

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS**

Civil Action No. _____

UNITED STATES OF AMERICA,

Plaintiff,

v.

Chevron U.S.A. Inc.,

Defendant.

STIPULATION OF SETTLEMENT AND ORDER

WHEREAS Plaintiff United States of America, by authority of the Attorney General of the United States and acting at the request of the United States Environmental Protection Agency (“EPA”), filed a Complaint against Defendant Chevron U.S.A. Inc. (“Chevron”) pursuant to Sections 205(b) and 211(d) of the Clean Air Act (the “Act”), 42 U.S.C. §§ 7524(b) and 7545(d), to recover penalties relating to Defendant’s alleged violations of the regulations prescribed under Section 211(o) of the Act, 42 U.S.C. §§ 7545(o), and promulgated at 40 C.F.R. Part 80, Subpart M;

WHEREAS Defendant owns and operates a refinery in El Segundo, California that produces renewable diesel;

WHEREAS one of the feedstocks used in the production process at Defendant’s El Segundo, California refinery is renewable diesel produced by other renewable fuel producers that generated renewable identification numbers, also known as RINs, on that renewable diesel;

WHEREAS on June 26, 2023, Defendant self-disclosed to EPA that, between January 2022 and April 2023, it double-generated 9,220,075 renewable identification numbers on at least 5,423,573 gallons of purchased renewable diesel;

WHEREAS Defendant has implemented accounting and operational changes to ensure RINs are not improperly generated on purchased renewable diesel moving forward;

WHEREAS in November 2023, Defendant retired 2,228,905 valid 2022 D5 RINs as a remedial action to replace the invalid renewable identification numbers Defendant generated and transferred to third parties;

WHEREAS in January 2024, Defendant retired as invalid 6,991,170 D5 renewable identification numbers the Defendant had generated between September 2022 and April 2023 and remained in Defendant's inventory;

WHEREAS Defendant neither admits nor denies the alleged violations of law stated in the Complaint;

WHEREAS Plaintiff and Defendant have agreed that settlement of this matter is in the interest of both Parties and the public interest and that entry of this Order without further litigation is the most appropriate means of resolving this matter; and

NOW THEREFORE, before the taking of any testimony, without adjudication or admission of any issue of fact or law except as to the Court's jurisdiction, and upon consent and agreement of the Parties to this Stipulation, it is hereby AGREED, STIPULATED, and ORDERED:

1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331, 1345 and 1355 and 42 U.S.C. §§ 7524 and 7545, and over the parties. Venue

lies in this District pursuant to 42 U.S.C. § 7524 and 28 U.S.C. §§ 1391(b) and (c) and 1395(a), because Defendant has its principal place of business in this judicial district.

2. The obligations of this Stipulation apply to and are binding upon the United States and upon the Defendant and its successors. Any change in Defendant's ownership or corporate status shall not alter its obligations hereunder.

3. Defendant shall pay to the United States of America a civil penalty of \$1,072,634 on or before thirty (30) calendar days after entry of this Stipulation as an Order. Payment of this amount shall be made to the Department of Justice by FedWire Electronic Funds Transfer ("EFT") in accordance with instructions provided to Defendant by the Financial Litigation Unit ("FLU") of the United States Attorney's Office for the Southern District of Texas. The payment instructions provided by the FLU will include a Consolidated Debt Collection System ("CDCS") number, which Defendant shall use to identify all payments required to be made in accordance with this Stipulation. The FLU will provide the payment instructions to Brian J. Faulkner, Senior Counsel, Chevron U.S.A. Inc., at Brian.Faulkner@chevron.com on behalf of Defendant.

Defendant shall send notice that payment has been made: (i) to EPA by email at cinwd_acctsreceivable@epa.gov or by regular mail to EPA Cincinnati Finance Office, 26 W. Martin Luther King Drive, Cincinnati, Ohio 45268; and (ii) to DOJ by email to eesdcopy.enrd@usdoj.gov. Such notice shall state that the payment is for the civil penalty owed pursuant to the Stipulation of Settlement and Order in *United States v. Chevron U.S.A. Inc.* and shall reference the civil action number, the CDCS Number, and DOJ case number 90-5-2-1-13109.

4. Within thirty (30) business days of receipt of Defendant's payment referred to above, the United States shall file a notice with the Court, indicating that payment has been

received, and that the United States' claims against Defendant alleged in the Complaint may be dismissed with prejudice, with each party bearing its own costs and attorney fees.

5. In the event that Defendant does not comply with the payment obligations of Paragraph 3 above, it shall be in violation of this Stipulation and shall pay a stipulated penalty to the United States in the amount of ten thousand dollars (\$10,000) per day for each day that the civil penalty remains unpaid. Stipulated penalties shall accrue regardless of whether Defendant has been notified of a violation or demand for payment by the United States. Stipulated penalties shall be paid in the same manner as that provided for in Paragraph 3 above for payment of the civil penalty, except that the notice shall say the payment is for stipulated penalties. Further, interest shall accrue on the unpaid balance of civil and/or stipulated penalties in accordance with 28 U.S.C. § 1961 commencing on the date that such penalties are due and continuing until paid. If the payment specified in Paragraph 3 is not made when due, then, in addition to other remedies herein, the United States reserves the right to move this Court to vacate this Stipulation.

