

SETTLEMENT AGREEMENT
BY AND BETWEEN
THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT
AND
CHEVRON PRODUCTS COMPANY
(Notices of Violation 52410–52415 and 56290–56294)

I. Background: Parties and Allegations

1. The Bay Area Air Quality Management District (“Air District”) is the regional governmental agency charged with the primary responsibility for maintaining healthy air quality in the San Francisco Bay Area.

2. Chevron Products Company, a division of Chevron U.S.A. Inc., (“Chevron”) owns and operates a petroleum refinery located at 841 Chevron Way, Richmond, California, 94801 (“Facility”).

3. The Air District alleges that, at all relevant times, Chevron was subject to and violated Air District regulations as described in Notices of Violation (NOVs) 52410–52415 and 56290–56294, which are, by this reference, incorporated into this Settlement Agreement.

4. Under Attachment B to the Settlement Agreement between Chevron and the Air District, entered into as of February 12, 2024, Chevron and the Air District (collectively, the “Parties,” and individually, “Party”) agreed to engage in good-faith settlement discussions regarding the Air District’s allegations in NOVs 52410–52415 and 56290–56294, and the District agreed to take no further enforcement action regarding these allegations while the Parties engaged in such discussions.

5. The Parties engaged in said good-faith discussions, which resulted in the resolution of NOVs 52410–52415 and 56290–56294 as set forth in this Settlement Agreement.

II. Terms and Conditions

6. In consideration of the foregoing, and of the promises set forth herein, the Parties desire to settle and resolve all claims, disputes, and violations arising from the facts and circumstances alleged in NOVs 52410–52415 and 56290–56294, and voluntarily agree to resolve this matter by means of this Settlement Agreement. Therefore, in order to resolve NOVs 52410–52415 and 56290–56294, Chevron has taken, or agrees to take, the actions enumerated in this Settlement Agreement, the Air District agrees to accept this Settlement Agreement in termination and full settlement of this matter, and not to file a legal action against Chevron and its beneficiaries, predecessors, successors, assigns, partners,

partnerships, parent companies, subsidiaries, affiliates and related entities, officers, directors, principals, agents, servants, employees, and representatives, and the Parties agree to the terms in this Settlement Agreement. Chevron's entry into this Agreement is not and shall not be construed as an admission of any liability, wrongdoing or responsibility, with respect to violation of any rule, law, statute, policy or regulation.

7. Civil Penalty. Chevron shall pay the Air District a civil penalty of \$900,000 civil penalty within thirty (30) calendar days after the Effective Date of this Settlement Agreement in accordance with the payment provisions set forth in Paragraph 8 below.

8. Chevron shall pay the \$900,000 civil penalty specified in Paragraph 7, and any stipulated penalties owed under this Settlement Agreement, by wire transfer, according to wire transfer instructions provided by the Air District, with "NOV Nos. 52410-52415 and 56290-56294" written in the memo area. Upon initiating the wire transfer, Chevron shall notify the Air District via email at akamel@baaqmd.gov, and shall attach with the email a completed Internal Revenue Service Form W-9 for Chevron. Chevron shall be responsible for all payment processing, check cancellation, and other fees and costs associated with making payments under this Paragraph 8.

9. Monitoring and Reporting Measures. Chevron shall also do the following:

- a. Install and operate a continuous emissions monitoring system ("CEMS") at each of the following sources at its Richmond Refinery by the deadlines laid out in the Table attached hereto as Attachment A: SRU-1, SRU-2, SRU-3; Fuel Gas Drums V-475, V-701, and V-870; Cogen 1000; Cogen 2000; and FCC. Chevron shall also submit its plans and an intent to purchase each required CEMS, and complete testing of each CEMS, by the deadlines laid out in the Table in Attachment A.¹ Chevron shall install and operate these CEMS in accordance with this Settlement Agreement and the Air District's Manual of Procedures and relevant Federal laws, where applicable.

¹ The Parties note that the installation and testing deadlines in Attachment A occurred prior to the Effective Date of this Settlement Agreement. Unless the Air District communicates to Chevron its finding that an installation or test for one of these CEMS was unsatisfactory, the first two sentences of Paragraph 9.a require no further action from Chevron.

b. In addition to all other applicable requirements, submit the following reports, in writing, if not already submitted or completed, as appropriate, as set forth in the table in

Attachment B:

