

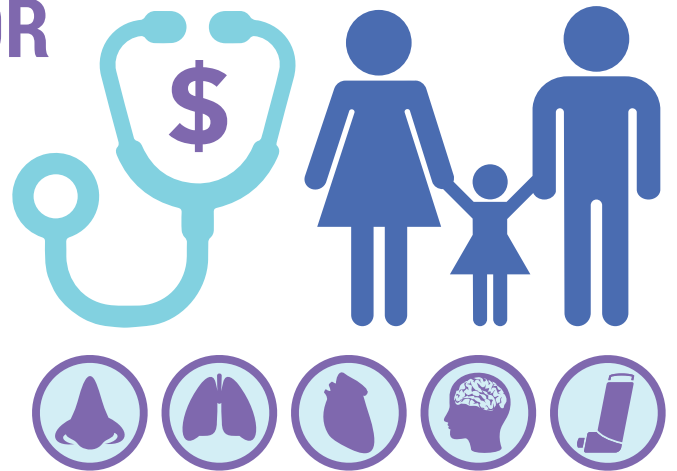


# **RULE 6-5 AGREEMENTS FACT SHEET**

The Air District has achieved a decisive victory in defending Rule 6-5 resulting in some of the largest penalties ever paid for air quality violations statewide. Chevron and MRC will make major reductions in particulate matter emissions to comply with the Air District's rule.

## **WHAT DOES IT MEAN FOR THE BAY AREA?**

The Air District estimates that the emission reductions achieved by the rule will result in tens of millions of dollars per year in health benefits by reducing early deaths and other health impacts of exposure to particulate matter.



## **WHAT ARE THE AGREEMENTS?**

The agreements are related to both refineries dropping their legal challenges to the Air District's enforcement of Regulation 6, Rule 5, which reduces particulate matter (PM) emissions from petroleum refinery fluidized catalytic cracking units, or FCCUs. FCCUs are devices used in the manufacture of gasoline.



# INSIDE THE HISTORIC AGREEMENTS:

## CHEVRON AGREEMENT HIGHLIGHTS:



### COMMITMENT TO EMISSIONS REDUCTIONS

Chevron will reduce PM emissions from its FCCU, ensuring compliance with Rule 6-5 standards.



### COMMUNITY AIR QUALITY FUND

Chevron will pay \$20+ million to create a Community Air Quality Fund to fund projects aimed at reducing PM exposures.



### INTERIM EMISSIONS REDUCTIONS

Chevron will implement some PM reductions at its FCCU right away and before the 2026 compliance deadline, which will reduce emissions earlier than when the rule takes effect.



### ENFORCEMENT AND COMPLIANCE AGREEMENT

Chevron will be subject to escalating penalties if it does not comply with Rule 6-5 by the rule's deadline.



### PENALTIES AND MEASURES TO REDUCE FLARING

Chevron will pay \$20 million in fines for past violations and will implement measures to reduce pollution from flaring and improve public transparency.



### ATTORNEY FEES

Chevron will pay half the Air District's attorney fees, up to \$500,000.

	Agreement Terms	Total
Rule 6-5 Non-Compliance	\$17 million for year 1 \$17 million for year 2 \$17 million for year 3 \$32 million for year 4	Up to \$83 million
Community Air Quality Fund	\$20 million + \$3.5 million per year for up to 4 years	Up to \$34 million
Past Violations	\$20 million	\$20 million
Attorney Fees	Chevron – 50 percent of costs, up to \$500,000	Up to \$500,000
		<b>Total \$137.5 million</b>

## MRC AGREEMENT HIGHLIGHTS:



### COMMITMENT TO EMISSIONS REDUCTIONS

MRC will reduce PM emissions from its FCCU to comply with Rule 6-5 standards.



### EMISSIONS MONITORING

MRC will demonstrate compliance with the rule using a continuous monitoring system instead of quarterly stack testing.



### ATTORNEY FEES

MRC will pay half the Air District's attorney fees, up to \$500,000.