

**Executive Summary – Enforcement Matter – Case No. 51515
Phillips 66 Company
RN102495884
Docket No. 2015-1729-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Borger Refinery, State Spur 119 North, Borger, Hutchinson County

Type of Operation:

Petroleum refinery

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket Nos. 2015-1408-AIR-E
and 2015-1716-MLM-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: April 29, 2016

Comments Received: No

Penalty Information

Total Penalty Assessed: \$21,288

Amount Deferred for Expedited Settlement: \$4,257

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$8,516

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$8,515

Name of SEP: Texas Association of Resource Conservation and Development
Areas, Inc. (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

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Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: September 22, 2015 through October 2, 2015, October 5, 2015 through October 12, 2015, and October 20, 2015 through October 28, 2015

Date(s) of NOE(s): October 13, 2015, November 2, 2015 and December 4, 2015

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,238 pounds ("lbs") of sulfur dioxide ("SO₂") and 13 lbs of hydrogen sulfide (H₂S) from the Flare, Emission Point Number ("EPN") 66FL12, during an avoidable emissions event (Incident No. 216111) that began on June 20, 2015 and lasted four hours and 25 minutes. The emissions event occurred due to a spike in the Effluent Separator which caused a pressure relief valve to vent to the flare. Since the emissions event was reported late and 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), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O1440, Special Terms and Conditions ("STC") No. 20, and Flexible Permit Nos. 9868A and PSDTX102M7, Special Conditions ("SC") No. 1].

2. Failed to submit the initial notification for a reportable emissions event within 24 hours of discovery. Specifically, Incident No. 216111 was discovered on June 20, 2015 at 2:30 p.m., but was not reported until June 21, 2015 at 4:34 p.m. [30 TEX. ADMIN. CODE § 101.201(a)(1)(B), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O1440, STC No. 2.F].

3. Failed to prevent unauthorized emissions. Specifically, the Respondent experienced 56 percent opacity and released 1,000 lbs of particulate matter from the Unit 40 Fluid Catalytic Cracking Unit ("FCCU") Stack, EPN 40P1, and 55.93 lbs of carbon monoxide, 141.20 lbs of SO₂, 1.53 lbs of H₂S, and 141.55 lbs of volatile organic compounds from the Flare, EPN 66FL12, during an avoidable emissions event (Incident No. 217381) that began on July 16, 2015 and lasted two hours and 42 minutes. The emissions event occurred when the blower surged causing the Unit 40 FCCU Stack to trip which resulted in flaring. 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), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1440, STC No. 20, and Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 1].

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4. Failed to prevent unauthorized emissions. Specifically, the Respondent released 694 lbs of SO₂ and 9 lbs of H₂S from the Flare, EPN 66FL12, during an avoidable emissions event (Incident No. 218202) that began on August 2, 2015 and lasted four minutes. The emissions event occurred due to operator error when the shutdown procedures for the Unit 45 Methyl Mercaptan Unit were not properly followed which led to a pressure relief valve lifting and venting to the flare. 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), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1440, STC No. 20, and Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On June 21, 2015, submitted the initial notification for Incident No. 216111;
- b. By October 15, 2015, provided refresher training on release reporting to the Borger Refinery Environmental Team to ensure the timely submittal of emissions event notifications;
- c. On September 16, 2015, conducted additional operator training on Unit 45 Methyl Mercaptan shutdown procedures and job duties to prevent recurrence of emissions events due to similar causes as Incident No. 218202;
- d. By December 31, 2015, revised the start-up procedure to include a step to verify that the Effluent Separator level is at a maximum of 25 percent before introducing hydrogen sulfide feed to the reactor and a step to shut off the steam to the cooling water inlet of Exchanger 41-MM10 before introducing hydrogen sulfide feed to the reactor, and to investigate increasing Effluent Separator maximum allowable working pressure to allow for normal operating conditions to safely operate at less than 90% of the relief valve set pressure to prevent recurrence of emissions events due to similar causes as Incident No. 216111; and
- e. On January 26, 2016, updated the Unit 40 Blower Governor Program to bypass Transmitter 40PI064 if maintenance is required and added additional input in the maintenance program function location for the transmitter to prevent recurrence of emissions events due to similar causes as Incident No. 217381.

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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

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Eduardo Heras, Enforcement Division,
Enforcement Team 5, MC 149, (512) 239-2422; Melissa Cordell, Enforcement Division,
MC 219, (512) 239-2483

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

Respondent: Peter C. Stynes, Refinery Manager, Phillips 66 Company, P.O. Box 271,
Borger, Texas 79008

Sandy Keys, Environmental Team Leader, Phillips 66 Company, P.O. Box 271, Borger,
Texas 79008

Respondent's Attorney: N/A

Attachment A

Docket Number: 2015-1729-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Phillips 66 Company
Penalty Amount:	Seventeen Thousand Thirty-One Dollars (\$17,031)
SEP Offset Amount:	Eight Thousand Five Hundred Fifteen Dollars (\$8,515)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Texas Association of Resource Conservation and Development Areas, Inc.
Project Name:	<i>Clean Buses Project</i>
Location of SEP:	Texas Air Quality Control Region 211: Amarillo - Lubbock

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 **Texas Association of Resource Conservation and Development Areas, Inc. (“RC&D”)** for the *Clean Buses Project*. The contribution will be used in accordance with the SEP Project Agreement between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to retrofit older diesel buses with lower emissions or clean fuel technology in order to reduce nitrogen oxides air emissions and replace model year 2006 or older buses with lower-emission buses that are model year 2010 or newer for public school districts or public charter schools (the “Project”). RC&D shall ensure that each replacement bus purchased has an engine that meets 2010 EPA standards and that the older bus is taken out of service. The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be 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 it 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

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma.

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 **Texas Association of RC&D SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas Association of RC&D Areas, Inc.
Attn.: Jerry Pearce, Executive Director
P.O. Box 2533
Victoria, Texas 77902

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, as 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 Project, 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

DATES	Assigned	7-Dec-2015	Screening	21-Dec-2015	EPA Due	
	PCW	5-Feb-2016				

RESPONDENT/FACILITY INFORMATION			
Respondent	Phillips 66 Company		
Reg. Ent. Ref. No.	RN102495884		
Facility/Site Region	1-Amarillo	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	51515	No. of Violations	4
Docket No.	2015-1729-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Jessica Schildwachter
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$11,500**

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%** Adjustment **Subtotals 2, 3, & 7** **\$11,500**

Notes: Enhancement for one NOV with same or similar violations, ten orders with denial of liability, and one order without denial of liability. Reduction for 13 notices of intent to conduct an audit and six 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** **-\$1,712**

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

Total EB Amounts	\$617
Estimated Cost of Compliance	\$31,750

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$21,288**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$21,288**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$21,288**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$4,257**

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

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$17,031**

Screening Date 21-Dec-2015

Docket No. 2015-1729-AIR-E

PCW

Respondent Phillips 66 Company

Policy Revision 4 (April 2014)

Case ID No. 51515

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	10	200%
	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	1	25%
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>)	13	-13%
	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>)	6	-12%

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) 205%

>> 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, ten orders with denial of liability, and one order without denial of liability. Reduction for 13 notices of intent to conduct an audit and six disclosures of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 205%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 21-Dec-2015

