UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

UNITED STATES of AMERICA, Plaintiff, and the NORTHWEST AIR POLLUTION AUTHORITY OF THE STATE OF WASHINGTON, Plaintiff-Intervener, v. EQUILON ENTERPRISES LLC, Defendant.	)	Civil Action No. H-01-0978

FIRST ADDENDUM TO CONSENT DECREE

Plaintiff, the United States of America (hereinafter "Plaintiff" or "the United States"), on behalf of the United States Environmental Protection Agency (hereinafter, "EPA"), Plaintiff Intervenor, the Northwest Air Pollution Authority of the State of Washington, and Defendant, Equilon Enterprises LLC ("Equilon"), hereby execute this First Addendum to the Consent Decree in the above-styled action. By the agreement of the United States and Equilon, and pursuant to the provisions of Paragraph 199, this First Addendum hereby modifies the Decree by (1) correcting the requirement to

measure FCCU feed *nitrogen* content instead of FCCU feed *sulfur* content, and by removing the requirement to measure NOx and O2 at the CO boiler inlet; (2) revising the Subpart A and J compliance deadline for SO2 at the Martinez FCCU; (3) revising the deadline for certification of the H2S monitor at the Los Angeles Refinery SRU stack; (4) adding the Los Angeles refinery Main Plant Flares #1 and #2 to the list of AG Flaring Devices and revising the definition of a HC Flaring Incident to reference a flare's existing federally enforceable permit level; (5) correcting references in the reporting provisions; (6) correcting a reference in the stipulated penalties section; and (7) correcting paragraphs referred to in Attachment 2.

The changed provisions to the Decree are as follows, and shall be binding on all parties and signatories to the Decree in this action.

<u>With regard to Reductions of NOx Emissions from Fluidized Catalytic Cracking Units ("FCCUs")</u>:

20. No later than sixty (60) days after the completion of each 12-month demonstration, Equilon shall report to EPA the results of each demonstration. The reports shall include, at a minimum, the following information:

(a) Regenerator flue gas temperature and flow rate;

(b) Coke burn rate;

(c) FCCU feed rate;

(d) FCCU feed nitrogen content;

(e) CO boiler firing rate and fuel type;

(f) Total fresh catalyst addition rate;

(g) SO2 and NOx adsorbing catalyst additive addition rate;

(h) Low-NOx and conventional CO promotor addition rates;

(i) Temperature profiles; and

(j) Hourly average NOx and O_2 concentrations at the point of emission to the atmosphere.

With regard to FCCU Regenerator NSPS Subparts A and J Applicability:

47(a). Equilon's FCCU Regenerators at the refineries identified at Paragraph 5 shall be affected facilities subject to the requirements of NSPS Subpart A and J for each relevant pollutant by the dates specified below:

Martinez:

SO2 - **Alternative Monitoring Plan by 12/31/02**

PM - upon lodging

CO - upon lodging

Opacity - 12/31/01

With regard to Program Enhancements re Flaring:

A. DEFINITIONS.

120. Unless otherwise expressly provided herein, terms used in this Part shall have the meaning given to those terms in the Clean Air Act, 42 U.S.C. §§ 7401 et seq., and the regulations promulgated thereunder. In addition, the following definitions shall apply to the terms contained within this Part of this Consent Decree:

(c) "AG Flaring Device" shall mean any device at the Refinery that is used for the purpose of combusting Acid Gas and/or Sour Water Stripper Gas, except facilities in which gases are combusted to produce elemental sulfur or sulfuric acid. The combustion of Acid Gas and/or Sour Water Stripper Gas occurs at the following locations:

Bakersfield, (CA): Area 1, Area 2 low pressure, and Area 3
Los Angeles, (CA): SRP, Main Plant Flares #1 and #2
Martinez, (CA): Opcen Hydrocarbon, LOP, Clean Fuels (LGRO)
Puget Sound, (WA): East, North and South

(h) "Hydrocarbon Flaring Incident" or HC Flaring Incident, shall mean the continuous or intermittent flaring of refinery process gases, except for Acid Gas or Sour Water Stripper Gas or Tail Gas, at a Hydrocarbon Flaring Device that results in the emissions of sulfur dioxide that are either (1) equal to or greater than five-hundred (500) pounds in a twenty-four (24) hour period in excess of the flare's existing federally enforceable permit level, or (2) equal to or greater than five-hundred (500) pounds in a twenty-four hour period where no federally enforceable permitted emissions level exists.

With regard to SRP NSPS Subparts A and J Applicability:

122(c). Notwithstanding the above, the Martinez and Los Angeles refineries shall meet the SRU CEMs certification

requirements of 40 C.F.R. §§ 60.13 and 60.105 by September 30, 2002.

With regard to Quarterly Reports:

158. Beginning with the first full calendar quarter after entry of this Consent Decree, the Company shall submit a calendar quarterly progress report ("calendar quarterly report") to EPA and Plaintiff-Intervener within 30 days after the end of each calendar quarter during the life of this Consent Decree. In addition to any other information specifically required to be submitted per other Parts of this Consent Decree, this report shall contain the following:

(a) progress report on the implementation of the requirements of Parts **IV-IX and XI** (Compliance Programs) above;

(b) a summary of all Hydrocarbon Flaring Incidents;

(c) a summary of the emissions data as required by Parts **IV and V** of this Consent Decree for the calendar quarter; and

(d) a description of any problems anticipated with respect to meeting the Compliance Programs of Parts **IV-IX** of this Consent Decree.

With regard to Stipulated Penalties:

161. For each violation, the amounts identified below shall apply on the first day of violation, shall be calculated for each incremental period of violation (or portion thereof), and shall be doubled beginning on the fourth consecutive, continuing period of violation, except such doubling shall not apply to Subparagraphs (f), (g), and (i). In the alternative, at the option of the United States or Plaintiff-Intervener, stipulated penalties shall equal 1.2 times the economic benefit of Equilon's delayed compliance, if this amount is higher than the amount calculated under this Paragraph. In addition and for purposes of assessing stipulated penalties for a failure to comply with a concentration-based, rolling average emission limit established under Parts IV.B, IV.F, IV.H, V.A, or V.E, an actionable violation will occur when there is noncompliance with such limit for 5% or more of each

Dianne M. Shawley

Date 3/19/02

Dianne M. Shawley
Senior Counsel
Environment and Natural Resources Division
U.S. Department of Justice
1425 New York Avenue, N.W.
Washington, DC 20005

Mervyn Mosbacker
United States Attorney

For Northwest Air Pollution Authority, A Washington Municipal Corporation:

By : Diane Hawley 3/19/02
for Laughlan H. Clark
Visser, Zender and Thurston, P.S.
1700 D Street
P.O. Box 5226
Bellingham, WA 98227

For Equilon Enterprises LLC:

J. Moorad Date: 4/5/02

Judy Moorad
Vice President
Safety, Health and Environment
Shell Oil Products, U.S.
12700 Northborough Drive
NAX 300N
Houston, TX 77067-2508