



Pasadena Refining Systems Inc. (PRSI) Settlement Terms

Under the proposed consent decree filed and awaiting federal court approval, PRSI has agreed to the following terms and conditions:

- **Reduction of Illegal Emissions:** PRSI will install new pollution control equipment and make operational changes to reduce emissions of particulate matter and other pollutants from the refinery's fluid catalytic cracking unit (FCCU), the source of most of the illegal emissions at issue in this lawsuit.
- **Prevention of Emission Events:** PRSI will upgrade and enhance its plans for minimizing flaring events, controlling emissions resulting from hurricane events and electrical grid failures, investigations and preventive maintenance at the FCCU, and tracking and preventing emission events throughout the facility.
- **Response to Community Complaints:** PRSI must develop and implement a plan for documenting, responding to, and investigating citizen complaints about odors or other emission-related issues.
- **Penalties:** PRSI will pay a civil penalty of \$350,000 to the federal government now, and for any future violations of specified emission limits, it must pay additional penalties that are based on the number of pounds of excess emissions.
- **Clean Vehicles Project:** PRSI will pay \$3,175,000 to the Houston-Galveston Area Council to establish a Vehicle Emission Reduction Fund, which will provide grants to school districts and local governments in southeast Harris County to improve local air quality by converting polluting municipal vehicles that run on fossil fuels to electric or hybrid models, or by establishing electric vehicle charging stations or other electric vehicle infrastructure.

Today's Settlement in Context

The Clean Air Act contains a "citizen suit" provision that allows private individuals and organizations affected by violations of the law to bring an enforcement suit in federal court after providing 60 days prior notice to the violator and to state and federal environmental agencies. Citizens can seek a court order requiring compliance with the law and a monetary penalty of up to \$93,750 per day for each violation of the Act.

PRSI released 70,129 pounds of unauthorized particulate matter during emission events in 2016 alone, making it the worst in the entire state of Texas for this type of illegal pollution. Particulate matter is a mix of microscopic particles and liquid droplets, including acids, organic compounds, and metals. According to the U.S. EPA, particulate matter exposure is linked to a range of serious health problems, increased emergency room and hospital visits, decreased life expectancy, and aggravated asthma.

The suit against PRSI is the fourth case brought by Environment Texas and Sierra Club since 2008 to successfully address illegal air emissions from oil refineries and petrochemical facilities along the

Houston Ship Channel. Previous suits against Shell, Chevron Phillips and ExxonMobil have recovered approximately \$27.8 million in penalties — more than double the penalties assessed by the Texas Commission on Environmental Quality against all sources of air pollution in Texas combined for emission events in the state from 2011 through 2016.

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Sierra Club has approximately 27,000 members in Texas who are dedicated to exploring, enjoying, and protecting Texas' environment and natural resources.

Environment Texas advocates for clean air, clean water, and preservation of Texas' natural areas on behalf of 35,000 members and online activists statewide.

The groups are represented by Josh Kratka, a senior attorney at the National Environmental Law Center; attorney David Nicholas of Newton, Mass.; and Houston attorney Philip Hilder.

Copies of the proposed consent decree are available upon request.

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