

**Executive Summary – Enforcement Matter – Case No. 50473**  
**Chevron Phillips Chemical Company LP**  
**RN100209857**  
**Docket No. 2015-0678-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. 2015-1104-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** October 2, 2015

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$13,125

**Amount Deferred for Expedited Settlement:** \$2,625

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$5,250

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Supplemental Environmental Project ("SEP") Conditional Offset:** \$5,250

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. 50473**  
**Chevron Phillips Chemical Company LP**  
**RN100209857**  
**Docket No. 2015-0678-AIR-E**

***Investigation Information***

**Complaint Date(s):** N/A  
**Complaint Information:** N/A  
**Date(s) of Investigation:** February 18, 2015  
**Date(s) of NOE(s):** April 6, 2015

***Violation Information***

Failed to prevent unauthorized emissions. Specifically, the Respondent experienced 100% opacity and released 61,356.72 pounds ("lbs") of carbon monoxide, 5,809.40 lbs of nitrogen oxides, and 69,651.60 lbs of volatile organic compounds (including 2,071 lbs of 1,3-butadiene, 36,044 lbs of ethylene, and 7,598 lbs of propylene) from the Process Flare, Emission Point Number E-24-FLARE, during an avoidable emissions event (Incident No. 207873) that began on December 29, 2014 and lasted 48 hours. The emissions event occurred when the pressure control valve PCV144 was stuck in the closed position due to corrosion. 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 [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, and New Source Review Permit Nos. 21101 and PSDTX1248, Special Conditions No. 8].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

On March 19, 2015, the Respondent replaced the mechanical linkage positioner for the pressure control valve with a magnetic feedback system which eliminated the mechanical moving parts to prevent recurrence of emissions events due to similar causes as Incident No. 207873.

**Technical Requirements:**

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. 50473**  
**Chevron Phillips Chemical Company LP**  
**RN100209857**  
**Docket No. 2015-0678-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: 2015-0678-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Chevron Phillips Chemical Company LP</b>
<b>Penalty Amount:</b>	<b>Ten Thousand Five Hundred Dollars (\$10,500)</b>
<b>SEP Offset Amount:</b>	<b>Five Thousand Two Hundred Fifty Dollars (\$5,250)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Southeast Texas Regional Planning Commission</b>
<b>Project Name:</b>	<b><i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i></b>
<b>Location of SEP:</b>	<b>Jefferson County</b>

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 quality 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. 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

<b>DATES</b>	<b>Assigned</b>	24-Apr-2015	<b>Screening</b>	30-Apr-2015	<b>EPA Due</b>	
	<b>PCW</b>	11-Aug-2015				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Chevron Phillips Chemical Company LP		
<b>Reg. Ent. Ref. No.</b>	RN100209857		
<b>Facility/Site Region</b>	10-Beaumont	<b>Major/Minor Source</b>	Major

## CASE INFORMATION

<b>Enf./Case ID No.</b>	50473	<b>No. of Violations</b>	1
<b>Docket No.</b>	2015-0678-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Jessica Schildwachter
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

**Compliance History**  Enhancement **Subtotals 2, 3, & 7**

**Notes**

**Culpability**   Enhancement **Subtotal 4**

**Notes**

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  Enhancement\* **Subtotal 6**

Total EB Amounts	\$55	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$5,000	

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction **Adjustment**

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

**Notes**

**PAYABLE PENALTY**

Screening Date 30-Apr-2015

Docket No. 2015-0678-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 50473

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	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	3	60%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	2	50%
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) 108%

#### >> 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 two 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) 108%

#### >> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 100%

Screening Date 30-Apr-2015

Docket No. 2015-0678-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 50473

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, and New Source Review Permit Nos. 21101 and PSDTX1248, Special Conditions No. 8

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent experienced 100% opacity and released 61,356.72 pounds ("lbs") of carbon monoxide, 5,809.40 lbs of nitrogen oxides, and 69,651.60 lbs of volatile organic compounds (including 2,071 lbs of 1,3-butadiene, 36,044 lbs of ethylene, and 7,598 lbs of propylene) from the Process Flare, Emission Point Number E-24-FLARE, during an avoidable emissions event (Incident No. 207873) that began on December 29, 2014 and lasted 48 hours. The emissions event occurred when the pressure control valve PCV144 was stuck in the closed position due to corrosion. 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 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Based on the Air Quality Analysis conducted on the dispersion modeling provided by the Respondent, human health and the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1

