

Executive Summary – Enforcement Matter – Case No. 59484
Chevron Phillips Chemical Company LP
RN100215615
Docket No. 2020-0850-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Chevron Phillips Chemical Orange Polyethylene Plant, 5309 Farm-to-Market Road 1006,
Orange, Orange County

Type of Operation:

Polyethylene manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: December 30, 2022

Comments Received: No

Penalty Information

Total Penalty Assessed: \$13,200

Amount Deferred for Expedited Settlement: \$2,640

Total Paid to General Revenue: \$5,280

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$5,280

Name of SEP: Southeast Texas Regional Planning Commission (Third-Party Pre-
Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: May 5, 2020

Date(s) of NOE(s): June 18, 2020

Executive Summary – Enforcement Matter – Case No. 59484
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Docket No. 2020-0850-AIR-E

Violation Information

Failed to comply with the exemption limits for individual vent streams that emit continuous emissions. Specifically, during a stack test conducted on August 8, 2018, the Respondent exceeded the total volatile organic compounds ("VOC") exemption limit of 1,000 parts per million by weight ("ppmw") by 53.60 ppmw for the Fluff Filter, Emissions Point Number ("EPN") 67, resulting in approximately 535.08 pounds of VOC [30 TEX. ADMIN. CODE §§ 101.20(1), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS §§ 60.560(g) and 60.564(d), New Source Review Permit No. 19394, Special Conditions No. 2.B, Federal Operating Permit No. O1310, General Terms and Conditions and Special Terms and Conditions Nos. 1.A and 9, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

On May 30, 2019, the Respondent conducted a stack test demonstrating compliance with the exemption limits for the individual streams for the Fluff Filter, EPN 67.

Technical Requirements:

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

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Danielle Porras, Enforcement Division, Enforcement Team 2, MC R-12, (713) 767-3682; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

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

SEP Third-Party Administrator: Southeast Texas Regional Planning Commission, 2210 Eastex Freeway, Beaumont, Texas 77703

Respondent: Craig Lemons, Plant Manager, Chevron Phillips Chemical Company LP, P.O. Box 7400, Orange, Texas 77631

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision September 1, 2019

DATES	Assigned	22-Jun-2020	Screening	24-Jun-2020	EPA Due	15-Dec-2020
	PCW	17-Nov-2022				

RESPONDENT/FACILITY INFORMATION	
Respondent	Chevron Phillips Chemical Company LP
Reg. Ent. Ref. No.	RN100215615
Facility/Site Region	10-Beaumont
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	59484	No. of Violations	1
Docket No.	2020-0850-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Danielle Porras
		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$15,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	13.0% Adjustment	Subtotals 2, 3, & 7	\$1,950
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Notes: Enhancement for one NOV with same or similar violations and one agreed order containing a denial of liability. Reduction for four notices of intent to conduct an audit and four disclosures of violations.

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

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$3,750
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$323
 Estimated Cost of Compliance: \$8,000
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$13,200
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0% Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$13,200
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$13,200
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DEFERRAL	20.0% Reduction	Adjustment	-\$2,640
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$10,560
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Screening Date 24-Jun-2020

Docket No. 2020-0850-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 59484

PCW Revision September 1, 2019

Reg. Ent. Reference No. RN100215615

Media Air

Enf. Coordinator Danielle Porras

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	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>)	1	20%
	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	0	0%
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>)	4	-4%
	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>)	4	-8%
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) 13%

>> 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 and one agreed order containing a denial of liability. Reduction for four notices of intent to conduct an audit and four disclosures of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 13%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 13%

Screening Date 24-Jun-2020

Docket No. 2020-0850-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 4 (April 2014)

Case ID No. 59484

PCW Revision September 1, 2019

Reg. Ent. Reference No. RN100215615

Media Air

Enf. Coordinator Danielle Porras

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1), 116.115(c), and 122.143(4), 40 Code of Federal Regulations §§ 60.560(g) and 60.564(d), New Source Review Permit No. 19394, Special Conditions No. 2.B, Federal Operating Permit No. O1310, General Terms and Conditions and Special Terms and Conditions Nos. 1.A and 9, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with the exemption limits for individual vent streams that emit continuous emissions. Specifically, during a stack test conducted on August 8, 2018, the Respondent exceeded the total volatile organic compounds ("VOC") exemption limit of 1,000 parts per million by weight ("ppmw") by 53.60 ppmw for the Fluff Filter, Emissions Point Number ("EPN") 67, resulting in approximately 535.08 pounds of VOC.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), and Percent (15.0%).