Docket No. 2015-1729-AIR-E

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Respondent Phillips 66 Company

Policy Revision 4 (April 2014)

Case ID No. 51515

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit ("FOP") No. O1440, Special Terms and Conditions ("STC") No. 20, and Flexible Permit Nos. 9868A and PSDTX102M7, Special Conditions ("SC") No. 1

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,238 pounds ("lbs") of sulfur dioxide ("SO2") and 13 lbs of hydrogen sulfide ("H2S") from the Flare, Emission Point Number ("EPN") 66FL12, during an avoidable emissions event (Incident No. 216111) that began on June 20, 2015 and lasted four hours and 25 minutes. The emissions event occurred due to a spike in the Effluent Separator which caused a pressure relief valve to vent to the flare. Since the emissions event was reported late and 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

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	15.0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

10.0% Reduction \$375

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

Notes The Respondent completed corrective actions by December 31, 2015, after the October 13, 2015 NOE.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$266

Violation Final Penalty Total \$7,125

This violation Final Assessed Penalty (adjusted for limits) \$7,125

Economic Benefit Worksheet

Respondent Phillips 66 Company
Case ID No. 51515
Reg. Ent. Reference No. RN102495884
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	20-Jun-2015	31-Dec-2015	0.53	\$266	n/a	\$266

Notes for DELAYED costs

Estimated cost to revise the start-up procedure to include a step to verify that the Effluent Separator level is at a maximum of 25% before introducing H2S feed to the reactor and a step to shut off the steam to the cooling water inlet of Exchanger 41-MM10 before introducing H2S feed to the reactor, and to investigate increasing the Effluent Separator maximum allowable working pressure to allow for normal operating conditions to safely operate at less than 90% of the relief valve set pressure to prevent recurrence of emissions events due to similar causes as Incident No. 216111. The Date Required is the date of the emissions event 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

\$10,000

TOTAL

\$266

Screening Date 21-Dec-2015

Docket No. 2015-1729-AIR-E

PCW

Respondent Phillips 66 Company

Policy Revision 4 (April 2014)

Case ID No. 51515

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B), Tex. Health & Safety Code § 382.085(b), and FOP No. O1440, STC No. 2.F.

Violation Description

Failed to submit the initial notification for a reportable emissions event within 24 hours of discovery. Specifically, Incident No. 216111 was discovered on June 20, 2015 at 2:30 p.m., but was not reported until June 21, 2015 at 4:34 p.m.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			X

Percent 1.0%

Matrix Notes

The Respondent met at least 70% of the rule requirement.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

10.0%

Reduction \$25

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

Notes The Respondent completed corrective actions by October 15, 2015, after the October 13, 2015 NOE.

Violation Subtotal \$225

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$24

Violation Final Penalty Total \$475

This violation Final Assessed Penalty (adjusted for limits) \$475

Economic Benefit Worksheet

Respondent Phillips 66 Company
Case ID No. 51515
Reg. Ent. Reference No. RN102495884
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$1,500	21-Jun-2015	15-Oct-2015	0.32	\$24	n/a	\$24
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	21-Jun-2015	21-Jun-2015	0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to submit the initial notification for Incident No. 216111 and to provide refresher training on release reporting to the Borger Refinery Environmental Team to ensure the timely submittal of emissions event notifications. The Date Required is the date the initial notification was due. 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

\$1,750

TOTAL

\$24

Screening Date 21-Dec-2015
Respondent Phillips 66 Company
Case ID No. 51515

Docket No. 2015-1729-AIR-E

PCW

Policy Revision 4 (April 2014)
 PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102495884
Media [Statute] Air
Enf. Coordinator Jessica Schildwachter

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a), and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. O1440, STC No. 20, and Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent experienced 56 percent opacity and released 1,000 lbs of particulate matter from the Unit 40 Fluid Catalytic Cracking Unit ("FCCU") Stack, EPN 40P1, and 55.93 lbs of carbon monoxide, 141.20 lbs of SO₂, 1.53 lbs of H₂S, and 141.55 lbs of volatile organic compounds from the Flare, EPN 66FL12, during an avoidable emissions event (Incident No. 217381) that began on July 16, 2015 and lasted two hours and 42 minutes. The emissions event occurred when the blower surged causing the Unit 40 FCCU Stack to trip which resulted in flaring. 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 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

10.0%

Reduction

\$375

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

Notes: The Respondent completed corrective actions on January 26, 2016, after the November 2, 2015 NOE.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$266

Violation Final Penalty Total \$7,125

This violation Final Assessed Penalty (adjusted for limits) \$7,125

Economic Benefit Worksheet

Respondent Phillips 66 Company
Case ID No. 51515
Reg. Ent. Reference No. RN102495884
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$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)	\$10,000	16-Jul-2015	26-Jan-2016	0.53	\$266	n/a	\$266

Notes for DELAYED costs

Estimated cost to update the Unit 40 Blower Governor Program to bypass Transmitter 40PI064 if maintenance is required and add additional input in the maintenance program function location for the transmitter to prevent recurrence of emissions events due to similar causes as Incident No. 217381. The Date Required is the date of the emissions event 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

\$10,000

TOTAL

\$266

Screening Date 21-Dec-2015
Respondent Phillips 66 Company
Case ID No. 51515

Docket No. 2015-1729-AIR-E

PCW

Policy Revision 4 (April 2014)
 PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102495884
Media [Statute] Air
Enf. Coordinator Jessica Schildwachter

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a), and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. O1440, STC No. 20, and Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 694 lbs of SO2 and 9 lbs of H2S from the Flare, EPN 66FL12, during an avoidable emissions event (Incident No. 218202) that began on August 2, 2015 and lasted four minutes. The emissions event occurred due to operator error when the shutdown procedures for the Unit 45 Methyl Mercaptan Unit were not properly followed which led to a pressure relief valve lifting and venting to the flare. 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 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction

\$937

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

Notes: The Respondent completed corrective actions on September 16, 2015, before the December 4, 2015 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$62

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent Phillips 66 Company
Case ID No. 51515
Reg. Ent. Reference No. RN102495884
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

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)	\$10,000	2-Aug-2015	16-Sep-2015	0.12	\$62	n/a	\$62

Notes for DELAYED costs

Estimated cost to conduct additional operator training on Unit 45 Methyl Mercaptan shutdown procedures and job duties to prevent recurrence of emissions events due to similar causes as Incident No. 218202. The Date Required is the date of the emissions event 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

\$10,000

TOTAL

\$62

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 CN604065912, RN102495884, Rating Year 2015 which includes Compliance History (CH) components from September 1, 2010, through August 31, 2015.

