

ExxonMobil Chemical
Company's Motion for
Expedited Review

Exhibit 1
(Declaration of Donald
J. Grimm)

**BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

IN RE:)

EXXONMOBIL CHEMICAL COMPANY,)
BAYTON OLEFINS PLANT)

PSD Permit No. PSD-TX-102982-GHG)

PSD Appeal No. 13-11

**DECLARATION OF DONALD J. GRIMM
IN SUPPORT OF EXXONMOBIL CHEMICAL COMPANY'S
MOTION FOR EXPEDITED REVIEW**

I, Donald J. Grimm, declare as follows:

Introduction and Summary

1. I am currently the NA Growth Venture Manager and the Global Aromatics Planning Manager, Basic Chemicals at the ExxonMobil Chemical Company (ExxonMobil) in Houston, Texas. ExxonMobil is developing a new ethylene production unit at the existing Baytown Olefins Plant in Baytown, Texas. In my current role with ExxonMobil, I have been substantially involved in, and have personal knowledge of, the development of the new ethylene production unit.

2. The following summarizes my background. I received my Bachelors of Science degree in chemical engineering from the University of Louisville in 1979. I also obtained a Masters of Engineering degree in chemical engineering from the University of Louisville in 1981. Upon graduation, I accepted a position with ExxonMobil as a process engineer at the Baton Rouge Chemical Plant, where I worked in various technical, operations, supervisory, and management positions over the next 15 years. In 1996, I transferred to Houston, Texas, to serve as the NA Propylene Planning Manager at the company's headquarters. I subsequently held a number of management positions in the Global Olefins business until 2000, when I transferred to Baytown, Texas, as the Global Olefins Technology Manager. In 2006, I moved back to the headquarters office as the Global Aromatics Planning Manager. In 2011, I assumed responsibilities as the NA Growth Venture Manager.

3. The purpose of this declaration is to provide the Environmental Appeals Board with factual information establishing why it is imperative that the Prevention of Significant Deterioration (“PSD”) permit for the Baytown project be issued at the earliest possible opportunity, including the conclusion of the administrative appeal process. [ExxonMobil anticipates that the final PSD permit will be the last government approval needed prior to commencing construction.] In short, as explained below, this is an extraordinary case where, at this point, every day, week, and month of delay will cause significant and irreparable harm not only to ExxonMobil, but also to the workforce it intends to hire to construct and ultimately operate the new unit, as well as the Baytown community and the economy at large. In summary:
 - a. At the outset, ExxonMobil has already been harmed by the inability to commence construction by February 11, 2014 (which would have required two months of lead time to accomplish), and the company will be subject to substantially increased contract costs for every additional day of delay. The costs associated with this delay are extraordinary and are estimated by our contractors to be approximately \$6 million per month for the first three months of delay and higher thereafter.
 - b. Up to approximately 3,100 construction-related jobs and 150 permanent jobs will be delayed, impacting all the individuals who would otherwise have been hired as well as delaying a substantial infusion of hiring into the Gulf Coast economy.
 - c. Collateral job growth both in the community and elsewhere will also be delayed, including 8,800 estimated indirect and economically induced local and national jobs attributable to the construction phase of the project alone, and almost 9,000 jobs thereafter.
 - d. Significant community benefits such as increased revenue for local businesses supporting the construction effort (such as housing and food sales) and up to approximately \$45 to \$68 million in increased tax revenue for government entities will also be lost (due to a delay in the range of 4-12 months).
 - e. Finally, major enhancements to the national economy, in the form of both short-term (during the construction period) and long-term (after operation of the unit commences) gains in the gross domestic product and total national sales, will also be delayed. As discussed below, those total in the billions of dollars.

Background

4. ExxonMobil currently operates the Baytown Olefins Plant in Baytown, Harris County, Texas. On May 22, 2012, ExxonMobil applied to EPA Region 6 for a PSD permit for

greenhouse gases to authorize the construction of a new ethylene production unit at the Plant. This multi-billion-dollar expansion of the Plant represents one of the most substantial investments in the U.S. plastics manufacturing industry in recent memory. The new unit will include eight new steam cracking furnaces and associated recovery equipment. Ancillary equipment will include various supporting utilities and logistics. It will create high-quality ethylene feedstock for plastics manufacturing. The new production will allow ExxonMobil to meet the growing international demand for high-value plastics products and boost American exports.