2 Number of violation days

daily	
weekly	
monthly	X
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$1,875

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

Notes

The Respondent completed corrective measures on March 19, 2015, prior to the April 6, 2015 NOE.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$55

Violation Final Penalty Total \$13,125

This violation Final Assessed Penalty (adjusted for limits) \$13,125

# Economic Benefit Worksheet

**Respondent** Chevron Phillips Chemical Company LP  
**Case ID No.** 50473  
**Reg. Ent. Reference No.** RN100209857  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

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

**Delayed Costs**

Equipment			0.00	\$0	\$0	\$0
Buildings			0.00	\$0	\$0	\$0
Other (as needed)			0.00	\$0	\$0	\$0
Engineering/Construction			0.00	\$0	\$0	\$0
Land			0.00	\$0	n/a	\$0
Record Keeping System			0.00	\$0	n/a	\$0
Training/Sampling			0.00	\$0	n/a	\$0
Remediation/Disposal			0.00	\$0	n/a	\$0
Permit Costs			0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	29-Dec-2014	19-Mar-2015	0.22	\$55	n/a

**Notes for DELAYED costs**  
 Estimated cost to replace the mechanical linkage positioner for the pressure control valve with a magnetic feedback system which eliminated the mechanical moving parts to prevent recurrence of emissions events due to similar causes as Incident No. 207873. The Date Required is the date the emissions event began 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**   \$5,000   **TOTAL**   \$55

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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:** 4.74  
**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

**AIR OPERATING PERMITS** PERMIT 1235  
**INDUSTRIAL AND HAZARDOUS WASTE** EPA ID  
TXR000004390

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

**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER JE0508W

**AIR NEW SOURCE PERMITS** PERMIT 18568

**AIR NEW SOURCE PERMITS** PERMIT 21101

**AIR NEW SOURCE PERMITS** REGISTRATION 24266

**AIR NEW SOURCE PERMITS** PERMIT 32713

**AIR NEW SOURCE PERMITS** REGISTRATION 76323

**AIR NEW SOURCE PERMITS** AFS NUM 4824500162

**AIR NEW SOURCE PERMITS** REGISTRATION 78071

**AIR NEW SOURCE PERMITS** REGISTRATION 77954

**AIR NEW SOURCE PERMITS** REGISTRATION 78021

**AIR NEW SOURCE PERMITS** REGISTRATION 78162

**AIR NEW SOURCE PERMITS** REGISTRATION 79030

**AIR NEW SOURCE PERMITS** REGISTRATION 80459

**AIR NEW SOURCE PERMITS** REGISTRATION 81329

**AIR NEW SOURCE PERMITS** PERMIT 83741

**AIR NEW SOURCE PERMITS** REGISTRATION 85121

**AIR NEW SOURCE PERMITS** REGISTRATION 85115

**AIR NEW SOURCE PERMITS** REGISTRATION 90098

**AIR NEW SOURCE PERMITS** REGISTRATION 87113

**AIR NEW SOURCE PERMITS** REGISTRATION 94024

**AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX1248

**AIR NEW SOURCE PERMITS** REGISTRATION 101824

**AIR NEW SOURCE PERMITS** REGISTRATION 101908

**AIR NEW SOURCE PERMITS** REGISTRATION 124617

**AIR NEW SOURCE PERMITS** REGISTRATION 125904

**AIR NEW SOURCE PERMITS** REGISTRATION 112053

**AIR NEW SOURCE PERMITS** REGISTRATION 118411

**AIR NEW SOURCE PERMITS** REGISTRATION 128964

**AIR NEW SOURCE PERMITS** REGISTRATION 112611

**AIR NEW SOURCE PERMITS** PERMIT 103765

**AIR NEW SOURCE PERMITS** REGISTRATION 111174

**AIR NEW SOURCE PERMITS** REGISTRATION 119833

**AIR NEW SOURCE PERMITS** REGISTRATION 109328

**IHW CORRECTIVE ACTION** SOLID WASTE REGISTRATION  
# (SWR) 83963

**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER JE0508W

**POLLUTION PREVENTION PLANNING** ID NUMBER  
P01806

**Compliance History Period:** September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

**Date Compliance History Report Prepared:** April 30, 2015

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** April 30, 2010 to April 30, 2015

**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: 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
- 2 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.
- 3 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.