- i. A short email upon completion of each task still to be completed as of the full execution of this settlement,
- ii. Results of the initial 7-day drift test for each CEMS within 28 days of that initial CGA/RATA test being certified as complete,
- iii. Notification of the date and time of the initial CGA/RATA test for each CEMS at least seven days prior to performing the test, so that the Air District may observe the test,
- iv. Results of the CGA/RATA test for the initial certification of each CEMS, within 28 days of that initial CGA/RATA test being certified as complete, and
- v. CEMS data for each CEMS from the date of installation to 24 hours after completion of initial CEMS certification, within 28 days of the Effective Date of this Agreement. If any CEMS's CGA/RATA test fails, Chevron shall re-do the CGA/RATA test once on that CEMS within 45 days of notification by the Air District of the certification of the testing failure. If Chevron fails the re-test, it shall be subject to enforcement action and penalties outside of this Settlement Agreement.²

c. Notify the Air District in writing if any CEMS at the Richmond Refinery pegs within 7 calendar days after submission of the monthly report of the occurrence of any such pegging during the relevant calendar month. For the purposes of this provision, pegging shall be defined as a measurement at or above the highest value capable of being measured by the CEMS as it is set at the time of the measurement. If Chevron

² The Parties note that Paragraph 9.b.ii-iv does not require any further notification or submission indicated on Attachment B as it has been already completed or submitted. For all initial CGA/RATAs shared within 28 days of the Effective Date of this Agreement, Paragraph 9.b.ii-iv will apply to one of these CEMS only if the Air District communicates that a prior CGA/RATA test was unsatisfactory and must be repeated.

believes that the pegging event does not reflect excess emissions, it may include an explanation and supporting documentation.

10. Chevron shall pay the Air District stipulated penalties, as applicable, as laid out in this Paragraph 10. Stipulated penalties shall be paid in accordance with the instructions in Paragraph 8, within 10 days of committing the violation giving rise to the stipulated penalty. If the Air District does not receive the payment, the Air District shall notify Chevron via email, and Chevron shall, within 3 business days of the date such notice is sent, re-send the payment according to this Paragraph 10, and this process shall be repeated as needed until the Air District receives the payment. Chevron shall be responsible for all payment processing, check cancellation, and other fees or costs associated with carrying out this Paragraph 10. Each stipulated penalty is cumulative and in addition to any other applicable stipulated penalty and any other payment required by this Settlement Agreement.

- a. If Chevron fails to pay the full civil penalty by the due date and in accordance with Paragraph 8 of this Settlement Agreement, Chevron shall pay the Air District a stipulated penalty of \$10,000 for each day after the due date on which the Air District has not received full payment in accordance with Paragraph 8 of this Settlement Agreement.
- b. If Chevron fails to install and begin operating any CEMS by the date in Paragraph 9.a., Chevron shall pay the Air District escalating penalties as follows for each day and each CEMS on which Chevron fails to install and begin operating any CEMS by the date in Paragraph 9.a.:
 - i. \$5,000 per day for the first 30 days,
 - ii. \$10,000 per day for the second 30 days, and
 - iii. \$25,000 per day for every day thereafter.
- c. If Chevron fails to comply with any requirement in Paragraph 9, other than the date to install and begin operating a CEMS, as set forth in Paragraph 9 and any applicable Attachment, and other than the failure to comply with Paragraph 9.c., Chevron shall pay the Air District a stipulated penalty of \$10,000 for each day on which it fails to comply with any requirement in Paragraph 9 as set forth in Paragraph 9 and any

1 applicable Attachment, provided, however, that no stipulated penalty shall be due for
2 a failure to comply with any requirement in Paragraph 9.b. in the event that the failure
3 to comply with any requirement in Paragraph 9.b is due to an act of God or other
4 unforeseeable event outside of Chevron's control.

5 d. If Chevron fails to comply with Paragraph 9.c Chevron shall pay the Air District a
6 stipulated penalty of \$2,000 for each day on which Chevron fails to comply with
7 Paragraph 9.c, but the Air District may waive the stipulated penalty if Chevron can
8 prove it did not knowingly fail to comply with Paragraph 9.c.

9 11. Chevron's full payment of the \$900,000 civil penalty specified in Paragraph 7 above and
10 complete satisfaction of all of its other obligations under this Settlement Agreement will fully and
11 finally settle, conclude and resolve all claims that have been or could have been asserted between the Air
12 District and Chevron arising out of or related to the allegations and conduct in NOV's 52410-52415 and
13 56290-56294.

14 12. Nothing in this Settlement Agreement shall be construed as limiting the ability of the Air
15 District to take future enforcement action arising out of violations or alleged violations not covered by
16 this Settlement Agreement. Furthermore, nothing in this Settlement Agreement shall be construed as
17 limiting the rights of the Air District to rely on the violations alleged in NOV's 52410-52415 and 56290-
18 56294, and to offer proof thereof, in any such future enforcement action for purposes of demonstrating
19 Chevron's frequency of past violations pursuant to Health & Safety Code section 42403(b)(4) or other
20 applicable provision of law. Further, the Air District reserves the right to enforce this Settlement
21 Agreement, and to demand higher penalties for future noncompliances.

