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FILED
FEB 18 2026

S. LIND CLERK OF THE COURT
SUPERIOR COURT OF CALIFORNIA
COUNTY OF CONTRA COSTA
By _____
Deputy Clerk

K. WHITWORTH

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25 ex rel. Bay Area Air Quality Management District*

26 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
27 IN AND FOR THE COUNTY OF CONTRA COSTA

28 THE PEOPLE OF THE STATE OF
29 CALIFORNIA,

30 Plaintiff,

31 v.

32 MARTINEZ REFINING COMPANY, LLC,

33 Defendant.

Case No. **26 - 00490**

34 FINAL JUDGMENT BY STIPULATION AND
35 PROPOSED ORDER

36 *Filing Fees Exempt (Govt. Code § 6103)*

1 Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA, *ex rel.* DIANA BECTON,
2 District Attorney of Contra Costa County, and *ex rel.* the Bay Area Air Quality Management District
3 (“Air District”) (collectively, “the People” or “Plaintiff”), and Defendant, MARTINEZ REFINING
4 COMPANY, LLC (“MRC”), (hereafter reference may be made to the People and MRC who are
5 each a “Party” and collectively, “the Parties”), **HEREBY STIPULATE AND AGREE AS**
6 **FOLLOWING:**

7 1) This Court may enter this Final Judgment by Stipulation and Order (“Final
8 Judgment”) prior to the taking of proof and without trial, adjudication, or admission of any issues of
9 liability, law, or fact.

10 2) This Court has jurisdiction over the subject matter of the Complaint on file in this
11 action (“Complaint”) and the Parties thereto.

12 3) The Parties, and each of them, waive the right to appear, attempt to set aside or
13 vacate, or otherwise to attack, directly or collaterally, the Final Judgment, if entered in the form
14 agreed to by the Parties.

15 4) The Final Judgment is a fair and reasonable resolution of the matters alleged in the
16 Complaint.

17 5) MRC waives service of Summons and Complaint and acknowledges receipt of a
18 signed copy of the Complaint.

19 6) This Final Judgment shall be binding upon the Parties.

20 7) The Parties request that, pursuant to Code of Civil Procedure section 664.6, the
21 Superior Court of the State of California, County of Contra Costa, retain jurisdiction over the Parties
22 to enforce the Final Judgment until performance in full of all terms of the Final Judgment.

23 8) This Final Judgment may be signed by the Parties by signature in counterpart.

24 9) The Final Judgment may be signed by any Judge of the Superior Court of the State of
25 California, County of Contra Costa, and entered by the Clerk without notice, provided that this Final
26 Judgment has been executed below by the Parties.

27 **NOW THEREFORE**, the Parties, having requested that this Court enter this Final
28 Judgment, and the Court having considered the Final Judgment reached between the Parties,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

JURISDICTION

10) This action is brought under California law, and this Court has jurisdiction over the allegations and subject matter of the Complaint in this action, and the Parties to this action; venue is proper in this county; and this Court has jurisdiction to enter this Final Judgment.

11) This Final Judgment pertains only to the Parties hereto and is not intended to be and should not be construed as an admission or waiver in any action, including this action.

SETTLEMENT OF DISPUTED CLAIMS

12) The Parties have stipulated and consented to the entry of this Final Judgment prior to the taking of any proof, and without trial or adjudication of facts or law herein. The Court finds that this Final Judgment is a fair and reasonable resolution of the Covered Matters (as defined below), and pursuant to agreement of the Parties, the right to appeal is waived. Through entry into the Final Judgment, MRC makes no admission of liability to the allegations and/or claims and causes of action in the Complaint.

APPLICABILITY

13) The provisions of this Final Judgment are applicable to MRC, and its partners, affiliates, parents and subsidiaries and related entities, and their respective officers, directors, employees, partners, and agents, and to successors and assignees thereof.

NON-MONETARY RELIEF

A. Specific Provisions

Carbon Monoxide Boiler Electrostatic Precipitators

14) MRC operates three Carbon Monoxide Boilers (“CO Boilers”) that are part of the Catalytic Cracking Unit (“CCU”) at MRC’s refinery located at 3495 Pacheco Blvd., Martinez, California (“the Facility”). These three CO Boilers are generally referred to as COB1, COB2, and COB3, and are designated by the Air District in the Facility’s air permit as emissions sources S-1507, S-1509, and S-1512. Attached to each CO Boiler is an Electrostatic Precipitator (“ESP”) that MRC operates to remove particulate matter from the CO Boiler’s exhaust stream. The three ESPs play a role in minimizing particulate emissions from the Facility and ensuring the CO Boilers’

1 emissions comply with California law and Air District regulations. The Parties agree that
2 minimizing particulate emissions benefits the environment and public at large.