5. EPA Region VI sent ExxonMobil a letter deeming its application to be complete on December 10, 2012. Subsequently, the Region issued to ExxonMobil PSD Permit No. PSD-TX-102982-GHG on November 25, 2013. That permit is now subject to appeal before the Board and is not final.

Harms from the Delay of Construction

6. While any delay to any project always carries costs and causes harm to a company, this is an extraordinary situation where it is imperative that ExxonMobil begin construction on the new ethylene production unit as soon as possible. ExxonMobil will be irreparably harmed by the continued delay in issuance of the final PSD permit. ExxonMobil originally planned to begin mobilization for the project (including hiring the construction workers) by December 11, 2013—shortly after the one year statutory deadline for issuance of the PSD permits. Because mobilization takes approximately two months to complete, ExxonMobil originally anticipated actual commencement of construction at the plant by February 11, 2014. Thus, actual commencement of construction will be delayed here until approximately two months after the PSD permit becomes final.
7. Under ExxonMobil's contracts with its prime contractors for the project, the company will be responsible for paying for any delay in the commencement of construction beyond February 11, 2014, a date that already cannot be met due to the needed two-month mobilization period. The delay costs will include inefficiency costs incurred by the contractors, higher labor costs incurred by the contractors, equipment availability costs, and the like. For example, had mobilization commenced on-time, ExxonMobil would have paid the labor costs fixed in the contracts. ExxonMobil's contractors have estimated that the total cost for the first three months of delay—some of which has already occurred, as described above—will be approximately \$6 million per month, and that figure is likely to increase over time. The company's contractors anticipate that labor costs will increase with any further delay, in part due to the fact that a series of new construction projects in the Gulf Coast area scheduled for the spring and summer of 2014 will create a shortage of skilled tradesmen and construction workers. The contractors also reserve their rights to increase those estimates later, after the full impact of the delay

is better understood. Thus, every day that the delay continues causes ExxonMobil significant and irreparable harm, and every day the delay can be reduced will help ameliorate those harms.

8. Delaying construction of the new ethylene production units also delays the economic benefits of the project for the surrounding area and the nationwide economy. The new unit represents a multi-billion-dollar investment in the U.S. petrochemical industry, providing high paying jobs, indirectly contributing to other area non-petrochemical jobs, raising significant tax revenues for local jurisdictions, and providing a major boost to U.S. exports.
9. ExxonMobil commissioned a study of the new ethylene production unit's economic impacts, together with the impacts of a related project at its Mont Belvieu, Texas, plant. The figures cited below are estimated from that report based on a reasonable division of the economic impacts associated with the Baytown and Mont Belvieu projects.
10. A project of this scale is complex and labor-intensive. ExxonMobil estimates that construction of the Baytown ethylene production unit will take approximately three years and 3,100 construction workers to complete. A delay to the project's start date not only delays the hiring of these workers but also delays the collateral benefits of indirect and induced job growth in the local community and nationally. That additional job growth is estimated to be 8,800 jobs during the construction period.
11. Delay also impacts the hiring of up to 150 permanent employees who will operate the unit once it is complete, as well as almost 9,000 indirect and induced jobs associated with the operation of the plan.
12. The new Baytown ethylene production unit will also make considerable nationwide economic contributions. Economic modeling estimates that the unit will initially add approximately \$1.41 billion in actual present value to the gross domestic product of the United States during the three year construction phase, as well as approximately \$2.72 billion to aggregate total national sales during that same period. After construction is complete, the addition to the gross domestic product is estimated to be \$2.94 billion along with \$6.78 billion in total national sales, again in actual present value figures. Any delay in the commencement of construction of the Baytown ethylene production unit will delay the significant benefits of this project to the national economy.
13. The additional taxes generated by the project are also important. While the economic study mentioned above estimated that the Baytown and Mont Belvieu projects, together, would increase tax revenues nationally by about \$1 billion annually, any delay in the commencement of construction of just the Baytown project will have significant impact on the local community due to reduced or delayed tax revenues that would otherwise

flow to Harris County, the Goose Creek School District, the City of Baytown, and Lee College. Those entities all share in tax revenue that is based on the value of the company's property and improvement at its Baytown plant, which will not increase until the project is commenced. ExxonMobil estimates that local tax revenue of approximately \$45 to \$68 million will be lost due to a delay in the range of 4-12 months.