Customer, Respondent, or Owner/Operator: CN604065912, Phillips 66 Company **Classification:** SATISFACTORY **Rating:** 8.80

Regulated Entity: RN102495884, BORGER REFINERY **Classification:** SATISFACTORY **Rating:** 21.50

Complexity Points: 51 **Repeat Violator:** NO

CH Group: 02 - Oil and Petroleum Refineries

Location: STATE SPUR 119 NORTH NEAR BORGER, TX, HUTCHINSON COUNTY

TCEQ Region: REGION 01 - AMARILLO

ID Number(s):

POLLUTION PREVENTION PLANNING ID NUMBER
P00529
WASTEWATER PERMIT WQ0001064000
AIR NEW SOURCE PERMITS PERMIT 9868A
AIR NEW SOURCE PERMITS REGISTRATION 11449A
AIR NEW SOURCE PERMITS REGISTRATION 11429A
AIR NEW SOURCE PERMITS REGISTRATION 22777
AIR NEW SOURCE PERMITS PERMIT 43073
AIR NEW SOURCE PERMITS AFS NUM 4823300015
AIR NEW SOURCE PERMITS PERMIT 71385
AIR NEW SOURCE PERMITS REGISTRATION 82659
AIR NEW SOURCE PERMITS PERMIT 85872
AIR NEW SOURCE PERMITS REGISTRATION 90208
AIR NEW SOURCE PERMITS REGISTRATION 87458
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX102M8
AIR NEW SOURCE PERMITS REGISTRATION 98518
AIR NEW SOURCE PERMITS REGISTRATION 99365
AIR NEW SOURCE PERMITS REGISTRATION 105116
AIR NEW SOURCE PERMITS REGISTRATION 99345
AIR NEW SOURCE PERMITS REGISTRATION 105233
AIR NEW SOURCE PERMITS REGISTRATION 107922
AIR NEW SOURCE PERMITS REGISTRATION 105235
AIR NEW SOURCE PERMITS REGISTRATION 107921
AIR NEW SOURCE PERMITS REGISTRATION 105237
AIR NEW SOURCE PERMITS REGISTRATION 114429
AIR NEW SOURCE PERMITS REGISTRATION 131269
AIR NEW SOURCE PERMITS REGISTRATION 105234
AIR NEW SOURCE PERMITS REGISTRATION 119377
AIR NEW SOURCE PERMITS REGISTRATION 106066
AIR NEW SOURCE PERMITS EPA PERMIT GHGPSDTX130
AIR OPERATING PERMITS ACCOUNT NUMBER HW0018P
AIR OPERATING PERMITS PERMIT 2166
UNDERGROUND INJECTION CONTROL PERMIT WDW382
UNDERGROUND INJECTION CONTROL PERMIT
5X2600726
AIR EMISSIONS INVENTORY ACCOUNT NUMBER
HW0018P
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 30111
INDUSTRIAL AND HAZARDOUS WASTE OTS REQUEST
37309

POLLUTION PREVENTION PLANNING ID NUMBER
P07213
WASTEWATER EPA ID TX0009148
AIR NEW SOURCE PERMITS REGISTRATION 11042A
AIR NEW SOURCE PERMITS REGISTRATION 11935A
AIR NEW SOURCE PERMITS REGISTRATION 14441A
AIR NEW SOURCE PERMITS REGISTRATION 34417
AIR NEW SOURCE PERMITS ACCOUNT NUMBER HW0018P
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX102M6
AIR NEW SOURCE PERMITS PERMIT 80799
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1158
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX102M7
AIR NEW SOURCE PERMITS REGISTRATION 90182
AIR NEW SOURCE PERMITS REGISTRATION 87158
AIR NEW SOURCE PERMITS REGISTRATION 95901
AIR NEW SOURCE PERMITS REGISTRATION 96328
AIR NEW SOURCE PERMITS REGISTRATION 100477
AIR NEW SOURCE PERMITS REGISTRATION 99373
AIR NEW SOURCE PERMITS REGISTRATION 102757
AIR NEW SOURCE PERMITS REGISTRATION 114332
AIR NEW SOURCE PERMITS REGISTRATION 118349
AIR NEW SOURCE PERMITS REGISTRATION 105145
AIR NEW SOURCE PERMITS REGISTRATION 115785
AIR NEW SOURCE PERMITS REGISTRATION 112249
AIR NEW SOURCE PERMITS REGISTRATION 114364
AIR NEW SOURCE PERMITS REGISTRATION 104928
AIR NEW SOURCE PERMITS REGISTRATION 105147
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1158M1
AIR NEW SOURCE PERMITS REGISTRATION 129637
AIR NEW SOURCE PERMITS REGISTRATION 105236
AIR OPERATING PERMITS PERMIT 1440
UNDERGROUND INJECTION CONTROL PERMIT WDW380
UNDERGROUND INJECTION CONTROL PERMIT WDW325
IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION
(SWR) 30111
INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50078

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD980626774
INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXP490351878

STORMWATER PERMIT TXR15WO16

LEAKING PETROLEUM STORAGE TANKS REMEDIATION

ID NUMBER 95146

LEAKING PETROLEUM STORAGE TANKS REMEDIATION

ID NUMBER 109760

LEAKING PETROLEUM STORAGE TANKS REMEDIATION

ID NUMBER 95088

Compliance History Period: September 01, 2010 to August 31, 2015 **Rating Year:** 2015 **Rating Date:** 09/01/2015

Date Compliance History Report Prepared: January 20, 2016

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 20, 2011 to January 20, 2016

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: 05/08/2011 ADMINORDER 2010-1795-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Major
Citation: 30 TAC Chapter 122, SubChapter C 122.221(a)
5C THSC Chapter 382 382.0541(a)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: O-01440 OP
Description: Failed to obtain significant revision of the Borger Refinery's federal operating permit, prior to the issuance of the revised federal operating permit in violation of 30 Tex. Admin. Code Ch. 122.221(a) and Tex. Health & Safety Code Ch. 382.0541(a)(1). Specifically, the respondent failed to obtain amendments associated with the modification to the Borger Refinery called the "Gasoline Benzene Reduction Project".

- 2 Effective Date: 11/03/2011 ADMINORDER 2011-0326-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 9868A and PSDTX102M7, SC 1 PERMIT
Description: Failed to prevent unauthorized emissions.
Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter F 116.615(4)
5C THSC Chapter 382 382.085(b)
Description: Failed to submit notification for the start of construction and completion of construction within 15 days of occurrence of the event.
Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter F 116.615(5)
5C THSC Chapter 382 382.085(b)
Description: Failed to submit notification prior to the commencement of operation.
Classification: Moderate
Citation: 30 TAC Chapter 113, SubChapter C 113.1090
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640(a)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: FOP O1440, General Terms and Conditions OP
Description: Failed to maintain the temperature of the stationary reciprocating internal combustion engine exhaust so the

catalyst inlet temperature is greater than or equal to 750°F.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(f)(2)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 9868A and PSDTX102M7, SC 2.B. PERMIT
FOP O1440, ST&C 17.A. OP

Description: Failed to monitor the pilot flame with a thermocouple, an infrared monitor, or equivalent device.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 9868A and PSDTX102M7, SC 27 PERMIT
FOP O1440, ST&C 17.A. OP

Description: Failed to maintain the H2S concentration in the fuel gas used to fire all heaters, boilers, and tail gas incinerators below 162 ppmv.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.650(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT Q 63.427(a)(3)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O1440, General Terms and Conditions OP

Description: Failed to operate and maintain a continuous monitoring system capable of measuring the temperature of the thermal oxidizer.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 9868A and TSDTX102M7, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

3 Effective Date: 02/18/2012 ADMINORDER 2011-1328-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Flexible Permit No. 9868A and PSDTX102M7 PERMIT

Description: The facility failed to prevent unauthorized emissions during the incident No. 152189 by failing to meet the affirmative defense criteria (b)(2) and (b)(3) of the provisions of 30 TAC Chapter 101, §101.222(b). This facility is in violation of the provisions of 30 TAC Chapter 116, §116.715(a) and §382.085(b).