3 15) Prior to restart following the CCU turnaround that is taking place as of the date of the
4 entry of this Final Judgment, MRC shall implement measures to allow each CO Boiler's ESP to be
5 safely energized when the CO Boiler is operating during transitory operations such as, but not
6 limited to, CCU startup, shutdown, and/or hot standby; and following restart of the CCU, MRC shall
7 safely energize the ESP at each CO Boiler that is or will be operating during such transitory
8 operations. Notwithstanding the foregoing sentence, however, nothing in this Final Judgment is
9 intended to prevent MRC from de-energizing the CO Boilers' ESPs during transitory operations
10 such as, but not limited to, CCU startup, shutdown, and/or hot standby in response to safety
11 concerns. The act of de-energizing a CO Boiler's ESP to prevent a potential catastrophic incident
12 due to safety concerns (*i.e.*, risk to human health or environment, major equipment damage, fire, or
13 explosion) shall not be a violation of this Final Judgment (although any resulting regulatory
14 violations or alleged violations may still be subject to separate enforcement action, to which MRC
15 retains all rights to defend against and/or object, as provided in Paragraph 19 below).

16 Continuous Emissions Monitoring System Upgrades

17 16) MRC shall install, test, and operate a continuous emissions monitoring system
18 ("CEMS") on the equipment at the Facility specified in Attachment A hereto, by the deadlines
19 specified in Attachment A hereto. MRC shall operate the CEMS in accordance with: (i) the
20 requirements specified by the Air District's Air Pollution Control Officer pursuant to Air District
21 Regulation 1-521 in letters dated March 7, 2024, and June 20, 2024; (ii) the requirements of Volume
22 V of the Air District's Manual of Procedures; and (iii) all other applicable California and Federal
23 laws.

24 17) MRC may request an extension of the deadline to complete the requirements for any
25 item of Facility equipment specified in Attachment A if the failure to meet the deadline is due to
26 events beyond MRC's reasonable control. The Parties are to meet and confer regarding any such
27 request for an extension, and the Air District will not unreasonably deny such a request for
28 extension. Unless the Air District reasonably denies the request, the Parties shall jointly request

1 modification of Attachment A.

2 18) MRC shall notify the District Attorney and the Air District within seven (7) calendar
3 days of satisfaction of each of the requirements specified in Attachment A for each item of
4 equipment specified in Attachment A by the deadline specified in Attachment A; or, to the extent
5 that MRC does not satisfy a requirement by the deadline specified or the extended deadline as
6 provided in Paragraph 17, MRC shall notify the District Attorney and the Air District upon failure to
7 satisfy the requirement by the applicable deadline.

8 **B. General Provisions**

9 19) For the avoidance of doubt, MRC's implementation of the requirements set forth in
10 Section A (paragraphs 14-18) above does not excuse MRC from compliance with applicable air
11 quality requirements or other regulatory or legal requirements. After the entry of this Final
12 Judgment, if MRC violates any such requirement and/or regulation or law during its operations, it
13 may be subject to penalties and other legal liability as provided for under applicable law,
14 notwithstanding compliance with the requirements of Section A (paragraphs 14-18) above. The
15 People retain all rights to take enforcement action with respect to any such violations or alleged
16 violations under applicable law (either through the District Attorney, through the Air District,
17 through another authorized entity, or through a combination of the foregoing); and MRC retains all
18 rights to defend against and/or object to any such alleged violation, including any such enforcement
19 action, notwithstanding anything in this Final Judgment.

20 **MONETARY RELIEF**

21 **A. Civil Penalties**

22 20) MRC shall pay civil penalties in the amount of ten million dollars (\$10,000,000)
23 ("Civil Penalties") as follows:

- 24 (1) Three million five hundred thousand dollars (\$3,500,000) payable to the Contra
25 Costa County District Attorney's Office.
26 (2) Six million three hundred fifty thousand dollars (\$6,350,000) payable to the Bay
27 Area Air Quality Management District.
28 (3) One hundred thousand dollars (\$100,000) payable to Contra Costa Health

1 Services.

2 (4) Fifty Thousand dollars (\$50,000) payable to the California Department of Fish
3 and Wildlife.

