

Executive Summary – Enforcement Matter – Case No. 47827

Phillips 66 Company

RN101619179

Docket No. 2013-1942-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

People or environmental receptors have been exposed to pollutants which exceed levels that are protective.

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Sweeny Refinery, located at the intersection of State Highway 35 and Farm-to-Market Road 524, Old Ocean, Brazoria County

Type of Operation:

Chemical refinery

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: July 4, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$40,000

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$20,000

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$20,000

Name of SEP: Texas Congress of Parents and Teachers dba Texas PTA

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: \$18,750

Applicable Penalty Policy: September 2011

Executive Summary – Enforcement Matter – Case No. 47827
Phillips 66 Company
RN101619179
Docket No. 2013-1942-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: May 6, 2013 and October 28, 2013 through November 11, 2013

Date(s) of NOE(s): September 13, 2013 and December 20, 2013

Violation Information

1. Failed to prevent unauthorized emissions from multiple units during an event that occurred on April 16, 2013 (Incident No. 181782) and lasted 11 hours. Since the emissions event was avoidable by implementing better operational practices, the emissions event does not meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 111.111(a)(1)(B), and 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review ("NSR") Permit Nos. 5920A and PSDTX103M4, Special Conditions ("SC") No. 1, and NSR Permit No. 7467A, SC No. 1].

2. Failed to prevent unauthorized emissions during an event that occurred on October 7, 2013 (Incident No. 189207) and lasted four hours. Since the emissions event was avoidable by implementing better maintenance practices, the emissions event does not meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and NSR Permit Nos. 5920A and PSDTX103M4, SC No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

a. On April 26, 2013, added an operations car seal lock to the 12-inch valve on the Sea Gas Outlet Separator line, securing it in the open position and determined if any other valves should be additionally locked to prevent inadvertent interruption of natural gas supply;

b. On August 30, 2013, developed, posted, and established a process to maintain signage at the Sea Gas Separator that included a warning, contact information, and minimum operation development; and

c. On September 3, 2013, created a team to develop a process to ensure communication, documentation, and coordination for jobs involving personnel from Respondent assets that are maintained by pipeline organizations.

Executive Summary – Enforcement Matter – Case No. 47827

Phillips 66 Company

RN101619179

Docket No. 2013-1942-AIR-E

Technical Requirements:

1. The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)
2. The Order will also require the Respondent to:
 - a. Within 30 days, implement training and operating procedures designed to prevent unauthorized emissions due to the same cause as the emissions event that occurred on October 7, 2013 (Incident No. 189207); and
 - b. Within 45 days, submit written certification to demonstrate compliance with Ordering Provision a.

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Rajesh Acharya, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-0577; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

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

Respondent: Willie Tempton, General Manager, Phillips 66 Company, P.O. Box 866, Sweeny, Texas 77480

Gary Freiburger, Plant Manager, Phillips 66 Company, P.O. Box 866, Sweeny, Texas 77480

Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-1942-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Phillips 66 Company
Penalty Amount:	Forty Thousand Dollars (\$40,000)
SEP Offset Amount:	Twenty Thousand Dollars (\$20,000)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Texas Congress of Parents and Teachers dba Texas PTA
Project Name:	<i>Texas PTA Clean School Bus Replacement Program</i>
Location of SEP:	Statewide, with preference for Texas Air Quality Control Region 216: Houston-Galveston

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 SEP Offset Amount is set forth above and such offset 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 Congress of Parents and Teachers dba Texas PTA** for the *Texas PTA Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use the SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

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

The Respondent's signature affixed to this Agreed Order certifies that 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 which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

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 Congress of Parents and Teachers SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas PTA
408 West 11th Street
Austin, Texas 78701

3. Records and Reporting

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

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

4. Failure to Fully Perform

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

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

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

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ.** Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this 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 3 (September 2011)

PCW Revision August 3, 2011

TCEQ				
DATES	Assigned	16-Sep-2013	Screening	9-Oct-2013
	PCW	8-May-2014	EPA Due	9-Jun-2014

RESPONDENT/FACILITY INFORMATION	
Respondent	Phillips 66 Company
Reg. Ent. Ref. No.	RN101619179
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	47827	No. of Violations	2
Docket No.	2013-1942-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rajesh Acharya
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$32,500**

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%** Enhancement **Subtotals 2, 3, & 7** **\$32,500**

Notes: Enhancement for seven orders with denial of liability, four orders without denial of liability, three NOVs with same/similar violations, and three NOVs with dissimilar violations. Reduction for eight Notices of Intent to conduct audits and two disclosures of violation.

