2014*

TCEQ

DATES						
Assigned	24-Nov-2014					
PCW	31-Mar-2015	**Screening**	11-Dec-2014	**EPA Due**		

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.	49823	**No. of Violations**	1
Docket No.	2014-1877-AIR-E	**Order Type**	Findings
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*: **$50,000**

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*: **$50,000**

Notes: Enhancement for one NOV with same or similar violations, one NOV with dissimilar violations, three orders with denial of liability, and three orders without denial of liability. Reduction for three notices of intent to conduct an audit and three 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*: **-$5,000**

Economic Benefit — **0.0%** Enhancement* — *Subtotal 6*: **$0**

Total EB Amounts $2,003
Estimated Cost of Compliance $103,000

**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 — *Final Subtotal*: **$95,000**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount: **$95,000**

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty*: **$95,000**

DEFERRAL — **0.0%** Reduction — *Adjustment*: **$0**

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

Notes: No deferral is recommended for Findings Orders.

PAYABLE PENALTY: **$95,000**

Screening Date 11-Dec-2014 **Docket No.** 2014-1877-AIR-E **PCW**

Respondent Chevron Phillips Chemical Company LP *Policy Revision 4 (April 2014)*

Case ID No. 49823 *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 (*number of NOVs meeting criteria*)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	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 (*number of judgments or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were submitted)*	3	-3%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	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) 133%

>> 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, one NOV with dissimilar violations, three orders with denial of liability, and three orders without denial of liability. Reduction for three notices of intent to conduct an audit and three disclosures of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 133%

>> Final Compliance History Adjustment

Final Adjustment Percentage ****capped at 100%*** 100%

Screening Date 11-Dec-2014 **Docket No.** 2014-1877-AIR-E **PCW**

Respondent Chevron Phillips Chemical Company LP *Policy Revision 4 (April 2014)*

Case ID No. 49823 *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 §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit No. O1235, Special Terms and Conditions No. 22, New Source Review ("NSR") Permit Nos. 21101 and PSDTX1248, Special Conditions ("SC") No. 8, and NSR Permit No. 83741, SC No. 1

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,079.42 pounds ("lbs") of propane from Cracking Furnaces BA-101/102 Common Stack, Emission Point Number ("EPN") E-01-1544; 8,660 lbs of propane and 20,401 lbs of propylene from DA406/407 Process Safety Valve; 1,637.23 lbs of carbon monoxide, 209.84 lbs of nitrogen oxides, and 2,847.78 lbs of volatile organic compounds ("VOC") from Process Flare 40, EPN F-40-Flare; and 8,628.4 lbs of VOC from Process Flare 24, EPN E-24-Flare, during an avoidable emissions event (Incident No. 200745) that began on July 7, 2014 and lasted 197 hours. The event occurred due to a fire at the process heater that was caused by a leak from a partially opened flange. Since the emissions event could have been avoided through better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual	x		
Potential			

Percent 100.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $0

$25,000

Violation Events

Number of Violation Events 2 — 9 Number of violation days

mark only one with an x

daily	
weekly	x
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $50,000

Two weekly events are recommended.

Good Faith Efforts to Comply

10.0% Reduction $5,000

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

Notes: The Respondent completed corrective actions by November 26, 2014 after the November 21, 2014 NOE.

Violation Subtotal $45,000

Economic Benefit (EB) for this violation

Estimated EB Amount $2,003

Statutory Limit Test

Violation Final Penalty Total $95,000

This violation Final Assessed Penalty (adjusted for limits) $95,000

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 49823
Reg. Ent. Reference No. RN100209857
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment	$50,000	7-Jul-2014	26-Nov-2014	0.39	$65	$1,297	$1,362
Buildings				0.00	$0	$0	$0
Other (as needed)	$1,500	7-Jul-2014	9-Oct-2014	0.26	$1	$26	$27
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	$1,500	7-Jul-2014	6-Nov-2014	0.33	$25	n/a	$25
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)	$50,000	7-Jul-2014	1-Oct-2014	0.24	$589	n/a	$589
Notes for DELAYED costs	Estimated cost to remove all sliding line blind devices from Lummus furnace charge decks, revise procedures related to Lummus furnace operations to coincide with modifications to charge deck equipment, train all affected employees on revised procedures, and modify charge deck piping to include additional valves, instruments, and blinded flanges. The Dates Required is the date the emissions event began and the Final Dates are the dates 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	$103,000	TOTAL	$2,003

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 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator: CN600303614, Chevron Phillips Chemical Company LP **Classification:** SATISFACTORY **Rating:** 5.08

Regulated Entity: RN100209857, CHEVRON PHILLIPS CHEMICAL PORT ARTHUR FACILITY **Classification:** SATISFACTORY **Rating:** 17.55

Complexity Points: 16 **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
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 125904
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 124617
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, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

Date Compliance History Report Prepared: December 11, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: December 11, 2009 to December 11, 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: 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

2 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 drye

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

3 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.