14. In sum, the harms from any delay in the commencement of the construction of the Baytown ethylene production unit would be exceptional and far-reaching, impacting both the local community and the economy as a whole. Those harms, once they occur, cannot be regained or recouped, but they can be avoided or minimized by timely issuance of the company's PSD permit.
15. In my role as NA Growth Venture Manager, I interact with civic groups and other entities in the Baytown area from time to time. Two have written to me to express their dismay at the potential for delay in the ExxonMobil expansion project—the Baytown Chamber of Commerce and Lee College—and to discuss the harm that delay would cause. I am attaching to my declaration true and accurate copies of those letters as Exhibits A and B.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Executed on this 13th day of January 2014.

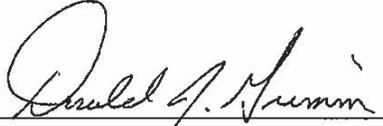
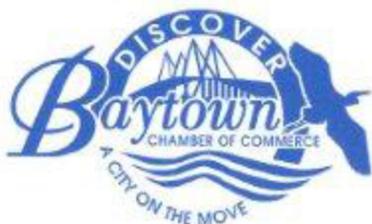

Donald J. Grimm

Exhibit A to
Declaration of Donald
J. Grimm



January 13, 2014

Mr. Don Grimm
Global Aromatic Planning Manager
13501 Katy Freeway
Houston, TX 77079

RE: Letter of Support Baytown Texas Expansion EPA Permit

Dear Mr. Grimm

The Baytown Chamber of Commerce is a strong advocate for Petrochemical industry, particularly ExxonMobil's integrated facilities at the Baytown Complex. The proposed multi-billion dollar expansion in Baytown represents significant investment in the future of Baytown and the Houston Region, and the possible delay in construction caused by a delay in receiving the EPA permit would setback our community in terms of economic growth and job creation.

The Chamber is an organization that addresses and serves all segments of the Baytown community, especially our local businesses. The Chamber seeks to build a strong business community and add additional revenue to the growing economy of this City. ExxonMobil's project will bring significant economic benefits and job growth to Baytown. This greatly enhances the Chamber's efforts to further develop our business sector as well as attracting new business and new jobs to this community and region. Many of our businesses are currently gearing up for this growth and are wondering why the permitting is taking so long. We are ready and in need of this growth in Baytown without further delay.

According to a study conducted by economist Dr. Barton Smith, formerly with the University of Houston, this project is expected to create thousands of construction jobs, a few hundred direct jobs at the facility, and ten times that number in indirect jobs in the Houston area. The project will increase regional economic development activity by more than half a billion dollars per year and generate millions more per year of additional tax revenues here in Baytown.

The more than 1200 members of the Baytown Chamber of Commerce very much support this multi-billion expansion and wants to ensure this project is built without further interruptions and the harm that interruption would cause. On behalf of the Baytown Chamber of Commerce and its members, we need the EPA to expedite the approval of ExxonMobil's permit. This project is critical to the continued economic and job growth in Baytown and the greater Houston region.

Sincerely,

Tracey S. Wheeler, IOM, Ch.E.C.D.
President/CEO

Exhibit B to
Declaration of Donald
J. Grimm



Dr. Dennis Brown
President

January 10, 2014

Mr. Don Grimm
Project Executive
ExxonMobil Chemical Company
13501 Katy Freeway
Houston, TX 77079

RE: Letter of Support for Baytown Texas Expansion

Dear Mr. Grimm:

As a key education partner with ExxonMobil Baytown for more than 75 years, Lee College values the significance of ExxonMobil to our community – from economic growth in the region to creating high paying jobs for our citizens. Of great importance is ExxonMobil's multi-billion dollar investment plans to expand its facilities at the integrated Baytown Complex. Lee College strongly supports this project and its economic development activities that would result in job creation and an improved quality of life for our students and community.

We understand that there is the possibility of a delay of several months in receiving the Environmental Protection Agency permit for this project. A delay will be a formidable setback for our expanded workforce development initiative, student programs, and even our ability to attract students and faculty to our College. More importantly, it will delay area students and craftsmen the opportunity to be employed sooner.