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** **\$6,250**

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

Total EB Amounts **\$188**
 Approx. Cost of Compliance **\$13,055**
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$58,750**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$58,750**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$40,000**

DEFERRAL **0.0%** Reduction **Adjustment** **\$0**

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

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY **\$40,000**

Screening Date 9-Oct-2013

Docket No. 2013-1942-AIR-E

PCW

Respondent Phillips 66 Company

Policy Revision 3 (September 2011)

Case ID No. 47827

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101619179

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Compliance History Worksheet

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

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	3	15%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	7	140%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	4	100%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	8	-8%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	2	-4%

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) 249%

>> **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 seven orders with denial of liability, four orders without denial of liability, three NOVs with same/similar violations, and three NOVs with dissimilar violations. Reduction for eight Notices of Intent to conduct audits and two disclosures of violation.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 249%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 100%

Screening Date 9-Oct-2013

Docket No. 2013-1942-AIR-E

PCW

Respondent Phillips 66 Company

Policy Revision 3 (September 2011)

Case ID No. 47827

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101619179

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 111.111(a)(1)(B), and 116.115(c), Tex. Health & Safety Code § 382.085(b), New Source Review ("NSR") Permit Nos. 5920A and PSDTX103M4, Special Conditions ("SC") No. 1, and NSR Permit No. 7467A, SC No. 1

Violation Description Failed to prevent unauthorized emissions from multiple units during an event that occurred on April 16, 2013 (Incident No. 181782) and lasted 11 hours. Specifically, a 0.6 mile section of 30-inch natural gas pipeline was scheduled to undergo a required hydro-test. The Project Execution Plan procedures did not include proper sequencing steps for the opening and closing of valves, and so the block valve on the single source feed was closed before the bypass was opened, resulting in the release of unauthorized emissions (see attached table). Since the emissions event was avoidable by implementing better operational practices, the emissions event does not meet the demonstration for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), and Percent (100.0%). Includes 'OR' label.

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, and Percent (0.0%).

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

Adjustment \$0

\$25,000

Violation Events

Number of Violation Events 1 Number of violation days 1

Table for event frequency: daily (x), weekly, monthly, quarterly, semiannual, annual, single event.

Violation Base Penalty \$25,000

One daily event is recommended.

Good Faith Efforts to Comply

25.0% Reduction \$6,250

Table for Good Faith Efforts: Extraordinary, Ordinary (x), N/A.

Notes The Respondent returned to compliance by September 3, 2013 and the NOE is dated September 13, 2013.

Violation Subtotal \$18,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$132

Violation Final Penalty Total \$43,750

This violation Final Assessed Penalty (adjusted for limits) \$25,000

Economic Benefit Worksheet

Respondent Phillips 66 Company
Case ID No. 47827
Reg. Ent. Reference No. RN101619179
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
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No commas or \$

Delayed Costs

Equipment	\$5,000	16-Apr-2013	26-Apr-2013	0.03	\$0	\$9	\$10
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	16-Apr-2013	3-Sep-2013	0.38	\$29	n/a	\$29
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	16-Apr-2013	30-Aug-2013	0.37	\$93	n/a	\$93

Notes for DELAYED costs

Estimated costs to implement training and operating procedures designed to prevent another occurrence of this type of emissions event: an operations car seal lock was added to the 12-inch valve, a process was developed to maintain warning and contact information signage at the Sea Gas Separator, and a team was created to develop a process to ensure communication, documentation, and coordination for jobs involving personnel from Respondent assets. 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

\$11,500

TOTAL

\$132

Screening Date 9-Oct-2013

Docket No. 2013-1942-AIR-E

PCW

Respondent Phillips 66 Company

Policy Revision 3 (September 2011)

Case ID No. 47827

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101619179

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3) and 116.115(c), Tex. Health & Safety Code § 382.085(b), and NSR Permit Nos. 5920A and PSDTX103M4, SC No. 1

Violation Description

Failed to prevent unauthorized emissions during an event that occurred on October 7, 2013 (Incident No. 189207) and lasted four hours. Specifically, the 6,000 volt igniter created an electrical arc to the 120 volt pilot flame rod (flame detector) after reinstallation of the igniter too close to the flame rod following recent maintenance activities. The short in the flame rod resulted in the unauthorized release of 56,105.86 pounds ("lbs") of sulfur dioxide and 606.96 lbs of hydrogen sulfide to the atmosphere from the DEA Stripper Flare, Emissions Point No. ("EPN") 28.1-61-9, and the Unit 28 Incinerator Stack, EPN 28.2-36-2. Since the emissions event was avoidable by implementing better maintenance practices, the emissions event does not meet the demonstration for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1

Number of violation days 1

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

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

Notes

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

Violation Subtotal \$7,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$57

Violation Final Penalty Total \$15,000

This violation Final Assessed Penalty (adjusted for limits) \$15,000

Economic Benefit Worksheet

Respondent Phillips 66 Company

Case ID No. 47827

Reg. Ent. Reference No. RN101619179

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
<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	\$1,500	7-Oct-2013	10-Jul-2014	0.76	\$57	n/a	\$57
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to implement training and operating procedures designed to prevent another occurrence of this type of emissions event. The Date Required is the date of the emissions event and the Final Date is the estimated date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$57