22 13. Chevron reserves the rights to challenge an increase in penalties in connection with any
23 future alleged violations and to contest any offers of proof and present any evidence disputing the events
24 or allegations described in Paragraph 3 above.

25 14. Chevron's failure to perform any of the terms or conditions of this Settlement Agreement
26 will render Chevron in violation of the Settlement Agreement, and the Air District may, at its sole
27 discretion, void this Settlement Agreement, upon written notice to Chevron, or take any other action to
28 enforce the Settlement Agreement. The failure by a Party to enforce any provision of this Settlement

Agreement shall not be construed as a waiver of such provision, nor shall it prevent the Party thereafter from enforcing such provision or any other provision of this Settlement Agreement. The rights and remedies granted to each Party herein are cumulative, and the election of one right or remedy by a Party shall not constitute a waiver of such Party's right to assert all other remedies available to it under this Settlement Agreement or as otherwise provided by law.

15. Unless otherwise specified in this Settlement Agreement, whenever one Party is required to provide notice to the other Party under this Settlement Agreement, the notice shall be provided in writing by email and addressed as follows:

As to the Air District:

Bay Area Air Quality Management District
Loi Chau
Principal Air Quality Engineer
375 Beale Street, Suite 600
San Francisco, CA 94105
lchau@baaqmd.gov

As to Chevron:

Chevron Products Company
Kris Battleson
Richmond Refinery HSE Manager
841 Chevron Way
Richmond CA 94801
kbattleson@chevron.com

Either Party may change its contact information for purposes of notices, at any time, by giving notice of such change in conformity with the notice provisions of this paragraph. Notices provided pursuant to this paragraph shall be deemed to be provided and received upon emailing or five days from mailing, as applicable.

16. This Settlement Agreement binds Chevron, and any principals, officers, receivers, trustees, successors and assignees, subsidiary and parent corporations, and the Air District and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Settlement Agreement.

17. The Superior Court of California, County of San Francisco, shall hear any dispute between the Parties arising from this Settlement Agreement.

18. This Settlement Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice-of-law rules.

19. Both Parties have jointly participated in the drafting and reviewing of this Settlement Agreement. Accordingly, the Parties agree that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Settlement

1 Agreement.

2 20. This Settlement Agreement is not a permit, or a modification of any permit, under any
3 federal, State, or local laws or regulations. Chevron is responsible for achieving and maintaining
4 compliance with all applicable federal, State, and local laws, regulations, and permits; and Chevron's
5 compliance with this Settlement Agreement shall not be a defense to any action commenced pursuant to
6 any such laws, regulations, or permits. The Air District does not, by its execution of this Settlement
7 Agreement, warrant or aver in any manner that Chevron's compliance with any aspect of this Settlement
8 Agreement will result in compliance with any provisions of federal, State, or local laws, regulations, or
9 permits.

10 21. The Parties understand and agree that the penalties provided for and payable under this
11 Settlement Agreement are non-dischargeable under United States Code, title 11, section 523(a)(7),
12 which provides that a debt may not be discharged in bankruptcy to the extent such debt is for a fine,
13 penalty, or forfeiture payable to and for the benefit of a governmental unit.

14 22. The settlement of the matters covered by this Settlement Agreement without further
15 litigation is fair, reasonable, and in the interests of the Air District, Chevron, and the public. The Parties,
16 and each of them, (i) have participated fully in the review and drafting of this Settlement Agreement; (ii)
17 understand and accept all of the terms of this Settlement Agreement; (iii) enter into this Settlement
18 Agreement freely and voluntarily; (iv) have had an opportunity to consult with legal counsel regarding
19 this Settlement Agreement; (v) are fully informed of the terms and effect of this Settlement Agreement;
20 (vi) have agreed to this Settlement Agreement after independent investigation and agree that it was not
21 arrived at through fraud, duress, or undue influence; and (vii) knowingly and voluntarily intend to be
22 legally bound by this Settlement Agreement.

23 23. Each provision of this Settlement Agreement is severable, and in the event that any
24 provision, or part thereof, of this Settlement Agreement is held to be illegal, invalid or unenforceable in
25 any jurisdiction, the remainder of this Settlement Agreement shall remain in full force and effect.

26 24. This Settlement Agreement constitutes the entire agreement and understanding between
27 the Parties, and it fully supersedes and replaces any and all prior negotiations and agreements of any
28 kind or nature, whether written or oral, between the Parties, concerning the matters covered herein.

25. No agreement to modify, amend, extend, supersede, terminate, or discharge this Settlement Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and signed by both Parties.

26. This Settlement Agreement may be executed in one or more counterparts, each of which shall have the same force and effect as an original, but all of which together shall constitute one and the same instrument. Electronic, facsimile, and photocopied signatures shall be valid signatures.