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Flexible Permit No. 9868A and PSDTX102M7 PERMIT

Description: The facility failed to prevent unauthorized emissions during the incident No. 152427 by failing to meet the affirmative defense criteria (b)(2) and (b)(3) of the provisions of 30 TAC Chapter 101, §101.222(b). This facility is in violation of the provisions of 30 TAC Chapter 116, §116.715(a) and §382.085(b).

4 Effective Date: 06/08/2012 ADMINORDER 2011-1680-IHW-E (1660 Order-Agreed Order With Denial)

Classification: Major

Citation: 30 TAC Chapter 335, SubChapter A 335.2(b)
40 CFR Chapter 270, SubChapter I, PT 270, SubPT A 270.1(c)

Rqmt Prov: IV.B.1 PERMIT

Description: Failed to prevent the disposal of an unauthorized hazardous waste into a permitted waste management unit. Specifically, the Respondent disposed of 180 barrels of spent caustic waste (Hazardous Waste Code 2908019H) on July 10, 2011 into a permitted surface impoundment (Permitted Unit No. 2, Notice of Registration Waste Management Unit No. 032) which is a unit not authorized to receive this waste.

- 5 Effective Date: 08/03/2013 ADMINORDER 2011-1891-AIR-E (1660 Order-Agreed Order With Denial)
- Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: FOP O1440, Special Terms and Cond 23 OP
Permit Nos. 9868A and PSDTX102M7, SC 1 PERMIT
Description: Failed to prevent unauthorized emissions. Specifically, the Respondent operated at 90% opacity and released 100,935 pounds ("lbs") of volatile organic compounds, 27,200 lbs of carbon monoxide, 26,600 lbs of particulate matter, 10,678 lbs of sulfur dioxide, 3,200 lbs of nitrogen oxide, 2,397 lbs of methane, 1,023 lbs of nitrogen dioxide, 135 lbs of ethane, 123.6 lbs of hydrogen sulfide, 3.2 lbs of nickel, and 2.37 lbs of lead from EPNs 66FL6, 43I1, 34I1, 66FL3, 66FL4, 40P1, and 66FL2, during two
- 6 Effective Date: 11/16/2013 ADMINORDER 2013-0904-AIR-E (1660 Order-Agreed Order With Denial)
- Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: SC No. 1 PA
Description: Failed to prevent unauthorized emissions during the incident No. 177546 on December 30, 2012. Specifically, the incident failed the affirmative defense criteria of 30 TAC Chapter 101, §101.222(b)(2) and §101.222(b)(3).
- 7 Effective Date: 10/27/2014 ADMINORDER 2013-2001-AIR-E (1660 Order-Agreed Order With Denial)
- Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: SC No. 1 PA
SC No. 20 OP
Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 975 lbs of sulfur dioxide, 27 lbs of VOC, 11 lbs of H2S, 5 lbs of hydrogen, 3 lbs of CO, and 3 lbs of NOX from EPN 66FL12 during an emissions event (Incident No. 182214) that began on April 29, 2013 and lasted one hour and 15 minutes. The event occurred when a relief valve on the Unit 42 Gas Oil Hydrosulfurization Unit lifted prematurely and the vapors were routed to the flare.
Classification: Minor
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: SC No. 20 OP
SC No. 8(C) PA
Description: Failed to maintain the required daily records for each vacuum truck in operation at the Plant. Specifically, records were not available for September 26 and October 20, 2012.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: SC No. 2(C) PA
SC No. 20 OP
Description: Failed to operate the flare with no visible emissions except periods not to exceed a total of five minutes during any two consecutive hours. Specifically, visible emissions were observed from Flare 66FL3 for more than five minutes during two consecutive hours on May 29, 2012.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: SC No. 10 PA
SC No. 20 OP
Description: Failed to operate the Sulfur Recovery Unit ("SRU") Tail Gas Incinerators ("TGI") with no visible emissions

except for uncombined steam. Specifically, visible emissions were observed from the SRU 34 TGI stack during startup on December 6, 2012.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC No. 20 OP
SC No. 22 PA

Description: Failed to maintain the concentration of carbon monoxide ("CO") in the Fluid Catalytic Cracking Unit ("FCCU") 40 stack at less than 500 parts per million by volume ("ppmv") on an hourly average at zero percent oxygen when venting through the stack. Specifically, the CO concentration was greater than 500 ppmv in the FCCU 40 stack on January 9 and 31, June 5 and 13, and December 13, 16, and 18, 2012.

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)

Rqmt Prov: SC No. 1(A) PA
SC No. 20 OP

Description: Failed to maintain the concentration of CO at less than 50 ppm by dry volume ("ppmvd") on a three hour block average for Emissions Point Number ("EPN") SKIDBLR. Specifically, the CO emissions were greater than 50 ppmvd on January 27, June 4 and 5, July 14, and November 26, 2012.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Part 60, Subpart QQQ 60.698(b)(1)
5C THSC Chapter 382 382.085(b)

Description: Failed to submit complete semiannual reports for 40 CODE OF FEDERAL REGULATIONS ("CFR") Part 60, Subpart QQQ. Specifically, the semiannual reports submitted for 2010 through 2012 did not include a certification statement that all of the required inspections had been carried out in accordance with 40 CFR Part 60, Subpart QQQ.

8 Effective Date: 12/07/2014 ADMINORDER 2014-0252-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC No. 2(B) PA
SC No. 20 OP

Description: Failed to operate the H2S Flare, EPN 66FL6, with a constant pilot flame. Specifically, the pilot flame was out on July 11, July 14, and November 11, 2010 due to rainstorms and a lack of fuel gas.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 113, SubChapter C 113.1090
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640(a)
5C THSC Chapter 382 382.085(b)

Description: Failed to maintain the exhaust temperature of a stationary reciprocating combustion engine so that the catalyst inlet temperature is greater than or equal to 750°F. Specifically, the four hour average catalyst inlet temperature for Engine 43 fell below 750°F for 18 hours on March 8 and 9, 2011 due to equipment damage.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC No. 20 OP
SC No. 8 PA

Description: Failed to maintain the incinerator firebox exit temperature at or above 1,180°F. Specifically, the firebox exit temperature of tail gas incinerator ("TGI") 43 fell below 1,180°F for one hour on January 6, 2011 during a process upset.