Unauthorized Emissions Table
 2013-1942-AIR-E
 RN101619179
 Case No. 47827

Table 1 - Incident No. 181782

Compound Released	Emissions Released (pounds ["lbs"])	Unit	Emissions Point No. ("EPN")
Carbon monoxide	1,401.91	Coker Flare	29-61-1
Hydrogen sulfide	132.29		
Nitrogen oxides	193.54		
Sulfur dioxide	12,207.83		
Volatile Organic Compounds ("VOC")	1,195.93		
Hydrogen sulfide	321.89		
Sulfur dioxide	29,658.89	Diethylamine ("DEA") Stripper Flare	28.1-61-9
Particulate Matter equal to or less than 10 microns in diameter	32.11	Fluid Catalytic Cracking Regenerator Exhaust	27.1-36-RE
Hydrogen sulfide	143.00	Expansion Flare	56-61-16
Nitrogen oxides	0.90		
Sulfur dioxide	13,249.56		
VOC	77.75	Expansion Low Pressure Flare	56-61-17
Sulfur dioxide	16.93		
VOC	2.20	Flare 19	56-61-19
Carbon monoxide	1,853.09		
Nitrogen oxides	256.34		
VOC	1,900.72		

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



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN604065912, RN101619179, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN604065912, PHILLIPS 66 COMPANY **Classification:** SATISFACTORY **Rating:** 16.29

Regulated Entity: RN101619179, SWEENEY REFINERY **Classification:** SATISFACTORY **Rating:** 6.15

Complexity Points: 48

Repeat Violator: NO

CH Group: 02 - Oil and Petroleum Refineries

Location: LOCATED AT THE INTERSECTION OF STATE HIGHWAY 35 AND FARM-TO-MARKET ROAD 524 IN OLD OCEAN, BRAZORIA COUNTY, TEXAS

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR NEW SOURCE PERMITS REGISTRATION 72035
AIR NEW SOURCE PERMITS REGISTRATION 10779
AIR NEW SOURCE PERMITS REGISTRATION 12993
AIR NEW SOURCE PERMITS REGISTRATION 13929
AIR NEW SOURCE PERMITS PERMIT 1486A
AIR NEW SOURCE PERMITS PERMIT 5920A
AIR NEW SOURCE PERMITS PERMIT 7754A
AIR NEW SOURCE PERMITS PERMIT 21265
AIR NEW SOURCE PERMITS REGISTRATION 24161
AIR NEW SOURCE PERMITS REGISTRATION 26533
AIR NEW SOURCE PERMITS PERMIT 30513
AIR NEW SOURCE PERMITS REGISTRATION 35367
AIR NEW SOURCE PERMITS REGISTRATION 35780
AIR NEW SOURCE PERMITS REGISTRATION 42367
AIR NEW SOURCE PERMITS ACCOUNT NUMBER BL0042G
AIR NEW SOURCE PERMITS REGISTRATION 75616
AIR NEW SOURCE PERMITS REGISTRATION 75713
AIR NEW SOURCE PERMITS REGISTRATION 70113
AIR NEW SOURCE PERMITS REGISTRATION 54666
AIR NEW SOURCE PERMITS REGISTRATION 74130
AIR NEW SOURCE PERMITS REGISTRATION 76776
AIR NEW SOURCE PERMITS REGISTRATION 76731
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX103M3
AIR NEW SOURCE PERMITS REGISTRATION 77153
AIR NEW SOURCE PERMITS REGISTRATION 77157
AIR NEW SOURCE PERMITS REGISTRATION 77154
AIR NEW SOURCE PERMITS REGISTRATION 77336
AIR NEW SOURCE PERMITS PERMIT 80806
AIR NEW SOURCE PERMITS REGISTRATION 82689
AIR NEW SOURCE PERMITS REGISTRATION 88376
AIR NEW SOURCE PERMITS REGISTRATION 95086
AIR NEW SOURCE PERMITS REGISTRATION 25389
AIR NEW SOURCE PERMITS REGISTRATION 114522
AIR NEW SOURCE PERMITS REGISTRATION 111673
AIR NEW SOURCE PERMITS REGISTRATION 111676
AIR QUALITY NON PERMITTED ACCOUNT NUMBER BL0042G