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, and 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 the environmental receptors as a result of this violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 4 Number of violation days 295

Table with columns: Frequency (daily, weekly, monthly, quarterly, semiannual, annual, single event) and checkboxes.

Violation Base Penalty \$15,000

Four quarterly events are recommended from the August 8, 2018 stack test date to the May 30, 2019 compliance date.

Good Faith Efforts to Comply

25.0%

Reduction \$3,750

Table with columns: Effort Type (Extraordinary, Ordinary, N/A) and checkboxes.

Notes The Respondent completed the corrective measures on May 30, 2019, prior to the Notice of Enforcement dated June 18, 2020.

Violation Subtotal \$11,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$323

Violation Final Penalty Total \$13,200

This violation Final Assessed Penalty (adjusted for limits) \$13,200

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 59484
Reg. Ent. Reference No. RN100215615
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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)	\$8,000	8-Aug-2018	30-May-2019	0.81	\$323	n/a	\$323

Notes for DELAYED costs

Estimated cost to conduct a stack test demonstrating compliance with the exemption limits for the individual vent stream for the Fluff Filter, EPN 67. The Date Required is the date of non-compliance and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$8,000

TOTAL \$323

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Compliance History Report

Compliance History Report for CN600303614, RN100215615, Rating Year 2019 which includes Compliance History (CH) components from September 1, 2014, through August 31, 2019.

Customer, Respondent, or Owner/Operator: CN600303614, Chevron Phillips Chemical Company LP **Classification:** SATISFACTORY **Rating:** 3.39

Regulated Entity: RN100215615, CHEVRON PHILLIPS CHEMICAL ORANGE POLYETHYLENE PLANT **Classification:** SATISFACTORY **Rating:** 1.56

Complexity Points: 22 **Repeat Violator:** NO

CH Group: 05 - Chemical Manufacturing

Location: 5309 FARM-TO-MARKET ROAD 1006 IN ORANGE, ORANGE COUNTY, TEXAS

TCEQ Region: REGION 10 - BEAUMONT

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER OC0012Q	AIR OPERATING PERMITS PERMIT 1310
WASTEWATER PERMIT WQ0000359000	WASTEWATER EPA ID TX0004839
INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD008088833	INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30015
AIR NEW SOURCE PERMITS PERMIT 4140A	AIR NEW SOURCE PERMITS PERMIT 2017A
AIR NEW SOURCE PERMITS PERMIT 8335A	AIR NEW SOURCE PERMITS REGISTRATION 13293A
AIR NEW SOURCE PERMITS PERMIT 19394	AIR NEW SOURCE PERMITS REGISTRATION 27481
AIR NEW SOURCE PERMITS REGISTRATION 42293	AIR NEW SOURCE PERMITS REGISTRATION 45682
AIR NEW SOURCE PERMITS ACCOUNT NUMBER OC0012Q	AIR NEW SOURCE PERMITS REGISTRATION 55298
AIR NEW SOURCE PERMITS AFS NUM 4836100014	AIR NEW SOURCE PERMITS REGISTRATION 71619
AIR NEW SOURCE PERMITS REGISTRATION 139517	AIR NEW SOURCE PERMITS REGISTRATION 131292
AIR NEW SOURCE PERMITS REGISTRATION 150883	AIR NEW SOURCE PERMITS REGISTRATION 145695
AIR NEW SOURCE PERMITS REGISTRATION 145791	AIR NEW SOURCE PERMITS REGISTRATION 156198
AIR NEW SOURCE PERMITS REGISTRATION 156258	AIR NEW SOURCE PERMITS EPA PERMIT GHGPSDTX192
AIR NEW SOURCE PERMITS REGISTRATION 160729	AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1556
AIR NEW SOURCE PERMITS PERMIT 155952	PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1810093
WASTEWATER LICENSING LICENSE WQ0000359000	AIR EMISSIONS INVENTORY ACCOUNT NUMBER OC0012Q
POLLUTION PREVENTION PLANNING ID NUMBER P00135	TAX RELIEF ID NUMBER 18580
TAX RELIEF ID NUMBER 16761	TAX RELIEF ID NUMBER 20831
TAX RELIEF ID NUMBER 17667	TAX RELIEF ID NUMBER 20829
TAX RELIEF ID NUMBER 16783	TAX RELIEF ID NUMBER 16771
TAX RELIEF ID NUMBER 22305	