4 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.

5 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.

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

2 Date: 11/25/2014 (1209616) CN600303614

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(2)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP

Description: Failure to submit a compliance certification no later than 30 days after the end of the certification period.

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 reveive 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:

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	**§ § § § § § §**	**BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2014-1877-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Chevron Phillips Chemical Company LP ("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 presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. 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. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

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. During an investigation conducted on July 7, 2014, TCEQ staff documented that the Respondent released 2,079.42 pounds ("lbs") of propane from Cracking Furnaces BA-101/102 Common Stack, Emission Point Number ("EPN") E-01-1544; 8,660 lbs of propane and 20,401 lbs of propylene from DA406/407 Process Safety Valve; 1,637.23 lbs of carbon monoxide, 209.84 lbs of nitrogen oxides, and 2,847.78 lbs of volatile organic compounds ("VOC") from Process Flare 40, EPN F-40-Flare; and 8,628.4 lbs of VOC from Process Flare 24, EPN E-24-Flare, during an avoidable emissions event (Incident No. 200745) that began on July 7, 2014 and lasted 197 hours. The event occurred due to a fire at the process heater that was caused by a leak from a partially opened flange. The TCEQ determined that the emissions event could have been avoided through better operational practices.

4. The Respondent received notice of the violations on November 25, 2014.

5. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:

   a. By October 1, 2014, removed all sliding line blind devices from Lummus furnace charge decks;

   b. By October 9, 2014, revised procedures related to Lummus furnace operations to coincide with modifications to charge deck equipment;

   c. By November 6, 2014, trained all affected employees on revised procedures; and

   d. By November 26, 2014, modified charge deck piping to include additional valves, instruments, and blinded flanges.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382, TEX. WATER CODE ch. 7, and the rules of the Commission.

2. As evidenced by Findings of Fact No. 3, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit No. O1235, Special Terms and Conditions No. 22, New Source Review ("NSR") Permit Nos. 21101 and PSDTX1248, Special Conditions ("SC") No. 8, and NSR Permit No. 83741, SC No. 1. Since the emissions event could have been avoided through better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

3. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.

4. An administrative penalty in the amount of Ninety-Five Thousand Dollars ($95,000) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid Forty-Seven Thousand Five Hundred Dollars ($47,500) of the administrative penalty. Forty-Seven Thousand Five Hundred Dollars ($47,500) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Ninety-Five Thousand Dollars ($95,000) as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that 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. 2014-1877-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 II, Paragraph 4 above, Forty-Seven Thousand Five Hundred Dollars ($47,500) 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. 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.

4. 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.

5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by 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.

6. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

7. 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.

8. 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.

9. 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.

10. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

6/24/15
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Chevron Phillips Chemical Company LP. I am authorized to agree to the attached Agreed Order on behalf of Chevron Phillips Chemical Company LP, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Chevron Phillips Chemical Company LP waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

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.

Signature

4/20/15
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 III, Paragraph 1 of this Agreed Order.

Attachment A

Docket Number: 2014-1877-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Chevron Phillips Chemical Company LP**
Penalty Amount:	**Ninety-Five Thousand Dollars ($95,000)**
SEP Offset Amount:	**Forty-Seven Thousand Five Hundred Dollars ($47,500)**
Type of SEP:	**Contribution to a Third-Party Pre-Approved SEP**
Third-Party Administrator:	**Southeast Texas Regional Planning Commission**
Project Name:	**Meteorological and Air Monitoring Network**
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 *Meteorological and Air Monitoring Network* 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 operate, maintain, and potentially expand the existing Southeast Texas Regional Air Monitoring Network which includes nine monitoring stations currently at the following locations:

- Beaumont CAM#2
- Cove School CAM #C695
- Mauriceville CAM#642
- Port Arthur (Motiva) Industrial Site CAM #C628
- Port Arthur Memorial High School campus CAM #C689
- Port Neches CAM #136
- Sabine Pass CAM #C640
- Southeast Texas Regional Airport CAM #C643

- West Orange CAM #C9

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. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely 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

Particulate matter, sulfides, oxides of nitrogen, 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 air monitoring systems.

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

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: Bob Dickinson, Director
2210 Eastex Freeway
Beaumont, Texas 77703-4929

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. Recognition

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.