AIR NEW SOURCE PERMITS REGISTRATION 72036
AIR NEW SOURCE PERMITS REGISTRATION 12344
AIR NEW SOURCE PERMITS REGISTRATION 13744
AIR NEW SOURCE PERMITS REGISTRATION 13978
AIR NEW SOURCE PERMITS PERMIT 5689A
AIR NEW SOURCE PERMITS PERMIT 7467A
AIR NEW SOURCE PERMITS PERMIT 18142
AIR NEW SOURCE PERMITS PERMIT 22086
AIR NEW SOURCE PERMITS REGISTRATION 24717
AIR NEW SOURCE PERMITS REGISTRATION 25434
AIR NEW SOURCE PERMITS REGISTRATION 33153
AIR NEW SOURCE PERMITS REGISTRATION 35506
AIR NEW SOURCE PERMITS REGISTRATION 39026
AIR NEW SOURCE PERMITS REGISTRATION 43038
AIR NEW SOURCE PERMITS REGISTRATION 55489
AIR NEW SOURCE PERMITS REGISTRATION 75905
AIR NEW SOURCE PERMITS AFS NUM 4803900010
AIR NEW SOURCE PERMITS PERMIT 49140
AIR NEW SOURCE PERMITS REGISTRATION 52705
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX103M1
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX103M2
AIR NEW SOURCE PERMITS REGISTRATION 76644
AIR NEW SOURCE PERMITS REGISTRATION 77648
AIR NEW SOURCE PERMITS REGISTRATION 77156
AIR NEW SOURCE PERMITS REGISTRATION 77152
AIR NEW SOURCE PERMITS REGISTRATION 77155
AIR NEW SOURCE PERMITS REGISTRATION 78566
AIR NEW SOURCE PERMITS REGISTRATION 81104
AIR NEW SOURCE PERMITS REGISTRATION 82601
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX103M4
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX751M1
AIR NEW SOURCE PERMITS REGISTRATION 111670
AIR NEW SOURCE PERMITS REGISTRATION 109145
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX103M5
AIR NEW SOURCE PERMITS REGISTRATION 106776
AIR OPERATING PERMITS PERMIT 1626

AIR OPERATING PERMITS PERMIT 1626
WASTEWATER EPA ID TX0007536
PETROLEUM STORAGE TANK REGISTRATION
REGISTRATION 20580
IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION
(SWR) 30048
AIR EMISSIONS INVENTORY ACCOUNT NUMBER BL0042G

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 30048
POLLUTION PREVENTION PLANNING ID NUMBER
P00531
STORMWATER PERMIT TXR05BI93

AIR OPERATING PERMITS ACCOUNT NUMBER BL0042G
WASTEWATER PERMIT WQ0000721000
PETROLEUM STORAGE TANK REGISTRATION
REGISTRATION 83813
USED OIL REGISTRATION C88564

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD048210645
INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50186

STORMWATER PERMIT TXR05BI94

WASTEWATER PERMIT TXG670203

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

Date Compliance History Report Prepared: January 03, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: December 03, 2008 to December 03, 2013

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

Name: Heather Podlipny

Phone: (512) 239-2603

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

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

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

1 Effective Date: 03/12/2009 ADMINORDER 2008-0687-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 B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:TCEQ Air Permit No. 5920A, SC #1 PERMIT

Description: Failed to prevent unauthorized emissions during a one hour 35 minute emissions event which occurred on January 28, 2008, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), Air Permit Nos. 5920A and PSD-TX-103M3, Special Condition 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on February 21, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:TCEQ Air Permit No. 5920A, SC #1 PERMIT

Description: Failed to prevent unauthorized emissions during a four hour 40 minute emissions event which occurred on February 9, 2008, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), Air Permit Nos. 5920A and PSD-TX-103M3, Special Condition 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 24, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:TCEQ Permit No. 5920A, SC #1 PERMIT

Description: Failed to prevent unauthorized emissions during a four hour 23 minute emissions event which occurred on February 25, 2008, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), Air Permit Nos. 5920A and PSD-TX-103M3, Special Condition 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 24, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:TCEQ Permit No. 21265, GC #8 PERMIT

Description: Failed to prevent unauthorized emissions during a four hour emissions event which occurred on February 14, 2008, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F), Air Permit No. 21265, General Condition 8, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 24, 2008. This was Incident No. 103700.