Classification: Minor

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

Description: Failed to submit a complete final record for Incident No. 163677. Specifically, the final record did not include emissions from EPN 66FL3 although it was involved in the event.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC No. 1 PA
SC No. 20 OP

Description: Failed to prevent unauthorized emissions. The Respondent released 3,145 lbs of SO₂, 47 lbs of VOC, 34 lbs of H₂S, 15 lbs of CO, and 8 lbs of NO_x from EPNs 66FL12, 66FL3, and 66FL1 during an avoidable emissions event (Incident No. 164088) that began on January 25, 2012 and lasted one hour. The event occurred when the Unit 42 Flash Gas Compressor was shut down due to liquid carry over from the Unit 42 Naphtha Flash Drum when two high pressure Naphtha circulation pumps failed to perform.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC No. 1 PA
SC No. 20 OP

Description: Failed to prevent unauthorized emissions. The Respondent experienced 62% opacity and released 17,400 lbs of PM, 177 lbs of NO_x, 149 lbs of VOC, 60 lbs of CO, 15 lbs of SO₂, 2.6 lbs of nickel, and 0.5 lb of lead from EPNs 66FL12 and 85B2 during an avoidable emissions event (Incident No. 164725) that began on February 11, 2012 and lasted 20 hours and 42 minutes. The event occurred when the steam supply to the Plant was interrupted due to shut down of Unit 2 at the Blackhawk Power Plant.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC No. 1 PA
SC No. 20 OP

Description: Failed to prevent unauthorized emissions. The Respondent experienced 74% opacity and released 5,427 lbs of CO, 4,420 lbs of PM, 22.9 lbs of VOC, 223.9 lbs of SO₂, 86 lbs of NO_x, 2.3 lbs of nickel, and 0.2 lb of lead from EPNs 66FL12, 40P1, 43I1, and 34I1 during an avoidable emissions event (Incident No. 163677) that began on 1/12/12 and lasted 22 hours & 8 minutes. The event occurred when the steam supply to the Plant was interrupted due to shut down of Unit2 at the Blackhawk Power Plant.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC No. 1 PA
SC No. 20 OP

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent experienced 94% opacity and released 25,245 lbs of PM, 569 lbs of CO, 3 lbs of nickel, and 1 lb of lead from EPN 29P1 during an avoidable emissions event (Incident No. 166118) that began on March 20, 2012 and lasted 20 hours. The event occurred when the Fluid Catalytic Cracking Unit No. 29 was shut down to repair the leaking catalyst transfer line.

9 Effective Date: 02/06/2015 ADMINORDER 2013-0502-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP No. O1440, STC No. 20 OP
SC No. 1 PA

Description: Failed to prevent unauthorized emissions. Respondent experienced 96% opacity and released 63,000 lbs of PM, 5,101 lbs of CO, 435 lbs of SO₂, 349.71 lbs of VOC, 25 lbs of nickel, 24.12 lbs of NO_x, 5.36 lbs of H₂S, and 3 lbs of lead from EPNs 66FL12 and 40P1 during an avoidable emissions event (Incident No. 168376) that began on May 13, 2012 and lasted 334 hours and 48 minutes. The event occurred when the steam supply to the Plant was interrupted due to shut down of Unit 1 at the Blackhawk Power

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP No. O1440, STC No. 20 OP
SC No. 1 PA

Description: Failed to prevent unauthorized emissions. Respondent experienced 90% opacity and released 6,800 lbs of PM, 3.5 lbs of nickel, and 0.3 lb of lead from EPN 40P1 during an avoidable emissions event (Incident No. 167930) that began on April 29, 2012 and lasted 16 hours and 11 minutes. The event occurred when the steam supply to the Plant was interrupted due to shut down of Unit 1 at the Blackhawk Power Plant.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP No. O1440, STC No. 20 OP
SC No. 1 PA

Description: Failed to prevent unauthorized emissions. The Respondent released 1,200 lbs of SO₂, 98.88 lbs of VOC, 28.53 lbs of CO, 14 lbs of H₂S, and 9.15 lbs of NO_x from EPN 66FL12 during an emissions event (Incident No. 169193) that began on June 1, 2012 and lasted 49 minutes. The event occurred when the Unit 50 Coker Wet Gas Compressor shut down due to a faulty vibration probe, which resulted in flaring from the Coker fractionators overhead.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP O-1440, STC No. 20 OP
SC No. 1 PA

Description: Failed to prevent unauthorized emissions. the Respondent experienced 74% opacity and released 18,600 lbs of PM, 5,019 lbs of CO, 6 lbs of nickel, and 0.32 lb of lead from EPN 40P1 during an emissions event (Incident No. 177008) that began on December 10, 2012 and lasted 21 hours and 47 minutes. The event occurred when the Unit 40 Boiler tripped due to a false level indication caused by a lack of steam tracing or insulation of the unit.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)
5C THSC Chapter 382 382.085(b)

Description: Failed to submit a final record for Incident No. 169193 no later than two weeks after the end of the emissions event. Specifically, the final report was due by June 15, 2012, but was not submitted until June 18, 2012.

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Effective Date: 04/09/2015 ADMINORDER 2014-1204-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: FOP No. O1440, STC Nos. 20 & 24A OP
SC No. 8 PA

Description: Failed to maintain the required minimum firebox exit temperature of 1,170 degrees Fahrenheit ("°F") for Tail Gas Incinerator 34, Emission Point Number ("EPN") 3411. Specifically, the firebox exit temperature for EPN 3411 fell below 1,170°F on December 7, 2013 for one hour and on December 31, 2013 for three hours.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC No. 17 PA
SC No. 20 OP
SC No. 24A OP

Description: Failed to maintain complete records of the caustic concentration of the neutralization solution used in the caustic scrubber system for a period of three years. Specifically, it was documented during the investigation that approximately nine percent of caustic concentration records were missing.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: Flex. Permit No. 9868A, SC No. 47B PERMIT

SC No. 20 OP

SC No. 24A OP

Description: Failed to perform emissions testing no later than 14 days following maintenance performed on the air/fuel ratio controller, sensor, catalyst, or engine. Specifically, the oxygen sensor for Engine 42 was changed on June 21, 2012,

but the emissions testing was not performed by July 5, 2012.

11 Effective Date: 07/17/2015 ADMINORDER 2014-1119-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC No. 1 PA

SC No. 20 OP

Description: Failed to prevent unauthorized emissions. Respondent experienced 91% opacity and released 87,200 lbs of PM, 5,000 lbs of CO, 29.7 lbs of nickel, and 2.3 lbs of lead from the Unit 40 Fluidized Catalytic Cracking Unit Stack, EPN 40P1, and 0.01 lb of H₂S, 900 lbs of propane, 650 lbs of SO₂, 270 lbs of NO_x, and 1,300 lbs of CO from the Gas Oil Hydrodesulfurization Unit Hydrocarbon Flare, EPN 66FL12, during an emissions event (Incident No. 162503) that began on December 6, 2011 and lasted 225 hours.