27. The Effective Date of this Settlement Agreement shall be the date upon which it is fully executed.

28. Each of the undersigned expressly represents that they are authorized to execute this Settlement Agreement on behalf of, and to bind, the Party for whom they sign below.

29. This Settlement Agreement shall terminate upon the earlier of the date when the Air District determines that Chevron has completed its obligations under Paragraphs 9, 10, and 11 or one year from the Effective Date of this Settlement Agreement, except that, after termination, Chevron shall comply with its permit, Air District Regulations, the Air District's Manual of Procedures, and any other laws and requirements applicable to the CEMS, and shall continue to operate the CEMS in compliance with Air District requirements.

* * * * *

SO AGREED, STIPULATED AND EXECUTED:

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105

Chevron Products Company, a division of
Chevron U.S.A. Inc.
841 Chevron Way
Richmond, CA 94801

DocuSigned by:
Hyacinth Hingosa
Philip M. Fine
Executive Officer/APCO

Date: 12/1/2025

DocuSigned by:
Harpreet K. Tiwana
Harpreet K. Tiwana
Title: Assistant Secretary

Date: 2025-Nov-18 | 10:21 AM PST

APPROVED AS TO FORM BY:

Bay Area Air Quality Management
Office of the General Counsel
Alexander G. Crockett
General Counsel
Alexandra Kamel
Senior Assistant Counsel

DocuSigned by:
Alexander G. Crockett
Alexander G. Crockett
General Counsel

12/1/2025
Date

ATTACHMENT A

Description	Source ID	Pollutant	Deadlines			
			Submittal of Plans	Submittal of Intent to Purchase	Complete Installation	Complete Testing
SRU-1	S-4227	CO	5/24/2024	7/1/2024	4/30/2025	6/30/2025
		NOx	5/24/2024	7/1/2024	4/30/2025	6/30/2025
		SO2	10/13/2023	10/13/2023	12/30/2024	2/13/2025
SRU-2	S-4228	CO	5/24/2024	7/1/2024	4/30/2025	6/30/2025
		NOx	5/24/2024	7/1/2024	4/30/2025	6/30/2025
		SO2	10/13/2023	10/13/2023	12/30/2024	2/13/2025
SRU-3	S-4229	SO2	10/13/2023	10/13/2023	12/30/2024	2/13/2025
Fuel Gas Drums V-475, V-701, and V-870	Various	H2S	6/23/2023	9/5/2023	9/8/2024	10/23/2024
		TRS	11/29/2023	12/5/2023	2/12/2025	3/29/2025
Cogen 1000	S-4350 S-4351	CO	5/24/2024	7/1/2024	3/31/2025	4/30/2025
		NOx	5/24/2024	7/1/2024	3/31/2025	4/30/2025
Cogen 2000	S-4352 S-4353	CO	5/24/2024	7/1/2024	3/31/2025	4/30/2025
		NOx	5/24/2024	7/1/2024	3/31/2025	4/30/2025
FCC	S-4285	CO	10/22/2024	11/8/2024	6/13/2025	7/28/2025
		NOx	10/22/2024	N/A	6/13/2025	7/28/2025
		SO2	11/12/2024	11/22/2024	6/13/2025	7/28/2025

ATTACHMENT B

Description	Source ID	Analyzer	Notification of completion of installation	Notification of 7-Day and CGA/RATA Test (if necessary)	Submittal (no later than 28 days after certification of test completion) of certification documents (7-day drift, CGA/RATA report) for initial certification of each CEMS	Submittal (no later than 28 days after settlement effective date) of CEMS Data from date of installation to 24 hours after completing initial CEMS certification	Notification of "pegging" within 7 days of submission of the monthly report for month during which pegging occurred
SRU-1	S-4227	CO	Previously provided		Complete, Pending District Review		
		NOx	Previously provided		Complete, Pending District Review		
		SO2	Previously provided		Complete, Pending District Review		
SRU-2	S-4228	CO	Previously provided		Complete, Pending District Review		
		NOx	Previously provided		Complete, Pending District Review		
		SO2	Previously provided		Complete, Pending District Review		

SRU-3	S-4229	SO2	Previously provided		Complete, Pending District Review		
Fuel Gas Drums V-475, V-701, and V-870	Various	H2S	Previously provided		Complete, Pending District Review		
		TRS	Previously provided		Complete, Pending District Review		
Cogen 1000	S-4350 S-4351	CO	Previously provided		Complete, Pending District Review		
		NOx	Previously provided		Complete, Pending District Review		
Cogen 2000	S-4352 S-4353	CO	Previously provided		Complete, Pending District Review		
		NOx	Previously provided		Complete, Pending District Review		
FCC	S-4285	CO	Previously provided		Complete, Pending District Review		
		NOx	Previously provided		Complete, Pending District Review		
		SO2	Previously provided		Complete, Pending District Review		