- 2 Effective Date: 06/15/2009 ADMINORDER 2008-1890-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:TCEQ Air Permit No. 5920A, SC #1 PERMIT
Description: Failure to prevent unauthorized emissions, specifically, Conoco failed to prevent a high level of hydrocarbons from traveling to the gas liquid knockout drum causing the Wet Gas Compressor to trip offline.
- 3 Effective Date: 09/21/2009 ADMINORDER 2009-0301-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Special Condition #1 PERMIT
Description: Failure to prevent unauthorized emissions. The regulated entity failed to bypass the Fail Safe Controller due to operator error.
- 4 Effective Date: 01/28/2010 ADMINORDER 2009-1203-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:#5920A, Special Condition #1 PERMIT
Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 987.26 pounds ("lbs") of sulfur dioxide, 731.86 lbs of carbon monoxide, 314 lbs of volatile organic compounds, 37.8 lbs of nitrogen oxide and 9.84 lbs of hydrogen sulfide from the Coker Unit during an avoidable emissions event (Incident No. 122601) that began April 9, 2009 and lasted 29 hours and five minutes. A single size reduction carbon steel bushing gave way and resulted in a fire in the Coker Unit leading to th
- 5 Effective Date: 03/20/2010 ADMINORDER 2009-1481-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Pemit 30513 SC 1 PERMIT
Permit 7467 SC No. 1 PERMIT
Special Condition #1 PERMIT
Description: Failure to prevent unauthorized emissions due to the ultrasonic meter probe contacting a bare, hot wire thus shutting down Units 26.1 and 26.2
Violation track nos. 373115 and 373119 were combined into violation track no.371461 as all violations stemmed from one emissions event.
- 6 Effective Date: 08/30/2010 ADMINORDER 2010-0284-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 B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Special Condition #1 PERMIT
Description: Failed to prevent unauthorized emissions. Since the cause of the event was never clearly defined, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.
- 7 Effective Date: 07/02/2011 ADMINORDER 2010-2001-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 B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Special Condition #1 PERMIT
Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 14,186 pounds ("lbs") of

particulate matter, 216 lbs of volatile organic compounds, 147.8 lbs of carbon monoxide, 21.7 lbs of sulfur dioxide, and 20 lbs of nitrogen oxide from the Unit 27 Regenerator Flue Gas Stack, Coker Flare, HP Expansion Flare No. 16, and LP Expansion Flare No. 17 during an avoidable emissions event (Incident No. 144709) that began September 13, 2010 and lasted for 17 hours and 54 minutes.

- 8 Effective Date: 03/03/2012 ADMINORDER 2011-1766-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 B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Permit No. 5920A & PSDTX103M4, SC1 PA
Special Condition No. 1 PERMIT
Special Terms and Conditions No. 19 OP
Description: Failure to prevent unauthorized emissions. ConocoPhillips failed to prevent a power interruption at the refinery during maintenance activities.
- 9 Effective Date: 04/27/2013 ADMINORDER 2012-1975-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(2)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:General Terms and Conditions OP
Description: Failure to submit a permit compliance certification for the period of November 20, 2010 through May 20, 2011 within the required time frame
- 10 Effective Date: 06/03/2013 ADMINORDER 2012-2231-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 B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Permit 5920A and PSDTX103M4 SC No.1 PA
Special Condition 1 PA
Description: Failure prevent unauthorized emissions during an emissions event. (Category (A8(c)(2)(B))
- 11 Effective Date: 08/03/2013 ADMINORDER 2012-1125-IWD-E (1660 Order-Agreed Order With Denial)
Classification: Minor
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(1)
30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov:Effluent Limitations and Monitoring Req PERMIT
Description: Failed to comply with permitted effluent limits.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	December 04, 2008	(707940)
Item 2	December 17, 2008	(700784)
Item 3	December 22, 2008	(805060)
Item 4	January 21, 2009	(709192)
Item 5	February 03, 2009	(723350)
Item 6	February 13, 2009	(709189)
Item 7	February 20, 2009	(709498)
Item 8	February 23, 2009	(805045)
Item 9	February 27, 2009	(735795)
Item 10	March 11, 2009	(805047)
Item 11	March 20, 2009	(726792)
Item 12	March 27, 2009	(726794)

Item 13	April 03, 2009	(709031)
Item 14	April 21, 2009	(805048)
Item 15	May 26, 2009	(805049)
Item 16	June 05, 2009	(741192)
Item 17	June 24, 2009	(805050)
Item 18	June 25, 2009	(742122)
Item 19	July 21, 2009	(805051)
Item 20	July 23, 2009	(761549)
Item 21	July 31, 2009	(749895)
Item 22	August 10, 2009	(760953)
Item 23	August 20, 2009	(805053)
Item 24	September 16, 2009	(760944)
Item 25	September 18, 2009	(805055)
Item 26	November 23, 2009	(805059)
Item 27	December 03, 2009	(779587)
Item 28	December 18, 2009	(785568)
Item 29	December 23, 2009	(805061)
Item 30	January 25, 2010	(805063)
Item 31	February 01, 2010	(788979)
Item 32	February 16, 2010	(791839)
Item 33	February 17, 2010	(787393)
Item 34	February 22, 2010	(787724)
Item 35	March 15, 2010	(794228)
Item 36	March 22, 2010	(831019)
Item 37	April 16, 2010	(798923)
Item 38	May 21, 2010	(831021)
Item 39	May 26, 2010	(801655)
Item 40	June 21, 2010	(798906)
Item 41	June 25, 2010	(827684)
Item 42	August 23, 2010	(866880)
Item 43	September 02, 2010	(843405)
Item 44	September 03, 2010	(843440)
Item 45	September 20, 2010	(873950)
Item 46	October 21, 2010	(881547)
Item 47	October 29, 2010	(872298)
Item 48	December 06, 2010	(880440)
Item 49	December 20, 2010	(888069)
Item 50	February 14, 2011	(891039)
Item 51	February 22, 2011	(909135)
Item 52	March 09, 2011	(877964)
Item 53	March 18, 2011	(916386)
Item 54	April 25, 2011	(906079)
Item 55	May 23, 2011	(938072)
Item 56	June 06, 2011	(915898)
Item 57	June 13, 2011	(919865)
Item 58	June 17, 2011	(924158)
Item 59	June 21, 2011	(921628)
Item 60	July 25, 2011	(952669)
Item 61	August 15, 2011	(959355)
Item 62	August 17, 2011	(943566)
Item 63	August 19, 2011	(923224)
Item 64	September 22, 2011	(965387)
Item 65	December 16, 2011	(971048)
Item 66	January 30, 2012	(984353)
Item 67	February 09, 2012	(974304)
Item 68	March 06, 2012	(987796)
Item 69	March 22, 2012	(983699)
Item 70	April 03, 2012	(987823)
Item 71	May 15, 2012	(1016495)
Item 72	June 13, 2012	(1024218)

