



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
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OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

ExxonMobil Penalty Stipulation and Consent Decree Modification Information Sheet

Background

In late 2005, the United States concluded a settlement with ExxonMobil covering all of its North American refineries. The settlement required ExxonMobil to spend more than \$570 million to install and implement innovative emission control technologies at its refineries. ExxonMobil paid an \$8.7 million civil penalty and committed to spend more than \$9.7 million on environmentally beneficial projects to further reduce emissions.

Now the United States has reached agreement regarding the collection of new penalties for violations of the 2005 Consent Decree. A separate filing proposes amendments to the Consent Decree to extend some deadlines, shorten others, require additional emission reductions, and make other technical changes.

Violations of the Consent Decree

The majority of the new penalties are for violations of requirements for fuel gases burned in refinery furnaces. Between 2005 and 2007, ExxonMobil failed to monitor the sulfur content of some fuel gas streams that were burned in certain furnaces at its Baytown, Texas refinery, as required by the Consent Decree and EPA's New Source Performance Standards for Petroleum Refineries. The burning of sulfur-containing gases emits sulfur dioxide, which can cause serious respiratory problems.

The new penalty agreement also imposes additional civil penalties for more limited Consent Decree violations at ExxonMobil's refineries in Beaumont, Texas, Torrance, California, and Baton Rouge, Louisiana. ExxonMobil has cured the problems that caused the Consent Decree violations, but the Consent Decree provides for collection of additional penalties for the time period that those violations persisted.

The penalties to be collected are as follows:

Baytown, TX - \$5,930,000 for failure to monitor the sulfur content of gases burned in refinery furnaces.

Beaumont, TX - \$122,500 for failure to monitor the sulfur content of gases burned in refinery furnaces.

Torrance, CA - \$9,000 for violation of the carbon monoxide emission limit at the fluid catalytic racking unit.

Baton Rouge, LA - \$3,000 for violation of the carbon monoxide emission limit at the fluid catalytic cracking unit. Half of this penalty will be paid to the State of Louisiana.

TOTAL - \$6,064,500

The above stipulated penalties reflect the full amount collectable pursuant to the stipulated penalty provisions of the Consent Decree. Louisiana is the only state to receive a share of penalties because neither Texas nor California are parties to the Decree.

Consent Decree Modifications

A draft Consent Decree modification has been filed with the court seeking approval of changes in the ExxonMobil Consent Decree. The changes extend some deadlines, shorten others, and require new emissions reductions in some instances. On a national basis, the emission increases caused by the extended deadlines are more than offset by emission reductions achieved by accelerated compliance and operational changes.

Non-material changes to the Consent Decree include: a change in the name of the contractor that receives deliverables under the Decree; a clarification of the compliance status of two Baytown flares; a minor clarification of the LDAR release; and the addition of several low pressure/low volume fuel gas streams to be monitored under the Decree.

The proposed amendments are subject to a 30-day public comment period and to approval by the U.S. District Court for the Northern District of Illinois.

State Partners

Illinois and Montana are signatories to the proposed Consent Decree amendments because the schedule changes affect facilities in those states. Louisiana participated in this process and will receive a portion of the penalties.