Classification: Moderate

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

Rqmt Prov: STC No. 2 OP

Description: Failed to submit an accurate final report for Incident No. 162503. Specifically, the final report for Incident No. 162503 did not contain accurate quantities of the compounds emitted and did not identify the correct source of the emissions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	February 01, 2011	(890887)
Item 2	February 03, 2011	(892932)
Item 3	March 18, 2011	(864531)
Item 4	May 19, 2011	(921431)
Item 5	July 11, 2011	(937169)
Item 6	July 14, 2011	(937214)
Item 7	July 21, 2011	(937524)
Item 8	August 10, 2011	(942876)
Item 9	October 05, 2011	(937579)
Item 10	October 06, 2011	(957987)
Item 11	October 11, 2011	(962081)
Item 12	November 01, 2011	(964373)
Item 13	November 10, 2011	(968250)
Item 14	November 22, 2011	(969323)
Item 15	January 23, 2012	(981085)
Item 16	February 27, 2012	(988952)
Item 17	March 16, 2012	(994450)
Item 18	June 20, 2012	(1014304)
Item 19	September 14, 2012	(1030291)
Item 20	November 07, 2012	(1042066)
Item 21	December 06, 2012	(1050402)
Item 22	December 21, 2012	(1052288)
Item 23	February 05, 2013	(1055773)

Item 24	February 08, 2013	(1057597)
Item 25	February 11, 2013	(1057772)
Item 26	March 08, 2013	(1073019)
Item 27	March 15, 2013	(1073715)
Item 28	March 26, 2013	(1075828)
Item 29	May 09, 2013	(1088079)
Item 30	June 17, 2013	(1095137)
Item 31	June 20, 2013	(1099601)
Item 32	September 16, 2013	(1116551)
Item 33	October 09, 2013	(1123056)
Item 34	November 01, 2013	(1128254)
Item 35	November 19, 2013	(1133096)
Item 36	January 21, 2014	(1140203)
Item 37	February 04, 2014	(1145611)
Item 38	February 07, 2014	(1146547)
Item 39	February 27, 2014	(1151767)
Item 40	February 28, 2014	(1145761)
Item 41	March 17, 2014	(1156717)
Item 42	March 25, 2014	(1157616)
Item 43	April 02, 2014	(1114937)
Item 44	April 03, 2014	(1158956)
Item 45	May 02, 2014	(1164209)
Item 46	June 12, 2014	(1172297)
Item 47	July 08, 2014	(1177614)
Item 48	July 09, 2014	(1179555)
Item 49	July 14, 2014	(1183476)
Item 50	July 31, 2014	(1185627)
Item 51	August 06, 2014	(1186405)
Item 52	August 08, 2014	(1184585)
Item 53	August 13, 2014	(1186974)
Item 54	August 26, 2014	(1191193)
Item 55	September 15, 2014	(1138637)
Item 56	November 04, 2014	(1204890)
Item 57	November 12, 2014	(1208739)
Item 58	November 14, 2014	(1208810)
Item 59	November 17, 2014	(1209295)
Item 60	November 21, 2014	(1210089)
Item 61	December 11, 2014	(1180399)
Item 62	January 09, 2015	(1217296)
Item 63	January 14, 2015	(1217662)
Item 64	January 21, 2015	(1221376)
Item 65	February 10, 2015	(1223877)
Item 66	February 17, 2015	(1227756)
Item 67	February 24, 2015	(1227602)
Item 68	February 27, 2015	(1229180)
Item 69	March 23, 2015	(1230331)
Item 70	April 14, 2015	(1245583)
Item 71	April 15, 2015	(1245786)
Item 72	April 28, 2015	(1247348)
Item 73	May 27, 2015	(1253159)
Item 74	June 04, 2015	(1253864)
Item 75	June 22, 2015	(1259857)
Item 76	July 10, 2015	(1259829)
Item 77	July 14, 2015	(1261971)
Item 78	July 15, 2015	(1266118)
Item 79	July 27, 2015	(1266652)
Item 80	July 29, 2015	(1266511)
Item 81	July 31, 2015	(1267936)
Item 82	August 06, 2015	(1267731)
Item 83	August 18, 2015	(1268439)

Item 84	August 21, 2015	(1261524)
Item 85	September 04, 2015	(1276031)
Item 86	September 10, 2015	(1276452)
Item 87	October 13, 2015	(1286733)
Item 88	October 30, 2015	(1288361)
Item 89	November 02, 2015	(1288407)
Item 90	December 05, 2015	(1295627)
Item 91	December 15, 2015	(1299780)

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: 07/29/2015 (1240245) CN604065912
- Self Report? NO Classification: Moderate
- Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT W 60.482-1(a)
5C THSC Chapter 382 382.085(b)
SC No. 1 OP
SC No. 31(A) PA
- Description: The facility is in violation of the provisions of 40 CFR §60.482-1(a), 5C THSC §382.085(b), 30 TAC §122.143(4), 30 TAC §116.715(a), special condition No. 31(A) of the permit No. 9868A, and special condition No. 1 of the permit No. O1440 for failing to identify and monitor several components, subject to the LDAR program.
- Self Report? NO Classification: Moderate
- Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(c)(2)
5C THSC Chapter 382 382.085(b)
SC No. 1 OP
SC No. 31(A) PA
- Description: The facility is in violation of the provisions of 40 CFR §60.482-2(c)(2), 5C THSC §382.085(b), 30 TAC §122.143(4), 30 TAC §116.715(a), special condition No. 31(A) of the permit No. 9868A, and special condition No. 1 of the permit No. O1440 for failing to meet the first attempt requirements of Subpart VV for the leaking pumps, subject to the LDAR program.
- Self Report? NO Classification: Moderate
- Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(2)
5C THSC Chapter 382 382.085(b)
SC No. 1 OP
SC No. 31(A) PA
- Description: The facility is in violation of the provisions of 40 CFR §60.482-7(d)(2), 5C THSC §382.085(b), 30 TAC §122.143(4), 30 TAC §116.715(a), special condition No. 31(A) of the permit No. 9868A, and special condition No. 1 of the permit No. O1440 for failing to meet the first attempt requirements of Subpart VV for the leaking valves, subject to the LDAR program.
- Self Report? NO Classification: Moderate
- Citation: 30 TAC Chapter 113, SubChapter C 113.1090
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6605(b)
5C THSC Chapter 382 382.085(b)
SC No. 10 OP
- Description: The facility is in violation of the provisions of 40 CFR 63 Subpart ZZZZ, §63.6605(b), 5C THSC §382.085(b), 30 TAC §122.143(4), 30 TAC §113.1090, and special condition No. 10 of the SOP permit No. O1440 by failing to operate the emission parameter monitoring system in an efficient manner.
- Self Report? NO Classification: Moderate
- Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC No. 20 OP
SC No. 54(B) PA
- Description: The facility is in violation of the special condition No. 54(B) of the permit No. 9868A, 30 TAC §116.715(a), special condition No. 20 of the SOP No. O1440, 30 TAC §122.143(4), and 5C THSC §382.085(b) by failing to conduct a quarterly CGA.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC No. 13 PA
SC No. 20 OP
Description: The facility is in violation of the special condition No. 13 of the permit No. 9868A,
30 TAC §116.715(a), special condition No. 20 of the SOP No. O1440, 30 TAC
§122.143(4), and 5C THSC §382.085(b) by failure to record the sulfur loading
times.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.103(a)
5C THSC Chapter 382 382.085(b)
SC No. 20 OP
SC No. 23 PA
Description: The facility is in violation of the special condition No. 23 of the permit No. 9868A,
30 TAC §116.715(a), 40 CFR §60.103(a), special condition No. 20 of the SOP No.
O1440, 30 TAC §122.143(4), and 5C THSC §382.085(b) by failure to comply with
the allowable CO concentrations in Unit 40.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(2)(i)
5C THSC Chapter 382 382.085(b)
SC No. 20 OP
SC Nos. 10 and 11 PA
Description: The facility is in violation of the special conditions No. 10 and 11 of the permit No.
9868A, 30 TAC §116.715(a), 40 CFR §60.104(a)(2)(i), special condition No. 20 of
the SOP No. O1440, 30 TAC §122.143(4), and 5C THSC §382.085(b) by failure to
operate the SRU Thermal Reactor without visible emissions.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC No. 15 PA
SC No. 20 OP
Description: The facility is in violation of the special condition No. 15 of the permit No. 9868A,
30 TAC §116.715(a), special condition No. 20 of the SOP No. O1440, 30 TAC
§122.143(4), and 5C THSC §382.085(b) by failure to exceeding the H2S
concentration in the sulfur pit.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)
5C THSC Chapter 382 382.085(b)
SC No. 1 OP
SC No. 31(A) PA
Description: The facility is in violation of the provisions of 40 CFR §60.487(c), 5C THSC
§382.085(b), 30 TAC §122.143(4), 30 TAC §116.715(a), special condition No.
31(A) of the permit No. 9868A, and special condition No. 1 of the SOP permit No.
O1440 by failing to comply with the DOR provisions of Subpart VV.