As President of Lee College, one of our key focuses is workforce development and preparing our local community members for a solid career choice in Baytown. We know that the petrochemical industry fuels our local community and economy. It creates stable, high-skill, high-demand and high paying jobs that deserve to be filled by local residents. The proposed ExxonMobil project will do that - create thousands of construction jobs and indirect jobs along with hundreds of direct jobs for our area.

We encourage the Environmental Protection Agency to quickly approve this permit. The expansion project is extremely important to job growth for our Baytown community, today and in the coming years.

Sincerely

Dr. Dennis Brown
President
dbrown@lee.edu
(281) 425-6550

ExxonMobil Chemical
Company's Motion for
Expedited Review

Exhibit 2

(Declaration of Stephen
H. DonCarlos)

**BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

IN RE:

EXXONMOBIL CHEMICAL COMPANY,
BAYTON OLEFINS PLANT

PSD Permit No. PSD-TX-102982-GHG

PSD Appeal No. 13-11

**DECLARATION OF STEPHEN H. DONCARLOS
IN SUPPORT OF EXXONMOBIL CHEMICAL COMPANY'S
MOTION FOR EXPEDITED REVIEW**

I, Stephen H. DonCarlos, declare as follows:

1. I am the current Mayor of Baytown, Texas, the city in which the ExxonMobil Baytown Olefins Plant resides. It is in my capacity as Mayor that I have been asked to provide this declaration. In addition to having been Mayor since 2006, I am a resident of and a practicing attorney in Baytown.

2. My family and I have lived in East Harris County and the Baytown community since 1979. My three boys attended elementary, junior high and high school in Baytown. I work in Baytown as an attorney for Reid, Strickland and Gillette L.L.P. and have been heavily involved in many key organizations including the Baytown Rotary Club, Harris County Hospital District, Baytown Chamber of Commerce, Port of Houston Authority and the Baytown West Chambers County Economic Development Foundation.

3. The expansion project planned for the ExxonMobil Baytown Olefins Plant is extremely important for the city, and we need it to go forward without delay. It is important to the financial well-being of the entire community, as well as its collective psyche. How well our energy companies do in Baytown – and their ability to grow, expand, create jobs and boost the economy – is integral to the fabric of the community.

4. The direct benefits of the project to Baytown would be enormous. ExxonMobil expects that this expansion project would add more than half a billion dollars annually to the regional economy, put local residents to work, and bring much-needed revenues to boost the local economy. Baytown would gain revenue by increased collection of sales tax and property taxes to help our community, our schools and our city infrastructure. I will discuss those benefits, and the harm from a delay, in more detail below.

5. One of the biggest impacts to our city and region from the ExxonMobil project would be increased jobs, both construction and long-term jobs, and the resulting workforce development for skilled jobs. ExxonMobil has been a partner in that effort and draws highly-motivated and skilled workers to our community and our city. New jobs lead to larger populations, increased revenues, and further community development. Any delay in the progress of the ExxonMobil expansion directly affects the lives of those individuals who are interested in and likely to be hired for those positions.

6. ExxonMobil has invested in a local workforce training initiative with Lee College, our local community college, and other Gulf Coast community colleges to offer fast-track job certification and degree programs in a variety of energy- and chemical-related technical fields. Graduates from Lee College here in Baytown, as well as others around the Baytown community, are getting prepared for the promise of new, higher-paying jobs. We can't afford the negative impact a delay in this expansion project would mean to our newly energized workforce development programs and the hope local students have in acquiring the needed skills to work in the energy business. A delay in the creation of jobs in Baytown likely means the newly skilled workforce will look beyond Baytown for jobs and residence.

7. The City of Baytown is anticipating significant financial gains in revenues as a result of the ExxonMobil planned expansion. Many of our future cost projections and infrastructure improvements are based on the ExxonMobil project being underway imminently and completed in the next few years.

8. Delays in ExxonMobil's planned expansion would create financial hurdles for our city since we would not be able to collect on the accrued value for the Industrial Development District in which the ExxonMobil facility is located. That in turn delays expected income streams from the start-up of the company's new operations. Delays in the construction or start-up of the ExxonMobil expansion project also impacts our ability to forecast financially and to know what projects (community, road, and infrastructure) that we can "green light" to go forward because we are not realizing the anticipated increased revenues. Such project delays would mean our city planners would have to delay, amend, or even cancel, future development plans for our neighborhoods, parks, utility and road improvements.