4 **B. Supplemental Environmental Projects**

5 21) MRC shall make a payment of four hundred fifty thousand dollars (\$450,000) to the
6 Air District to provide funding for a Supplemental Environmental Project (“SEP”) for high-
7 performance air filtration systems projects at public schools in the vicinity of the Facility, with up to
8 nine percent (9%) of the funds to be used for reasonable administrative and overhead costs necessary
9 to administer such projects. Allocation of SEP funds shall be prioritized based on proximity of the
10 applicant schools to the Facility. The District Attorney and MRC shall notify public schools located
11 in the City of Martinez of the availability of the SEP funds and provide instructions on how to apply
12 for SEP funding for qualifying projects.

13 a. To the extent that there are insufficient qualifying projects reasonably available for
14 funding, the Air District shall allocate 100% of any unused SEP funds to the Local Community
15 Benefits Fund that will be established for Martinez and the surrounding area in accordance with the
16 Air District’s Community Benefits Penalty Funds Policy (“Policy”). The District Attorney will
17 notify potential applicants located in the City of Martinez of the Local Community Benefits Fund by
18 providing them with information from the Air District’s Community Investments Office webpage at
19 <https://www.baaqmd.gov/en/community-health/community-investments-office>.

20 b. For the avoidance of doubt, and as stated in Paragraph 24 below, MRC’s SEP payment
21 under this Paragraph 21 is not, and shall not be construed to be, a civil penalty, and as such, it is not
22 subject to the Policy, regardless of the fact that SEP funds may be disbursed through the Local
23 Community Benefits Fund established under the Policy.

24 22) MRC shall make a payment of fifty thousand dollars (\$50,000) to provide funding for
25 a SEP for the Contra Costa County Fish and Wildlife Committee Propagation Fund which is a grant
26 program aimed at enhancing the county’s fish and wildlife resources by funding projects in the local
27 community.

28 23) MRC shall make a payment of one hundred thousand dollars (\$100,000) to provide

1 funding for a SEP for the Certified Unified Program Agency (“CUPA”) Forum Environmental
2 Protection Trust Fund for scholarships to attend and participate in the annual California Unified
3 Program Annual Training Conference and other trainings to benefit Contra Costa County local
4 CUPAs.

5 24) The Parties intend and construe MRC’s funding of the SEPs under Paragraphs 21-23
6 above to be amounts paid for restitution in the form of measures to mitigate effects caused by
7 emissions. The Parties do not intend or construe any portion of MRC’s funding of such SEPs as a
8 civil penalty.

9 **PAYMENT AND EXPENDITURES**

10 25) The payment of the Civil Penalties set forth in Paragraph 20 above (\$10,000,000),
11 and funding for all SEPs pursuant to Paragraphs 21-23 above (\$600,000), shall be made by wire
12 transfer or by check payable to each of the designated entities and delivered to the Contra Costa
13 County District Attorney’s Office, Bryan M. Tierney, 10 Douglas Drive, Suite 130, Martinez,
14 California 94553 within forty-five (45) calendar days from the filing date of this Final Judgment for
15 distribution pursuant to the terms herein. Time is of the essence. MRC shall be liable for a civil
16 penalty of Twenty-Five Thousand Dollars (\$25,000) for each calendar day that any payment is that
17 has not been received starting ninety (90) days from the filing date of this Final Judgment.

18 **ENFORCEMENT OF FINAL JUDGMENT**

19 26) Pursuant to the Court’s inherent authority, and Code of Civil Procedure section 664.6
20 and the request of the Parties, the Court retains jurisdiction over this matter and the terms of the
21 Final Judgment. The People may move this Court to enforce any alleged violation of any provision
22 of this Final Judgment, and to award other appropriate relief, and MRC may oppose or defend any
23 such enforcement of any alleged violation, in each case to the full extent as may be legally
24 permissible. Nothing in this Final Judgment shall limit any rights of the People to seek any other
25 relief or for criminal or civil remedies for future violations as provided by law, and nothing herein
shall limit any rights of MRC to oppose or defend any such action by the People.

26 **MATTERS COVERED BY THIS FINAL JUDGMENT**

27 27) This Final Judgment is a final and binding resolution and settlement of all claims,
28 violations, and causes of action that were alleged or could have been alleged in the Complaint

1 arising from the facts, matters, and allegations set forth in the Complaint, against MRC, its partners,
2 affiliates, parents and subsidiaries and related entities, and their respective officers, directors,
3 employees, partners, and agents, and to successors and assignees thereof, as to the Facility through
4 the date of entry of this Final Judgment, which shall be known as "Covered Matters."