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)
SC No. 20 OP
SC No. 6(A) PA
Description: The facility is in violation of the special condition No. 6(A) of the permit No.
80799, 30 TAC §116.115(c), special condition No. 20 of the SOP No. O1440, 30
TAC §122.143(4), and 5C THSC §382.085(b) by failure to comply with the
operation of the storage tanks by maintaining a storage tank greater than 24 hours
on its legs.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(2)(i)
40 CFR Part 63, Subpart UUU 63.1568(c)(1)
5C THSC Chapter 382 382.085(b)
SC No. 20 OP

SC Nos. 29 and 31 PA

Description: The facility is in violation of the special conditions 29 and 31 of the permit No. 9868A, 30 TAC §116.715(a), special condition No. 20 of the SOP No. O1440, 30 TAC §122.143(4), 5C THSC §382.085(b), 40 CFR §60.104(a)(2)(i), and 40 CFR §63.1568(c)(1) by failure to comply with the SO2 emission limits for Unit 34 SRU.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(8)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Description: The facility is in violation of 30 TAC §116.715(c)(8), §122.143(4), and 5C THSC §382.085(b) by failure to comply with the permit representation for Unit 41 ammonia emissions.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)
5C THSC Chapter 382 382.085(b)
SC No. 2(B) PA
SC No. 20 OP

Description: The facility is in violation of the special condition No. 2(B) of the permit No. 9868A, 30 TAC §116.715(a), special condition No. 20 of the SOP No. O1440, 30 TAC §122.143(4), 5C THSC §382.085(b), 40 CFR §60.18(c)(2), and 40 CFR §63.11(b) by failure to maintain a flare's pilot flame.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC No. 20 OP
SC No. 32 PA

Description: The facility is in violation of the special conditions No. 32 of the permit No. 9868A, 30 TAC §116.715(a), special condition No. 20 of the SOP No. O1440, 30 TAC §122.143(4), and 5C THSC §382.085(b) by exceeding the visible emissions limits.

F. Environmental audits:

Notice of Intent Date: 02/14/2011 (901451)
No DOV Associated

Notice of Intent Date: 07/10/2012 (1022848)
Disclosure Date: 03/28/2013

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(1)

Description: Failed to monitor 223 valves that were not included in the LDAR inventory.

Viol. Classification: Minor

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(h)(1)

Description: Failed to correctly classify a valve, as it was incorrectly classified as difficult to monitor.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(g)(2)

Description: Failure to have a monitoring plan for UTM's and failed to keep records regarding monitoring of UTM's

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)

Description: Six open ended lines were observed in the field.

Viol. Classification: Minor

Citation: 40 CFR Part 60, Subpart VV 60.482-8
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-8(a)(1)

Description: Failed to perform AVO Method 21 follow-up inspections on 3 occasions.

Viol. Classification: Minor

Citation: 40 CFR Part 60, Subpart VV 60.482-9

Description: Failed to appropriately classify Valve No. 42256 and 73 pumps as they were classified as difficult to repair. Spare pumps were available.

Viol. Classification: Minor

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(1)

Description: There were 5 occasions where a component was moved to quarterly monitoring without having completed

2 consecutive months of monitoring.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1
40 CFR Part 60, Subpart VV 60.482-7

Description: Failed to inspect/monitor 98 valves.

Viol. Classification: Minor

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)

Description: Failed to include information related to late repairs performed during the relevant reporting periods on the July 31, 2011 and January 31, 2012 semiannual VV reports.

Notice of Intent Date: 07/11/2013 (1104174)

Disclosure Date: 12/23/2013

Viol. Classification: Moderate

Citation: 40 CFR Part 60, Subpart VV 60.482-10
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-10(g)(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-10(g)(2)

Description: Failed to repair a PRV (LDAR #93-N704 in U40) that was identified as leaking as it was not repaired in 5 days that was due on 12/1/13, and it was also not repaired in 15 days that was due on 12/11/13. This was due to a database error.

Notice of Intent Date: 08/09/2013 (1114397)

Disclosure Date: 07/29/2014

Viol. Classification: Minor

Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6600

Description: Failed to perform the initial test 180 days after becoming subject to 40 CFR 63 Subpart ZZZZ and 40 CFR 60 Subpart III. The notification was due 60 days prior to the test. In addition, the company failed to submit the initial notification 180 days after becoming subject to the rule.

Viol. Classification: Minor

Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6645(h)

Description: Failed to submit notice of compliance status 30 days after compliance demonstration.

Viol. Classification: Major

Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)

Description: Failed to have authorization for a 1490 horsepower generator engine.

Viol. Classification: Major

Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)

Description: Failed to have a permit for the air compressor at the Coker.

Viol. Classification: Major

Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)

Description: Failed to have a permit for the Unit 11 air compressor.

Viol. Classification: Major

Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)

Description: Failed to have a permit for the Unit C6 air compressor.

Viol. Classification: Major

Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)

Description: Failed to have a permit for the Unit 29 air compressor.

Viol. Classification: Major

Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)

Description: Failed to have a permit for the Unit 40 air compressor.

Viol. Classification: Major

Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)

Description: Failed to have a permit for the Unit 43 air compressor.

Viol. Classification: Major

Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)

Description: Failed to have a permit for the pump at the Off-test area.

Viol. Classification: Major

Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)
Description: Failed to have a permit for the pump at the South Oil Solids area.
Viol. Classification: Major
Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)
Description: Failed to have a permit for the pump at the North Holding area.
Viol. Classification: Major
Citation: 30 TAC Chapter 106, SubChapter W 106.512(1)
30 TAC Chapter 106, SubChapter W 106.512(2)(A)
Description: Failed to have a permit for the pump at the North Oily Solids area.
Notice of Intent Date: 09/23/2013 (1122778)

No DOV Associated

Notice of Intent Date: 04/07/2014 (1163490)
Disclosure Date: 03/03/2015
Viol. Classification: Minor
Citation: 40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.32
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.33
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)
Description: Failed to have correct labels, shipping documentation, placards, and hazardous waste manifests on containers and rollofs. Specifically, four trucks loaded with 9 flow bins of spent isomerization catalyst were inspected and the following deficiencies were noted: Four bins had two different labels on them, and an engineering label identifying contents and a shipping name. Trucks were incorrectly placarded as UN3190 but should have been UN3088. Manifests were incorrect regarding contents and s
Viol. Classification: Minor
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT K 60.113(b)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.351(a)(1)
Description: Failed to visually inspect floating roof tanks V649, V650 and 1072 in 2013. They are required to be inspected every 12 months.