Item 73	July 25, 2012	(1009419)
Item 74	October 18, 2012	(1061031)
Item 75	November 06, 2012	(1035703)
Item 76	November 09, 2012	(1034922)
Item 77	November 20, 2012	(1061032)
Item 78	December 10, 2012	(1041118)
Item 79	December 18, 2012	(1061033)
Item 80	January 17, 2013	(1079060)
Item 81	February 20, 2013	(1079059)
Item 82	March 20, 2013	(1089354)
Item 83	April 12, 2013	(1075252)
Item 84	April 17, 2013	(1095747)
Item 85	May 01, 2013	(1077307)
Item 86	May 15, 2013	(1106672)
Item 87	June 07, 2013	(1086856)
Item 88	July 03, 2013	(1088252)
Item 89	July 17, 2013	(1117232)
Item 90	August 21, 2013	(1077319)
Item 91	August 27, 2013	(1098931)
Item 92	September 11, 2013	(1100449)
Item 93	September 27, 2013	(1094844)
Item 94	October 17, 2013	(1135318)
Item 95	November 26, 2013	(1121405)

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: 05/10/2013 (1077310) CN604065912
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition 1 PERMIT
Description: Failure to prevent unauthorized emissions due to electrical feeder 512A tripping.
- 2 Date: 05/31/2013 (1110347) CN604065912
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter
- 3 Date: 06/28/2013 (1088234) CN604065912
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition #1 PERMIT
Description: Failure to prevent unauthorized emissions due to feedback positioner failure.
- 4 Date: 07/19/2013 (1053412) CN604065912
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
Special Condition 12E PERMIT
Special Condition 1E PERMIT
Special Condition 25E PERMIT
Special Condition 7E PERMIT
ST&C 1A and 19 OP
Description: Failure to prevent open ended lines in VOC service.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter B 117.310(c)(2)(B)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
ST&C 1A OP

Description: Failure to maintain ammonia slip on SCR below 10 ppmvd over a 24 hour period.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.13(e)
5C THSC Chapter 382 382.085(b)
ST&C 1A OP

Description: Failure to maintain CEMS downtime below 5 percent for compliance year.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.139(c)(1)
5C THSC Chapter 382 382.085(b)
ST&C 1A OP

Description: Failure to maintain RTO above permitted temperature requirements.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)
Special Condition 15 PERMIT
ST&C 1A and 19 OP

Description: Failure to maintain a flame at all times on Flare 30. (Category C4 Violation)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UUU 63.1567(a)(2)
5C THSC Chapter 382 382.085(b)
ST&C 1A OP

Description: Failure to meet minimum liquid/gas ratio on Unit 35 reformer vent scrubber.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.346(b)(4)(i)
5C THSC Chapter 382 382.085(b)
ST&C 1A OP

Description: Failure to monitor water level in oily water drains in VOC service.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.354(1)(A)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 28 PERMIT
ST&C 1A and 19 OP

Description: Failure to monitor drains in VOC service.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.354(11)
30 TAC Chapter 115, SubChapter H 115.781(b)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 12E PERMIT
Special Condition 26 PERMIT
Special Condition 6E PERMIT
Special Condition 7E PERMIT
ST&C 1A and 19 OP

Description: Failure to monitor connectors in VOC service.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(1)
5C THSC Chapter 382 382.085(b)
Special Condition 12F PERMIT
Special Condition 26 PERMIT
Special Condition 6F PERMIT
Special Condition 7F PERMIT
ST&C 1A and 19 OP

Description: Failure to monitor valves in VOC service.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
ST&C 1A OP

