

Executive Summary – Enforcement Matter – Case No. 61463
ExxonMobil Pipeline Company
RN105149819
Docket No. 2021-1370-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

Unauthorized emissions which are excessive emissions events

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Exxonmobile Pipeline Pipeline Harris County

Type of Operation:

Refined products pipeline

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: November 3, 2023

Comments Received: No

Penalty Information

Total Penalty Assessed: \$67,500

Total Paid to General Revenue: \$33,750

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$33,750

Name of SEP: Barbers Hill Independent School District (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - High

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: January 2021

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: June 18, 2021 through September 7, 2021

Date(s) of NOE(s): September 21, 2021

Executive Summary – Enforcement Matter – Case No. 61463
ExxonMobil Pipeline Company
RN105149819
Docket No. 2021-1370-AIR-E

Violation Information

Failed to prevent unauthorized emissions. Specifically, the Respondent released 148,681 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 359279) that began on May 30, 2021 and lasted 130 hours and 32 minutes. The emissions event occurred due to material failure of the pipe or weld, resulting in the release to the atmosphere. The emissions event was determined to be an excessive emissions event [TEX. HEALTH & SAFETY CODE § 382.085(a) and (b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures in order to address the excessive emissions event and to prevent the recurrence of emission events due to the same or similar causes as the excessive emissions event that began on May 30, 2021 (Incident No. 359279):

- a. By February 15, 2022, conducted a Bank Stability Cold Eyes review by a geotechnical subject matter expert;
- b. By March 22, 2022, implemented the updated Bank Stability Assessment Procedures; and
- c. By August 2, 2022, implemented the updated analysis tools and conducted training for the updated training materials for the Water Crossings Program.

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: Johnnie Wu, Enforcement Division, Enforcement Team 2, MC 219, (512) 239-2524; 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: Carl R. Griffith & Associates, Inc., 2901 Turtle Creek Drive, Suite 445, Port Arthur, Texas 77642

Respondent: Mark A. Whitt, Northern U.S. & Texas Products Area Manager, ExxonMobil Pipeline Company, 301 Old Choate Road, Houston, Texas 77034

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	5-Oct-2021			
	PCW	13-Sep-2023	Screening	12-Oct-2021	EPA Due

RESPONDENT/FACILITY INFORMATION	
Respondent	ExxonMobil Pipeline Company
Reg. Ent. Ref. No.	RN105149819
Facility/Site Region	12-Houston
Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	61463	No. of Violations	1
Docket No.	2021-1370-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Johnnie Wu
		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	\$75,000
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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	0.0%	Adjustment	Subtotals 2, 3, & 7	\$0
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Notes: No adjustments due to compliance history.

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	-\$7,500
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$1,763
 Estimated Cost of Compliance: \$30,000
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$67,500
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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	\$67,500
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$67,500
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DEFERRAL	0.0%	Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes: No deferral is recommended for Findings Orders.

PAYABLE PENALTY	\$67,500
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Screening Date 12-Oct-2021

Docket No. 2021-1370-AIR-E

PCW

Respondent ExxonMobil Pipeline Company

Policy Revision 5 (January 28, 2021)

Case ID No. 61463

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN105149819

Media Air

Enf. Coordinator Johnnie Wu

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>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	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>)	0	0%
	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>)	0	0%
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) 0%

>> 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

No adjustments due to compliance history.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 0%

Screening Date 12-Oct-2021 **Docket No.** 2021-1370-AIR-E **PCW**
Respondent ExxonMobil Pipeline Company *Policy Revision 5 (January 28, 2021)*
Case ID No. 61463 *PCW Revision February 11, 2021*
Reg. Ent. Reference No. RN105149819
Media Air
Enf. Coordinator Johnnie Wu

Violation Number 1

Rule Cite(s) Tex. Health & Safety Code § 382.085(a) and (b)

Violation Description
 Failed to prevent unauthorized emissions. Specifically, the Respondent released 148,681 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 359279) that began on May 30, 2021 and lasted 130 hours and 32 minutes. The emissions event occurred due to material failure of the pipe or weld, resulting in the release to the atmosphere. The emissions event was determined to be an excessive emissions event.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual		x			50.0%
Potential					

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0.0%

Matrix Notes
 Based on the air dispersion modeling submitted by the Respondent, 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 \$12,500

\$12,500

Violation Events

Number of Violation Events 6 6 Number of violation days

daily	x
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$75,000

Six daily events are recommended.

Good Faith Efforts to Comply 10.0% Reduction \$7,500

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		

Notes
 The Respondent completed the corrective measures by August 2, 2022, after the Notice of Enforcement dated September 21, 2021.

Violation Subtotal \$67,500

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount \$1,763 **Violation Final Penalty Total** \$67,500

This violation Final Assessed Penalty (adjusted for limits) \$67,500

Economic Benefit Worksheet

Respondent ExxonMobil Pipeline Company
Case ID No. 61463
Reg. Ent. Reference No. RN105149819
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)	\$30,000	30-May-2021	2-Aug-2022	1.18	\$1,763	n/a	\$1,763

Notes for DELAYED costs

Estimated cost to conduct a Bank Stability Cold Eyes review by a geotechnical subject matter expert, implement the updated Bank Stability Assessment Procedures, and implement the updated analysis tools and conduct training for the updated training materials for the Water Crossings Program in order to address the excessive emissions event and to prevent the recurrence of emissions events due to the same or similar causes as the excessive emissions event that began on May 30, 2021 (Incident No. 359279). The Date Required is the date the emissions event began 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 \$30,000

TOTAL \$1,763



Compliance History Report

Compliance History Report for CN600125710, RN105149819, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