5 28) This Final Judgment precludes the District Attorney and/or the Air District from
6 seeking criminal or civil penalties or taking administrative action for the Covered Matters, including
7 but not limited to, the same alleged actions and violations that are the basis for the Notices of
8 Violations ("NOVs") identified in the Complaint, or for claims, violations, and causes of action,
9 whether known or unknown, that could have been asserted arising out of facts, matters or allegations
10 in the NOVs identified in the Complaint or set forth in the Complaint, as of the date of entry of this
11 Final Judgment; but it does not preclude the District Attorney and/or the Air District from seeking
12 criminal or civil penalties or taking administrative action for any violation that occurs after filing of
13 this Final Judgment, or for separate independent violations arising out of facts, matters or allegations
14 that are not set forth in the Complaint, whether known or unknown.

15 **NOTICES**

16 29) All submissions and notices required by this Final Judgment, except as otherwise
17 specified above, shall be sent to:

18 For the District Attorney: Bryan Tierney
19 Deputy District Attorney
Contra Costa County District Attorney's Office
20 10 Douglas Drive, Suite 130
Martinez, California 94553
BTierney@contracostada.org

21 For the Air District: Brian Case
22 Assistant Counsel
Bay Area Air Quality Management District
23 375 Beale Street, Suite 600
San Francisco, California 94105
24 BCASE@baaqmd.gov

25 For MRC: Mark Elliott
26 Pillsbury Winthrop Shaw and Pittman LLP
725 South Figueroa Street, 36th Floor
27 Los Angeles, California 90017-5524
mark.elliott@pillsburylaw.com

28 With copy to: Roberto M. Durango
Managing Counsel, Refining

Martinez Refining Company LLC
3485 Pacheco Boulevard
Martinez, CA 94553
Roberto.Durango@pbenergy.com

Any Party may change its notice name and address by informing the other Party in writing, but no change is effective until its receipt is confirmed. All notices and other communications required or permitted under this Final Judgment that are properly addressed as provided in this paragraph are effective upon delivery if delivered personally or by overnight mail or are effective five (5) days following deposit in the United States mail, postage prepaid, if delivered by mail. Any Party may also give notice by electronic mail, which shall be effective upon confirmation by the Party receiving the notice that such electronic mail has been received by the Party to whom the notice has been addressed.

EFFECT OF JUDGMENT

30) Except as expressly provided in this Final Judgment, nothing in this Final Judgment is intended to, or shall be construed to, preclude the People or any state, county, or local agency, department, board, or entity, from exercising its authority under any law, statute or regulation.

NO WAIVER OF RIGHT TO ENFORCE

31) The failure of the People to enforce any provision of this Final Judgment shall neither be deemed a waiver of such provision nor in any way affect the validity of this Final Judgment. The failure of the People to enforce any such provision shall not preclude them from later enforcing the same or any other provision of this Final Judgment. No oral advice, guidance, suggestions, or comments by employees or officials of any Party regarding matters covered in this Final Judgment shall be construed to relieve any Party of its obligations under this Final Judgment.

APPLICATION OF FINAL JUDGMENT

32) This Final Judgment shall apply to and be binding upon the People and upon MRC, its partners, affiliates, parents and subsidiaries and related entities, and their respective officers, directors, employees, partners, and agents, and successors and assigns thereof.

LITIGATION EXPENSES AND FEES

33) The Parties shall each pay their own filing fees, attorney fees, expert witness fees, and

1 all other costs of litigation incurred to date.

2 **INTERPRETATION**

3 34) The terms of this Final Judgment were drafted equally by all Parties. The Parties
4 agree that the rule of construction, holding that ambiguity is construed against the drafting party,
5 shall not apply to the interpretation of this Final Judgment.

6 **MODIFICATION OF FINAL JUDGMENT**

7 35) This Final Judgment may be modified only on noticed motion by a Party or upon
8 written consent of the Parties with approval of the Court.

9 **ENTIRE AGREEMENT**

10 36) This Final Judgment constitutes the full and final integrated agreement and
11 understanding of the Parties hereto with respect to the subject matter hereof and supersedes all prior
12 and contemporaneous agreements, understandings, inducements, and conditions, express or implied,
13 oral or written, of any nature whatsoever with respect to the subject matter hereof.

14 **EFFECTIVE DATE OF FINAL JUDGMENT**

15 37) This Final Judgment shall become effective upon entry. The Parties need not file a
16 Notice of Entry of Judgment.