Description: Failure to include all components in VOC service into LDAR database.
Self Report? NO 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)
Special Condition 1 PERMIT
ST&C 1A and 19 OP

Description: Failure to maintain cooling tower emissions below permitted levels.
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.346(a)(1)(i)(B)
5C THSC Chapter 382 382.085(b)
ST&C 1A OP

Description: Failure to securely seal biosump vacuum breaker at WW 1.
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
ST&C 1A and 3B(i) OP

Description: Failure to control visible emissions from the Unit 27 FCCU.
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter B 117.310(c)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
ST&C 1A OP

Description: Failure to maintain CO and NOx emissions from the Unit 27 FCCU.
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 6 PERMIT
ST&C 1A and 19 OP

Description: Failure to maintain NOx emissions from Unit 26.1 combined heat stack below permitted limits.
Self Report? NO 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)
Special Condition 6 PERMIT
ST&C 1A and 19 OP

Description: Failure to maintain NOx emissions from Unit 9 heater below permitted limits.
Self Report? NO 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)
Special Conditions 1 and 8B PERMIT
ST&C 1A and 19 OP

Description: Failure to maintain SO2 emissions from SRU below permitted limits.

5 Date: 07/31/2013 (1124987) CN604065912
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

6 Date: 08/31/2013 (1129586) CN604065912
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter

F. Environmental audits:

Notice of Intent Date: 07/27/2009 (764948)
No DOV Associated

Notice of Intent Date: 09/16/2009 (777741)
No DOV Associated

Notice of Intent Date: 09/07/2010 (858408)
Disclosure Date: 06/17/2011
Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter H 115.782(b)(1)

Description: Failure to repair HRVOC>10,000-ppm within 7- calendar days.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)

Description: Failure in having 6x open-ended lines.

Viol. Classification: Moderate

Rqmt Prov: PERMIT SC 6H

Description: Failure to perform 5-day first attempt and 15-day final repair.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354(11)

30 TAC Chapter 115, SubChapter D 115.354(2)

Description: Failure to monitor within 30 days of hydrocarbon service and perform subsequent quarterly monitoring of light liquid and gas/vapor components.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter H 115.782

30 TAC Chapter 115, SubChapter H 115.782(c)

Description: Failure to perform emissions calculations and extraordinary attempts for HRVOC components placed on Delay of Repair(DOR).

Notice of Intent Date: 07/08/2011 (941850)

Disclosure Date: 12/16/2011

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.354(11)

30 TAC Chapter 115, SubChapter D 115.354(2)

30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT NSR Permit 21265 SC 2

PERMIT S.C. 12

PERMIT S.C. 25

Description: Failure to conduct monitoring within 30 days of hydrocarbon service and failure to perform subsequent quarterly monitoring of light liquid and gas/vapor components (Approximtmely 0.01% error rate). Additionally, failure to correctly designate components for monitoring and failure to perform subsequent quarterly monitoring of light liquid and gas/vapor components (Approximately 0.01% and 1.8%error rate). According to Permit 590A SC 25, Permit 30513 SC 12, and Permit 21265 SC 2

Notice of Intent Date: 12/06/2011 (989451)

No DOV Associated

Notice of Intent Date: 05/22/2012 (1014066)

No DOV Associated

Notice of Intent Date: 07/25/2012 (1027881)

No DOV Associated

Notice of Intent Date: 05/28/2013 (1099034)

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
RN101619179**

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

AGREED ORDER DOCKET NO. 2013-1942-AIR-E

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

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

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

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

I. FINDINGS OF FACT

1. The Respondent owns and operates a chemical refinery located at the intersection of State Highway 35 and Farm-to-Market Road 524 in Old Ocean, Brazoria County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During an investigation conducted on May 6, 2013, TCEQ staff documented that the Respondent failed to prevent unauthorized emissions from multiple units during an event that occurred on April 16, 2013 (Incident No. 181782) and lasted 11 hours. Specifically, a 0.6 mile section of 30-inch natural gas pipeline was scheduled to undergo a required hydro-test. The Project Execution Plan procedures did not include proper sequencing steps for the opening and closing of valves, and so the block valve on the single source feed was closed before the bypass was opened, resulting in the release of unauthorized emissions (see table below). The TCEQ determined that the emissions event was avoidable by implementing better operational practices.