Customer, Respondent, or Owner/Operator: CN600125710, ExxonMobil Pipeline Company
Classification: SATISFACTORY **Rating:** 0.21

Regulated Entity: RN105149819, EXXONMOBIL PIPELINE PIPELINE HARRIS COUNTY
Classification: HIGH **Rating:** 0.00

Complexity Points: 1 **Repeat Violator:** NO

CH Group: 13 - Pipeline Transportation of Natural Gas, Refined Petroleum, and All Other Products

Location: Harris County, Texas

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

Compliance History Period: September 01, 2017 to August 31, 2022 **Rating Year:** 2022 **Rating Date:** 09/01/2022

Date Compliance History Report Prepared: November 21, 2022

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: November 21, 2017 to November 21, 2022

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

Name: Johnnie Wu

Phone: (512) 239-2524

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:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	September 10, 2021	(1638046)
Item 2	March 14, 2022	(1774789)

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.

N/A

F. Environmental audits:

N/A

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	§	BEFORE THE
ENFORCEMENT ACTION	§	
CONCERNING	§	TEXAS COMMISSION ON
EXXONMOBIL PIPELINE COMPANY	§	
RN105149819	§	ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2021-1370-AIR-E

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding ExxonMobil Pipeline Company (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 presented this Order to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including 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 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 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. The duties and responsibilities imposed by this 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 refined products pipeline located in Harris County, Texas (the "Site"). The Site consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. During a record review for the Site conducted from June 18, 2021 through September 7, 2021, an investigator documented that the Respondent released 148,681 pounds of volatile organic compounds as fugitive emissions, during an emissions event (Incident No. 359279) that began on May 30, 2021 and lasted 130 hours and 32 minutes. The emissions event occurred due to material failure of the pipe or weld, resulting in the release to the atmosphere. TCEQ staff determined that the emissions event was an excessive emissions event.
3. The Executive Director recognizes the Respondent has implemented the following corrective measures in order to address the excessive emissions event and to prevent the recurrence of emission events due to the same or similar causes as the excessive emissions event that began on May 30, 2021 (Incident No. 359279):

- a. By February 15, 2022, conducted a Bank Stability Cold Eyes review by a geotechnical subject matter expert;
- b. By March 22, 2022, implemented the updated Bank Stability Assessment Procedures; and
- c. By August 2, 2022, implemented the updated analysis tools and conducted training for the updated training materials for the Water Crossings Program.

II. CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact No. 1, the Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
2. As evidenced by Finding of Fact No. 2, the Respondent failed to prevent unauthorized emissions, in violation of TEX. HEALTH & SAFETY CODE § 382.085(a) and (b). The emissions event was determined to be an excessive emissions event.
3. Pursuant to TEX. WATER CODE § 7.051, the TCEQ has the authority to assess an administrative penalty against the Respondent for violations of state statutes within the TCEQ's jurisdiction, for violations of rules adopted under such statutes, or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of \$67,500 is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent paid \$33,750 of the penalty. Pursuant to TEX. WATER CODE § 7.067, \$33,750 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.

III. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Conclusion of Law No. 4 for violations of state statutes and rules of the TCEQ. The payment of this penalty and the Respondent's compliance with all the requirements set forth in this Order resolve only the matters set forth by this Order in this action. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations that are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: ExxonMobil Pipeline Company, Docket No. 2021-1370-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 II, Conclusion of Law No. 4. The amount of \$33,750 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 Site 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. 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 in this Order.
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. 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.


10. 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.
11. 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



11/29/2023

For the Executive Director


Date

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

9/28/23

Date

Mark A. Whitt

Northern US & Texas Products Area Manager

Name (Printed or typed)
Authorized Representative of
ExxonMobil Pipeline Company

Title

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 1 of this Order.

Attachment A
Docket Number: 2021-1370-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	ExxonMobil Pipeline Company
Payable Penalty Amount:	\$67,500
SEP Offset Amount:	\$33,750
Type of SEP:	Contribution to a Third-Party Administrator SEP
Third-Party Administrator:	Barbers Hill Independent School District
Project Name:	<i>Energy Efficiency Building Upgrade/Retrofit Project</i>
Total Project Budget:	\$1,151,928
Location of SEP:	Chambers 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 **Barbers Hill Independent School District** for the *Energy Efficiency Building Upgrade/Retrofit Project* (the “Project”). The Project is to pay a contractor to install and monitor sub-meters. The contractor's work will include installing revenue grade electric sub-meters in the line feed of certain facilities; installing revenue grade current transformers; incorporating all engineering, software, and graphics to accomplish effective monitoring of the status of this equipment; and a one-year warranty including parts and labor for the new sub-meters. In addition to sub-metering, the contractor will monitor, calibrate, and repair existing meters and complete energy efficiency upgrades and/or retrofits based on needs identified in energy audits. The Project will be performed 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 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 to settle this enforcement action. Respondent shall not profit from this SEP.

B. Environmental Benefit

The Project will result in reduced energy consumption by school district buildings and will contribute to the overall reduction of greenhouse gases. The sub-metering is expected to reduce energy consumption up to eight percent. The Project will reduce fuel and electricity usage for heating and cooling and day-to-day operations. These reductions will reduce emission of particulate matter, volatile organic carbon compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel and generation of electricity. It will also contribute to a reduction in peak loads on the State electric power grid.

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 **Barbers Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

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 or email 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
SEPReports@tceq.texas.gov

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

ExxonMobil Pipeline Company
Docket No. 2021-1370-AIR-E
Agreed Order - Attachment A

Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

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

5. Publicity

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

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.