17 **ENTRY OF JUDGMENT**

18 38) The Court, having reviewed the Complaint, and this Final Judgment, and
19 understanding that the violations of law alleged in the Complaint against MRC occurred within the
20 State of California and County of Contra Costa, finds that the terms, penalties, and SEPs set forth in
21 this Final Judgment are fair, reasonable, and an appropriate final resolution between the Parties of all
22 violations, alleged, or which could be alleged within the scope of the factual allegations of the
23 Complaint.

24 39) The Court's clerk is ordered to enter this Final Judgment immediately, and to provide
25 notice to the Parties, through counsel.

26
27 **IT IS SO STIPULATED.**

28

1 **FOR THE PEOPLE OF THE STATE OF CALIFORNIA**

2

3 Dated: February 17, 2026

4

5 DIANA BECTON
6 District Attorney of Contra Costa County

7

8

9 By: 
10 BRYAN M. TIERNEY
11 Deputy District Attorney

12 Dated: February 18, 2026

13

14 BAY AREA AIR QUALITY MANAGEMENT
15 DISTRICT

16

17 By: 
18 ALEXANDER G. CROCKETT
19 General Counsel

20

21 **FOR MARTINEZ REFINING COMPANY, LLC**

22

23 Dated: February 17, 2026

24

25 By: 
26 MARK E. ELLIOTT
27 Pillsbury Winthrop Shaw Pittman LLP

28

29 **IT IS SO ORDERED.**

30

31 Dated: FEB 18 2026

32

33 
34 Benjamin T. Reyes II
35 Judge of the Superior Court

Attachment A

CEMS Installation Deadlines

Equipment	Pollutant	Deadline			
		Submit Plans	Submit Intent to Purchase	Complete Installation	Complete Testing
COB 1/2/3 (Source ID S-1507, S-1509, S-1512)	NOx	Completed	Completed	Completed	Completed
	CO	Completed	Completed	Completed	Completed
	SO ₂	Completed	Completed	Completed	Completed
	Opacity	Completed	Completed	Completed	Completed
HGHT Furnaces (Source ID S-4031, S-4141)	NOx	Completed	Completed	Completed	Completed
F-102 (Source ID S-1760)	NOx	Completed	Completed	Completed	Completed
F-66 (Source ID S-1510)	NOx	Completed	Completed	Completed	Within 45 days of first CCU restart after current shutdown for repairs
	CO	Completed	Completed	Completed	Within 45 days of first CCU restart after current shutdown for repairs
DCU Furnaces (Source ID S-4002, S-4003)	NOx	Completed	Completed	Completed	Completed
LOP/CF Fuel Gas (Multiple Sources)	H ₂ S	Completed	Completed	6/30/2026	Install Completion Date + 45 days
SRU 1&2 (Source ID S-1431, S-1432)	SO ₂	Completed	Completed	Completed	Completed
SRU 3 (Source ID S-4229, S-4194)	SO ₂	Completed	Completed	Completed	Completed

Equipment	Pollutant	Deadline			
		Submit Plans	Submit Intent to Purchase	Complete Installation	Complete Testing
SRU 4 (Source ID S-4180)	SO ₂	Completed	Completed	Completed	Completed
OPCEN HC Flare (Source ID S-1772)/OPCEN FXG Flare (Source ID S-1771); Flexicoker Fuel Gas (multiple sources)	H ₂ S	Completed	Completed	9/30/2026	Install Completion Date + 45 days
	TRS	Completed	Completed	9/30/2026	Install Completion Date + 45 days
	BTU	Completed	Completed	9/30/2026	Install Completion Date + 45 days
DC Clean Fuels Flare (Source ID S-4201)	H ₂ S	Completed	Completed	9/30/2026	Install Completion Date + 45 days
	TRS	Completed	Completed	9/30/2026	Install Completion Date + 45 days
	BTU	Completed	Completed	9/30/2026	Install Completion Date + 45 days
LOP Auxiliary Flare (Source ID S-1471)/LOP Main Flare (Source ID S-1472)	H ₂ S	Completed	Completed	9/30/2026	Install Completion Date + 45 days
	TRS	Completed	Completed	9/30/2026	Install Completion Date + 45 days
	BTU	Completed	Completed	9/30/2026	Install Completion Date + 45 days
Cogen 1 (Source ID S-4190, S-4191)	NO _x	Completed	Completed	Completed	Completed
Cogen 2 (Source ID S-4192, S-4193)	NO _x	Completed	Completed	Completed	Completed