Compound Released	Emissions Released (pounds ["lbs"])	Unit	Emissions Point No. ("EPN")
Carbon monoxide	1,401.91	Coker Flare	29-61-1
Hydrogen sulfide	132.29		
Nitrogen oxides	193.54		
Sulfur dioxide	12,207.83		
Volatile Organic Compounds ("VOC")	1,195.93		
Hydrogen sulfide	321.89	Diethylamine ("DEA") Stripper Flare	28.1-61-9
Sulfur dioxide	29,658.89		
Particulate Matter equal to or less than 10 microns in diameter	32.11	Fluid Catalytic Cracking Regenerator Exhaust	27.1-36-RE
Hydrogen sulfide	143.00	Expansion Flare	56-61-16
Nitrogen oxides	0.90		
Sulfur dioxide	13,249.56		
VOC	77.75		
Sulfur dioxide	16.93	Expansion Low Pressure Flare	56-61-17
VOC	2.20		
Carbon monoxide	1,853.09	Flare 19	56-61-19
Nitrogen oxides	256.34		
VOC	1,900.72		

4. During an investigation conducted on October 28, 2013 through November 11, 2013, TCEQ staff documented that the Respondent failed to prevent unauthorized emissions during an event that occurred on October 7, 2013 (Incident No. 189207) and lasted four hours. Specifically, the 6,000 volt igniter created an electrical arc to the 120 volt pilot flame rod (flame detector) after reinstallation of the igniter too close to the flame rod following recent maintenance activities. The short in the flame rod resulted in the

unauthorized release of 56,105.86 lbs of sulfur dioxide and 606.96 lbs of hydrogen sulfide to the atmosphere from the DEA Stripper Flare, EPN 28.1-61-9, and the Unit 28 Incinerator Stack, EPN 28.2-36-2. The TCEQ determined that the emissions event was avoidable by implementing better maintenance practices.

5. The Respondent received notices of the violations on September 16, 2013 and December 23, 2013.
6. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On April 26, 2013, added an operations car seal lock to the 12-inch valve on the Sea Gas Outlet Separator line, securing it in the open position and determined if any other valves should be additionally locked to prevent inadvertent interruption of natural gas supply;
 - b. On August 30, 2013, developed, posted, and established a process to maintain signage at the Sea Gas Separator that included a warning, contact information, and minimum operation development; and
 - c. On September 3, 2013, created a team to develop a process to ensure communication, documentation, and coordination for jobs involving personnel from Respondent assets that are maintained by pipeline organizations.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to prevent unauthorized emissions from multiple units during an event that occurred on April 16, 2013 (Incident No. 181782) and lasted 11 hours, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 111.111(a)(1)(B), and 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review ("NSR") Permit Nos. 5920A and PSDTX103M4, Special Conditions ("SC") No. 1, and NSR Permit No. 7467A, SC No. 1. Since the emissions event was avoidable by implementing better operational practices, the emissions event does not meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
3. As evidenced by Findings of Fact No. 4, the Respondent failed to prevent unauthorized emissions during an event that occurred on October 7, 2013 (Incident No. 189207) and lasted four hours, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and NSR Permit Nos. 5920A and PSDTX103M4, SC No. 1. Since the emissions event was avoidable by implementing better maintenance practices, the emissions event does not meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

4. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
5. An administrative penalty in the amount of Forty Thousand Dollars (\$40,000) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid Twenty Thousand Dollars (\$20,000) of the administrative penalty. Twenty Thousand Dollars (\$20,000) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

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

1. The Respondent is assessed an administrative penalty in the amount of Forty Thousand Dollars (\$40,000) as set forth in Section II, Paragraph 5 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Phillips 66 Company, Docket No. 2013-1942-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 5 above, Twenty Thousand Dollars (\$20,000) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. 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 Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement training and operating procedures designed to prevent unauthorized emissions due to the same cause as the emissions event that occurred on October 7, 2013 (Incident No. 189207); and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent

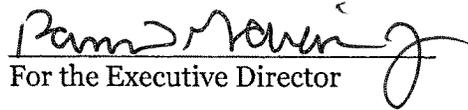
shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
8. 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.
9. 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.
10. 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.
11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

8/21/14
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Phillips 66 Company. I am authorized to agree to the attached Agreed Order on behalf of Phillips 66 Company, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Phillips 66 Company waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

5/28/2014
Date

Willie Tempton
Name (Printed or typed)
Authorized Representative of
Phillips 66 Company

General Manager, Sweeny Refinery
Title

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

Attachment A
Docket Number: 2013-1942-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Phillips 66 Company
Penalty Amount:	Forty Thousand Dollars (\$40,000)
SEP Offset Amount:	Twenty Thousand Dollars (\$20,000)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Texas Congress of Parents and Teachers dba Texas PTA
Project Name:	<i>Texas PTA Clean School Bus Replacement Program</i>
Location of SEP:	Statewide, with preference for Texas Air Quality Control Region 216: Houston-Galveston

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 SEP Offset Amount is set forth above and such offset 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 Congress of Parents and Teachers dba Texas PTA** for the *Texas PTA Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use the SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

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

The Respondent's signature affixed to this Agreed Order certifies that 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 which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

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 Congress of Parents and Teachers SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas PTA
408 West 11th Street
Austin, Texas 78701

3. Records and Reporting

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

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

4. **Failure to Fully Perform**

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

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

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

5. **Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. **Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. **Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this 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.