Notice of Intent Date: 05/30/2014 (1173714)
No DOV Associated

Notice of Intent Date: 08/20/2014 (1192575)
No DOV Associated

Notice of Intent Date: 08/21/2014 (1192581)
Disclosure Date: 09/04/2015
Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.120
40 CFR Chapter 60, SubChapter C, PT 60, SubPT W 60.482-1
Description: There were 4,899 LDAR components discovered missing from the LDAR database and/or not physically tagged during an internal LDAR inventory review for the Borger Refinery Area A.

Notice of Intent Date: 10/23/2014 (1204627)
No DOV Associated

Notice of Intent Date: 02/18/2015 (1228601)
Disclosure Date: 08/14/2015
Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.120
Description: Failed to initially monitor 351 components within 15 days.

Notice of Intent Date: 06/11/2015 (1259753)
No DOV Associated

Notice of Intent Date: 06/10/2015 (1259756)
No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
PHILLIPS 66 COMPANY
RN102495884**

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

AGREED ORDER DOCKET NO. 2015-1729-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 Phillips 66 Company ("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 petroleum refinery located at State Spur 119 North near Borger, Hutchinson 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 notices of the violations alleged in Section II ("Allegations") on or about October 18, 2015, November 7, 2015, and December 9, 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 Twenty-One Thousand Two Hundred Eighty-Eight Dollars (\$21,288) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eight Thousand Five Hundred Sixteen Dollars (\$8,516) of the administrative penalty and Four Thousand Two

Hundred Fifty-Seven Dollars (\$4,257) 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. Eight Thousand Five Hundred Fifteen Dollars (\$8,515) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On June 21, 2015, submitted the initial notification for Incident No. 216111;
 - b. By October 15, 2015, provided refresher training on release reporting to the Borger Refinery Environmental Team to ensure the timely submittal of emissions event notifications;
 - c. On September 16, 2015, conducted additional operator training on Unit 45 Methyl Mercaptan shutdown procedures and job duties to prevent recurrence of emissions events due to similar causes as Incident No. 218202;
 - d. By December 31, 2015, revised the start-up procedure to include a step to verify that the Effluent Separator level is at a maximum of 25% before introducing hydrogen sulfide ("H₂S") feed to the reactor and a step to shut off the steam to the cooling water inlet of Exchanger 41-MM10 before introducing H₂S feed to the reactor, and to investigate increasing Effluent Separator maximum allowable working pressure to allow for normal operating conditions to safely operate at less than 90% of the relief valve set pressure to prevent recurrence of emissions events due to similar causes as Incident No. 216111; and
 - e. On January 26, 2016, updated the Unit 40 Blower Governor Program to bypass Transmitter 40PI064 if maintenance is required and added additional input in the maintenance program function location for the transmitter to prevent recurrence of emissions events due to similar causes as Incident No. 217381.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O1440, Special Terms and Conditions ("STC") No. 20, and Flexible Permit Nos. 9868A and PSDTX102M7, Special Conditions ("SC") No. 1, as documented during a record review conducted from September 22, 2015 through October 2, 2015. Specifically, the Respondent released 1,238 pounds ("lbs") of sulfur dioxide ("SO₂") and 13 lbs of H₂S from the Flare, Emission Point Number ("EPN") 66FL12, during an avoidable emissions event (Incident No. 216111) that began on June 20, 2015 and lasted four hours and 25 minutes. The emissions event occurred due to a spike in the Effluent Separator which caused a pressure relief valve to vent to the flare. Since the emissions event was reported late and could have been avoided through better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
2. Failed to submit the initial notification for a reportable emissions event within 24 hours of discovery, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O1440, STC No. 2.F., as documented during a record review conducted from September 22, 2015 through October 2, 2015. Specifically, Incident No. 216111 was discovered on June 20, 2015 at 2:30 p.m., but was not reported until June 21, 2015 at 4:34 p.m.
3. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1440, STC No. 20, and Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 1, as documented during a record review conducted from October 5, 2015 through October 12, 2015. Specifically, the Respondent experienced 56 percent opacity and released 1,000 lbs of particulate matter from the Unit 40 Fluid Catalytic Cracking Unit ("FCCU") Stack, EPN 40P1, and 55.93 lbs of carbon monoxide, 141.20 lbs of SO₂, 1.53 lbs of H₂S, and 141.55 lbs of volatile organic compounds from the Flare, EPN 66FL12, during an avoidable emissions event (Incident No. 217381) that began on July 16, 2015 and lasted two hours and 42 minutes. The emissions event occurred when the blower surged causing the Unit 40 FCCU Stack to trip which resulted in flaring. 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.
4. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP

No. O1440, STC No. 20, and Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 1, as documented during a record review conducted from October 20, 2015 through October 28, 2015. Specifically, the Respondent released 694 lbs of SO₂ and 9 lbs of H₂S from the Flare, EPN 66FL12, during an avoidable emissions event (Incident No. 218202) that began on August 2, 2015 and lasted four minutes. The emissions event occurred due to operator error when the shutdown procedures for the Unit 45 Methyl Mercaptan Unit were not properly followed which led to a pressure relief valve lifting and venting to the flare. 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: Phillips 66 Company, Docket No. 2015-1729-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, Eight Thousand Five Hundred Fifteen Dollars (\$8,515) 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. 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

Date

Ramona
For the Executive Director

7/7/16
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.

Peter C. Stynes
Signature

Mar. 24, 2016
Date

Peter C. Stynes
Name (Printed or typed)
Authorized Representative of
Phillips 66 Company

Refinery Manager
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2015-1729-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Phillips 66 Company
Penalty Amount:	Seventeen Thousand Thirty-One Dollars (\$17,031)
SEP Offset Amount:	Eight Thousand Five Hundred Fifteen Dollars (\$8,515)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Texas Association of Resource Conservation and Development Areas, Inc.
Project Name:	<i>Clean Buses Project</i>
Location of SEP:	Texas Air Quality Control Region 211: Amarillo - Lubbock

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 **Texas Association of Resource Conservation and Development Areas, Inc. (“RC&D”)** for the *Clean Buses Project*. The contribution will be used in accordance with the SEP Project Agreement between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to retrofit older diesel buses with lower emissions or clean fuel technology in order to reduce nitrogen oxides air emissions and replace model year 2006 or older buses with lower-emission buses that are model year 2010 or newer for public school districts or public charter schools (the “Project”). RC&D shall ensure that each replacement bus purchased has an engine that meets 2010 EPA standards and that the older bus is taken out of service. The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

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

Phillips 66 Company
Agreed Order - Attachment A

The Respondent's signature affixed to this Agreed Order certifies that it 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

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma.

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 **Texas Association of RC&D SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas Association of RC&D Areas, Inc.
Attn.: Jerry Pearce, Executive Director
P.O. Box 2533
Victoria, Texas 77902

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, as 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 Project, 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.