- 4 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.

- 5 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	May 02, 2010	(796396)
Item 2	July 31, 2010	(829795)
Item 3	August 16, 2010	(841917)
Item 4	August 21, 2010	(829830)
Item 5	November 03, 2010	(871540)
Item 6	November 15, 2010	(873239)
Item 7	November 23, 2010	(877892)
Item 8	February 12, 2011	(891454)
Item 9	May 12, 2011	(906687)
Item 10	July 20, 2011	(923716)
Item 11	September 12, 2011	(951957)
Item 12	October 25, 2011	(959073)
Item 13	October 31, 2011	(963129)
Item 14	November 29, 2011	(968456)
Item 15	May 08, 2012	(1002125)
Item 16	August 28, 2012	(1023967)
Item 17	May 07, 2013	(1086170)
Item 18	May 31, 2013	(1093175)
Item 19	October 21, 2013	(1124298)
Item 20	March 05, 2014	(1150983)
Item 21	March 13, 2015	(1230171)

**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.

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:

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.

Notice of Intent Date: 12/10/2014 (1216291)

No DOV Associated

## G. Type of environmental management systems (EMSs):

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



<b>IN THE MATTER OF AN</b>	<b>§</b>	<b>BEFORE THE</b>
<b>ENFORCEMENT ACTION</b>	<b>§</b>	
<b>CONCERNING</b>	<b>§</b>	<b>TEXAS COMMISSION ON</b>
<b>CHEVRON PHILLIPS CHEMICAL</b>	<b>§</b>	
<b>COMPANY LP</b>	<b>§</b>	<b>ENVIRONMENTAL QUALITY</b>
<b>RN100209857</b>	<b>§</b>	

**AGREED ORDER**  
**DOCKET NO. 2015-0678-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 April 11, 2015.
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 Thirteen Thousand One Hundred Twenty-Five Dollars (\$13,125) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Five Thousand Two Hundred Fifty Dollars (\$5,250) of the administrative penalty and Two Thousand Six

Hundred Twenty-Five Dollars (\$2,625) 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. Five Thousand Two Hundred Fifty Dollars (\$5,250) 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 on March 19, 2015, the Respondent replaced the mechanical linkage positioner for the pressure control valve with a magnetic feedback system which eliminated the mechanical moving parts to prevent recurrence of emissions events due to similar causes as Incident No. 207873.
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 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, and New Source Review Permit Nos. 21101 and PSDTX1248, Special Conditions No. 8, as documented during a record review conducted on February 18, 2015. Specifically, the Respondent experienced 100% opacity and released 61,356.72 pounds ("lbs") of carbon monoxide, 5,809.40 lbs of nitrogen oxides, and 69,651.60 lbs of volatile organic compounds (including 2,071 lbs of 1,3-butadiene, 36,044 lbs of ethylene, and 7,598 lbs of propylene) from the Process Flare, Emission Point Number E-24-FLARE, during an avoidable emissions event (Incident No. 207873) that began on December 29, 2014 and lasted 48 hours. The emissions event occurred when the pressure control valve PCV144 was stuck in the closed position due to corrosion. 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.

### 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. 2015-0678-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, Five Thousand Two Hundred Fifty Dollars (\$5,250) 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. 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.
7. 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.
8. Pursuant to 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

*Pamela Marini*  
For the Executive Director

12/2/15  
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

8/25/15  
Date

Michael P Nemeth

Name (Printed or typed)

Port Arthur Plant Manager  
Title

Authorized Representative of  
Chevron Phillips Chemical Company LP

**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: 2015-0678-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Chevron Phillips Chemical Company LP</b>
<b>Penalty Amount:</b>	<b>Ten Thousand Five Hundred Dollars (\$10,500)</b>
<b>SEP Offset Amount:</b>	<b>Five Thousand Two Hundred Fifty Dollars (\$5,250)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Southeast Texas Regional Planning Commission</b>
<b>Project Name:</b>	<b><i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i></b>
<b>Location of SEP:</b>	<b>Jefferson County</b>

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 quality 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

Chevron Phillips Chemical Company LP  
Agreed Order - Attachment A

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.