9. Baytown is planning for retail and other infrastructure upgrades based in part on the anticipated additional revenues and community growth. ExxonMobil's expansion plans are not the sole reason we are doing extensive retail recruitment and infrastructure upgrades, but it's a very large part of the puzzle in our planning and development discussions – both internally with city leaders and externally with the community of Baytown. Project expansion delays create a ripple effect in non-energy related projects in our city – retail and otherwise. If the ExxonMobil project is delayed, it certainly will have a chilling effect on those plans.

10. In preparation for development, Baytown has done considerable legwork and has met with many major developers who have substantial work planned in the city

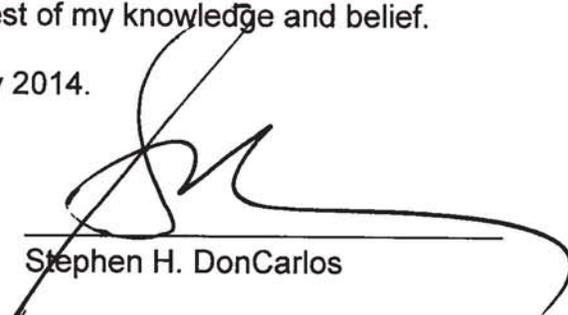
based on the belief that ExxonMobil will proceed. We are talking to major developers almost on a weekly basis. One in particular has plans for new 300-home subdivision near the project. One of the developers' main questions the projected date for the start of the ExxonMobil project. Several such projects are waiting until the ExxonMobil project begins bringing workers to the city. Thus, a delay in the ExxonMobil project delays and jeopardizes not only jobs and revenues but related and collateral investment in Baytown.

11. The Goose Creek Consolidated Independent School District (GCCISD) has released a study with projections on how much the school system will need to absorb in the way of new students based on increased population. A major rezoning plan is underway for three new elementary schools that are being built using bond money voters approved based on the expected construction of these major projects in our city; this needed expansion ultimately depends in part on the anticipated tax revenue due to the GCCISD as a result of the ExxonMobil project, and any delay in the project harms the District's plans.

12. It's hard to measure the psyche of the people in our community, but I know that our citizens rely heavily on how ExxonMobil and other major companies are doing. A substantial delay in the Baytown plant project absolutely will negatively affect our community.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Executed on this 10th day of January 2014.



Stephen H. DonCarlos

ExxonMobil Chemical
Company's Motion for
Expedited Review

Exhibit 3

(Letter from Derek Seal
to TCEQ)

401 Congress Avenue
Suite 2100
Austin, Texas 78701

512.370.2800 OFFICE
512.370.2850 FAX
winstead.com

direct dial: 512.370.2807
dseal@winstead.com

January 15, 2014

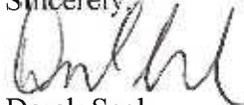
Anne Idsal
General Counsel
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

**Re: SOAH Docket No. 582-13-4611; TCEQ Docket No. 2013-0657-AIR
Application of ExxonMobil for Issuance of Air Quality Permit No. 102982 for the
Construction of a New Ethylene Production Unit at ExxonMobil's Baytown Olefins
Plant, Located in Harris County, Texas**

Dear Ms. Idsal:

ExxonMobil, which is the Applicant in the above referenced matter, requests that the above referenced matter be set on the TCEQ Commission Agenda on February 12, 2014. The Proposal for Decision and Proposed Order was issued in this matter on December 18, 2013. Replies to Exceptions are due on January 17, 2013.

Sincerely,

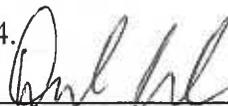


Derek Seal

cc: see attached Certificate of Service

CERTIFICATE OF SERVICE

I certify that I have served true and correct copies of ExxonMobil's January 15, 2014 letter to the TCEQ General Counsel to the Administrative Law Judges and the parties to this matter as identified below, on this the 15th day of January, 2014.



Derek Seal

Hon. Sharon Cloninger (*facsimile and regular mail*)
Administrative Law Judge
P.O. Box 13025
300 West 15th Street, Suite 502
Austin, Texas 78701-1649
Facsimile: 512.322.2061

Hon. Richard A. Wilfong (*facsimile and regular mail*)
Administrative Law Judge
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