6. If the payment provided for in this Stipulation is not timely paid, this Stipulation shall be considered an enforceable judgment for purposes of post-judgment collection of any unpaid amounts in accordance with Rule 69 of the Federal Rules of Civil Procedure, the Federal Debt Collection Procedure Act, 28 U.S.C. §§ 3001-3308, and other applicable federal authority. Defendant shall be liable for reasonable attorneys' fees and costs incurred by the United States to collect any amounts past due under this Stipulation.

7. This Court shall retain jurisdiction for the purpose of interpreting and enforcing this Stipulation until the case is dismissed with prejudice in accordance with Paragraph 4.

8. Defendant's payment of the civil penalty identified in Paragraph 3 above and any stipulated penalties and interest required by Paragraph 5 above shall resolve Defendant's civil liability to the United States for violations identified in the Complaint.

9. Defendant waives any claims or counterclaims against the United States that might have been filed in this action.

10. Except as covered by the resolution of liability in Paragraph 8, in any subsequent proceeding brought by the United States, Defendant shall not assert any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the United States in the subsequent proceeding were or should have been brought in the instant case.

11. Nothing in this Stipulation is intended to operate in any way to resolve any civil claims, other than those addressed in Paragraph 8, or any criminal liability of Defendant or its agents, successors, assigns, or other entities or persons otherwise bound by law.

12. This Stipulation may not be construed to prevent or limit the rights of the United States to obtain penalties or injunctive relief under the Clean Air Act, or under other laws, regulations, or permit conditions, except as provided in Paragraph 8.

13. Civil penalties and any stipulated penalties paid pursuant to this Stipulation are not deductible by Defendant or any other person for federal tax purposes.

14. Nothing in this Stipulation creates, nor shall it be construed as creating, any rights or claims in favor of any person not a Party to this Stipulation.

15. Defendant is responsible for achieving and maintaining complete compliance with all applicable federal, state, and local laws, regulations, and permits. Except as provided in

Paragraph 8, Defendant's compliance with this Stipulation is not a defense to any action commenced pursuant to said laws, regulations, or permits.

16. There are no separate agreements or understandings with respect to this matter that have not been set forth in this Stipulation.

17. This Stipulation may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

18. Defendant agrees to accept service by email with respect to all matters arising under or relating to this Stipulation and to waive the formal service requirements set forth in Rules 4 and 5 of the Federal Rules of Civil Procedure and any applicable Local Rules of this Court including, but not limited to, service of a summons. Service shall be sent to Brian J. Faulkner at Brian.Faulkner@chevron.com. Defendant need not file an answer to the complaint in this action unless or until the Court expressly declines to enter this Stipulation as an Order of the Court.

19. If for any reason this Court should decline to approve this Stipulation in the form presented, this Stipulation is voidable at the sole discretion of any Party and the terms of the Stipulation may not be used as evidence in any litigation between the Parties.

20. The Parties hereby agree that, upon the Court's approval and entry of this Stipulation, it shall constitute a final Order of the Court.

ORDER

As stipulated to and agreed by the parties, IT IS SO ORDERED AND ADJUDGED.

Dated: _____

United States District Judge

THE UNDERSIGNED PARTIES enter into this Stipulation of Settlement in the matter of United States v. Chevron U.S.A. Inc.

FOR THE UNITED STATES OF AMERICA:

Dated: 3/9/26

ADAM R.F. GUSTAFSON
Principal Deputy Assistant Attorney General
Environment and Natural Resources Division
United States Department of Justice


JAMES D. FREEMAN
Environmental Enforcement Section
Environment and Natural Resources Division
United States Department of Justice
999 18th Street
North Terrace, Suite 600
Denver, Colorado 80202

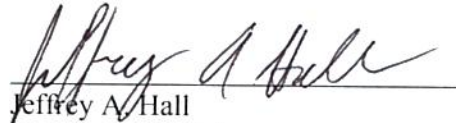
NICHOLAS J. GANJEI
United States Attorney

By: /s/ Lisa Luz Parker
Lisa Luz Parker
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Southern District No. 3495931
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E-mail: lisa.luz.parker@usdoj.gov

THE UNDERSIGNED PARTIES enter into this Stipulation of Settlement in the matter of United States v. Chevron U.S.A. Inc.

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

Dated: 2/10/2026



Jeffrey A. Hall
Assistant Administrator
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Rosemarie Kelley
Director, Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

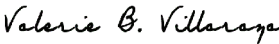
OF COUNSEL:

Karen Nelson
Attorney-Advisor
Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

THE UNDERSIGNED PARTIES enter into this Stipulation of Settlement in the matter of United States v. Chevron U.S.A. Inc.

FOR CHEVRON U.S.A. INC.:

Dated: 2025-Dec-10 | 2:35 PM PST

Signed by:

C47D737BDC44486...
Valerie B. Villaraza
Assistant Secretary

5001 Executive Parkway, Suite 200
San Ramon, CA 94583

COUNSEL FOR CHEVRON U.S.A. INC:

/s/ Theresa M. Wanat
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Counsel for Chevron U.S.A. Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of March 2026, I caused a copy of the foregoing to be sent via email to the following counsel of record:

Theresa M Wanat
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Houston, Texas 77002
Theresa.Wanat@hklaw.com

Counsel for Chevron U.S.A. Inc.

s/ James D. Freeman
James D. Freeman