Compliance History Period: September 01, 2014 to August 31, 2019 **Rating Year:** 2019 **Rating Date:** 09/01/2019

Date Compliance History Report Prepared: June 24, 2020

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: June 24, 2015 to June 24, 2020

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

Name: Toni Red

Phone: (512) 239-1704

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

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

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

1 Effective Date: 02/19/2019 ADMINORDER 2016-0828-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: GENERAL TERMS AND CONDITIONS OP
SPECIAL CONDITION 1 PERMIT
SPECIAL CONDITION 10 OP
Description: Failure to maintain emission rates in pounds per hour (lb/hr) below the Maximum Allowable Emissions Rate Table (MAERT) 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	July 16, 2015	(1276919)
Item 2	August 12, 2015	(1283096)
Item 3	September 10, 2015	(1290236)
Item 4	October 13, 2015	(1296439)
Item 5	November 11, 2015	(1301892)
Item 6	December 09, 2015	(1308820)
Item 7	January 06, 2016	(1315604)
Item 8	February 12, 2016	(1324996)
Item 9	March 14, 2016	(1331725)
Item 10	April 07, 2016	(1338888)
Item 11	May 18, 2016	(1345688)
Item 12	June 07, 2016	(1352129)
Item 13	July 07, 2016	(1359104)
Item 14	August 09, 2016	(1365528)
Item 15	September 12, 2016	(1372229)
Item 16	October 11, 2016	(1378406)
Item 17	November 02, 2016	(1384365)
Item 18	December 13, 2016	(1390502)
Item 19	January 09, 2017	(1397119)
Item 20	February 07, 2017	(1404003)
Item 21	March 08, 2017	(1411104)
Item 22	April 14, 2017	(1417607)
Item 23	May 04, 2017	(1425196)
Item 24	June 14, 2017	(1431199)
Item 25	July 10, 2017	(1439808)
Item 26	August 15, 2017	(1443496)
Item 27	October 16, 2017	(1455943)
Item 28	November 06, 2017	(1461424)
Item 29	December 14, 2017	(1467803)
Item 30	January 09, 2018	(1474508)
Item 31	February 12, 2018	(1486734)
Item 32	March 07, 2018	(1490411)
Item 33	April 10, 2018	(1493648)
Item 34	May 07, 2018	(1500566)
Item 35	June 18, 2018	(1507683)
Item 36	July 18, 2018	(1514000)
Item 37	August 07, 2018	(1520062)
Item 38	September 07, 2018	(1527227)

Item 39	October 10, 2018	(1533585)
Item 40	November 13, 2018	(1541420)
Item 41	December 18, 2018	(1545204)
Item 42	January 17, 2019	(1559587)
Item 43	February 14, 2019	(1559585)
Item 44	March 18, 2019	(1552360)
Item 45	March 19, 2019	(1559586)
Item 46	May 20, 2019	(1583211)
Item 47	June 14, 2019	(1583212)
Item 48	July 16, 2019	(1593114)
Item 49	August 13, 2019	(1599460)
Item 50	September 12, 2019	(1606365)
Item 51	October 15, 2019	(1613211)
Item 52	November 18, 2019	(1619025)
Item 53	December 17, 2019	(1626377)
Item 54	January 16, 2020	(1634018)
Item 55	February 12, 2020	(1640637)
Item 56	March 14, 2020	(1647157)
Item 57	April 08, 2020	(1653493)
Item 58	May 22, 2020	(1650616)

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: 06/18/2020 (1652302)
 - Self Report? NO Classification: Moderate
 - Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 8B(2) PERMIT
Special Term and Condition 9 OP
 - Description: Failure to limit downtime at the Vacuum System Filter (Emission Point Number (EPN) 69F817). EIC Category B18g(1); MOD (G)
 - Self Report? NO Classification: Minor
 - Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
 - Description: Failure to report all instances of deviations. EIC Category C3; Minor (C)
 - Self Report? NO Classification: Moderate
 - Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 4 PERMIT
Special Term and Condition 9 OP
 - Description: Failure to limit the H-Line Extruder hourly production rate. EIC Category B18g.(1), Moderate(G)
 - Self Report? NO Classification: Moderate
 - 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)(3)(ii)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 10A PERMIT
Special Condition 2A PERMIT
Special Term and Condition 1A OP
Special Term and Condition 9 OP
 - Description: Failure to maintain the minimum net heating value at the Flare (Emission Point Number (EPN) 58). EIC Category B18g.(1), Moderate (G)
 - Self Report? NO Classification: Minor
 - Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Term and Condition 2F OP

Description: Special Term and Condition 9 OP
 Failure to document and record non-reportable emissions events at the Gas Phase Operation (GPO) Area within the required 14-day timeframe. EIC Category C3; Minor (C)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP
 Special Condition 7 PERMIT
 Special Term and Condition 9 OP

Description: Failure to prevent visible emissions from the Fluff Filter Silo Stack (Emission Point Number (EPN) 65) for more than 30 seconds in any six-minute period. B18g.(1), Moderate(G)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.1495
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT VVVVVV 63.11495(a)(3)(i)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP
 Special Condition 3B PERMIT
 Special Condition 6B PERMIT
 Special Term and Condition 9 OP

Description: Failure to conduct quarterly Chromium vessel inspections at the C Particle Form (CPF) and Gas Phase Operation (GPO) areas. EIC Category B17, Minor(A)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP
 Special Condition 13 PERMIT
 Special Term and Condition 9 OP

Description: Failure to conduct quarterly visible emission observations for the Gas Phase Operation (GPO) Area. EIC Category B17, Minor(A)

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)
 General Terms and Conditions OP
 Special Condition 8F PERMIT
 Special Term and Condition 9 OP

Description: Failure to maintain records of filter visual inspections and blowdowns for the C Particle Form (CPF) Area. EIC Category C1, Minor(A)

F. Environmental audits:

Notice of Intent Date: 06/09/2015 (1259178)

Disclosure Date: 10/26/2015

Viol. Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.10(c)

Rqmt Prov: PERMIT SC 10 D

Description: Failure to determine hourly mass emission rates utilizing the flare monitoring equipment as required in Special Condition 10 D of permit 19394.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)

Description: Failure to report VOC permit exceedance on a semiannual deviation report.

Notice of Intent Date: 11/17/2016 (1381623)

Disclosure Date: 05/17/2017

Viol. Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT SC 10(D)
 OP SC 9

Description: Failure to ensure that the flare gas sample system is operating at or above the minimum temperature necessary to properly transport C5+ components to the gas chromatograph analyzer due to issues with the sample conditioning system heater and heat tracing associated with the sample probe enclosure system and sample transport tubing bundle from the flare header to the GC's sample conditioning system.

Viol. Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
Rqmt Prov: PERMIT SC 10(D)
PERMIT SC 9

Description: Failure to perform quarterly multi-point calibration on the flare GC in accordance with Section 10.1 of Performance Specification 9.

Viol. Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(f)(3)
Rqmt Prov: PERMIT SC 10(D)
OP SC 9

Description: Failure to ensure that the individual component net heating values inputs to the GC used to calculate the flare gas NHV from the GC mole percent reading meet the standard temperature requirement.

Notice of Intent Date: 09/28/2017 (1446901)

Disclosure Date: 01/24/2018

Viol. Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
Rqmt Prov: OP SC Nos. (1)(A) and (9)
PERMIT SC Nos. 2 and 13

Description: Failure to repair a leaking compressor within 15 days.

Viol. Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter T 106.454
30 TAC Chapter 116, SubChapter B 116.110(a)(1)
Rqmt Prov: OP SC No. 9

Description: Failure to maintain documentation of the air permit authorization with a degreaser that was installed.

Disclosure Date: 07/20/2018
Viol. Classification: Moderate
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(c)(1)(ii)
Rqmt Prov: OP SC (1)(A) and (9)
PERMIT SC 2(B)

Description: Failure to monitor 1177 light liquid/gas vapor valves, subject to quarterly monitoring, at least once every three months.

Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.354
40 CFR Part 60, Subpart VV 60.482-10
40 CFR Part 60, Subpart VV 60.482-2
40 CFR Part 60, Subpart VV 60.482-7
Rqmt Prov: OP SC (1)(A) and (9)
PERMIT SC 8
PERMIT SCs 13 and 14

Description: Failure to conduct Federal, State, or NSR permit monitoring for seven pumps, 65 valves, and 123 connectors since the components were not properly identified in the LDAR database.

Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.356
40 CFR Part 60, Subpart VV 60.486
Rqmt Prov: PERMIT SC 8
PERMIT SC Nos. 13 and 14
PERMIT SC Nos. 3 and 4
OP SCs (1)(A) and (9)

Description: Failure to conduct Federal, State, or NSR permit monitoring of seven pumps, 65 valves, and 123 connectors because the components were not properly identified in the LDAR database.

Viol. Classification: Moderate
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(4)
Rqmt Prov: OP SC No. (1)(A) and (9)

Description: Failure to conduct Federal, State or NSR permit monitoring of seven pumps, 65 valves, and 123 connectors because they were not properly identified in the LDAR database.

Notice of Intent Date: 05/07/2019 (1569137)

Disclosure Date: 12/19/2019

Viol. Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT DDD 60.563(a)(1)

Rqmt Prov: PERMIT SC 6.A.
OP SC 9

Description: Failure to calibrate the temperature monitoring devices at the inlet and outlet of the catalytic incinerator bed.

Viol. Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
Rqmt Prov: PERMIT SC 15.F.
OP SC 9

Description: Failure to submit the VOC emission factor with the final sampling report for the sources that were stack tested in March 2019.

Notice of Intent Date: 04/15/2020 (1646831)
No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CHEVRON PHILLIPS CHEMICAL
COMPANY LP
RN100215615

§
§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2020-0850-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Chevron Phillips Chemical Company LP (the "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 polyethylene manufacturing plant located at 5309 Farm-to-Market Road 1006 in Orange, Orange County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$13,200 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$5,280 of the penalty and \$2,640 of the penalty is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$5,280 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms

and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

5. 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). 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.
6. 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 Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that on May 30, 2019, the Respondent conducted a stack test demonstrating compliance with the exemption limits for the individual streams for the Fluff Filter, Emissions Point Number ("EPN") 67.

II. ALLEGATIONS

During a record review for the Plant conducted on May 5, 2020, an investigator documented that the Respondent failed to comply with the exemption limits for individual vent streams that emit continuous emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS §§ 60.560(g) and 60.564(d), New Source Review Permit No. 19394, Special Conditions No. 2.B, Federal Operating Permit No. O1310, General Terms and Conditions and Special Terms and Conditions Nos. 1.A and 9, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, during a stack test conducted on August 8, 2018, the Respondent exceeded the total volatile organic compounds ("VOC") exemption limit of 1,000 parts per million by weight ("ppmw") by 53.60 ppmw for the Fluff Filter, EPN 67, resulting in approximately 535.08 pounds of VOC.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph No. 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this 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. Penalty payments shall be made payable to "TCEQ"

and shall be sent with the notation "Re: Chevron Phillips Chemical Company LP Docket No. 2020-0850-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 the SEP as set forth in Section I, Paragraph No. 4. The amount of \$5,280 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. All relief not expressly granted in this Order is denied.
4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this 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 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 Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This 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 Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this 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 Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized

by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

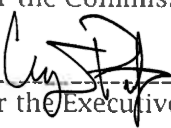
9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date



For the Executive Director

Date

1/27/2023

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, 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 OAG 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 OAG 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

Date

07DEC2022

M. Craig Lemons

Name (Printed or typed)

Title

Plant Manager - Orange Plant

Authorized Representative of
Chevron Phillips Chemical Company LP

If mailing address has changed, please check this box and provide the new address below:

Instructions: Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Ordering Provision I of this Order.

Attachment A

Docket Number: 2020-0850-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Chevron Phillips Chemical Company LP
Payable Penalty Amount:	\$10,560
SEP Offset Amount:	\$5,280
Type of SEP:	Contribution to a Third-Party Administrator SEP
Third-Party Administrator:	Southeast Texas Regional Planning Commission
Project Name:	<i>Lighthouse Program</i>
Total Project Budget:	\$5,679,300.00
Location of SEP:	Jefferson County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

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

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator will also prepare all contracts with contractors and homeowners, coordinate between the contractors and the homeowners to answer questions, ensure that work is done timely and properly, and arrange for any necessary repairs to new equipment under the 12-month warranty period after work is completed. The Project will be done in accordance with all federal, state, and local environmental laws and regulations. The contribution will be used in accordance with the SEP agreement between the Third-Party Administrator and the TCEQ.

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

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

B. Environmental Benefit

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

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

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

3. Records and Reporting

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

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

4. Failure to Fully Perform

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

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

Chevron Phillips Chemical Company LP
Docket No. 2020-0850-AIR-E
Agreed Order - Attachment A

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.