

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**

**DOCKET NO.:** 2007-0713-AIR-E **TCEQ ID:** RN100218130 **CASE NO.:** 33439

**RESPONDENT NAME:** Houston Refining LP

<b>ORDER TYPE:</b>		
<input type="checkbox"/> 1660 AGREED ORDER	<input checked="" type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p><b>SITE WHERE VIOLATION(S) OCCURRED:</b> Lyondell-Citgo Refining, 12000 Lawndale Street, Gate 14, Houston, Harris County</p> <p><b>TYPE OF OPERATION:</b> Refinery</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There are six additional pending enforcement actions regarding this facility location, Docket Nos. 2006-1948-AIR-E, 2005-0179-AIR-E, 2000-1427-AIR-E, 2007-1069-AIR-E, 2007-0473-AIR-E, 2007-0780-IWD-E.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on September 10, 2007. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768  <b>TCEQ Enforcement Coordinator:</b> Mr. John Muennink, Enforcement Division, Enforcement Team 5, MC R-14, 361) 825-3423;                  Mr. David Van Soest, Enforcement Division, MC 219, (512) 239-0468  <b>Respondent:</b> Mr. Jerry Barnhill, Health, Safety and Environmental Manager, Houston Refining LP, P.O. Box 2451, Houston, Texas 77252; Mr. James B. Roecker, Vice President/General Manager Refining, Houston Refining LP, P.O. Box 2451, Houston, Texas 77252  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> April 12 and May 6, 2007</p> <p><b>Dates of NOEs Relating to this Case:</b> May 4 and 29, 2007 (NOEs)</p> <p><b>Background Facts:</b> This was a routine records review. Three violations were documented.</p> <p><b>AIR</b></p> <p>1) Failure to prevent unauthorized emissions. Specifically, Houston Refining released 1,830 pounds ("lbs") of sulfur dioxide ("SO<sub>2</sub>") from the Sulfur Recovery Unit during an avoidable emissions event that began April 3, 2007 and lasted one hour and 30 minutes. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.715(a), TEX. HEALTH &amp; SAFETY CODE § 382.085(b) and Permit No. 2167, Special Condition No. 1].</p> <p>2) Failure to prevent unauthorized emissions. Specifically, Houston Refining released 54,320 lbs of SO<sub>2</sub>, 700 lbs of sulfur trioxide, 596 lbs of hydrogen sulfide, 304 lbs of ammonia and 76 lbs of nitric oxide from the Sulfur Recovery Unit during an avoidable emissions event that began April 21, 2007 and lasted 16 hours and 45 minutes. Since these emissions were avoidable, improperly reported and determined to be excessive, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.715(a), TEX. HEALTH &amp; SAFETY CODE § 382.085(b) and Permit No. 2167, Special Condition No. 1].</p>	<p><b>Total Assessed:</b> \$20,453</p> <p><b>Total Deferred:</b> \$0  <input type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$10,226</p> <p><b>Total Paid to General Revenue:</b> \$10,227</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p> <p><b>Findings Orders Justification:</b> Excessive emissions events and absence of management practices to ensure compliance.</p>	<p><b>Ordering Provisions:</b></p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP) (See Attached A).</p> <p>2) The Order will also require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Implement measures designed to prevent the reoccurrence of emissions due to the same causes as that of the April 3, 2007 emissions event;</p> <p>ii. Implement measures designed to ensure the proper reporting of emissions events;</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision a.</p> <p>c. Comply with the TCEQ request dated May 29, 2007, for submittal of a corrective action plan ("CAP") to address the excessive emissions event that occurred on April 21, 2007, in accordance with 30 TEX. ADMIN. CODE § 101.223(a)(1);</p> <p>d. Respond completely and adequately, as determined by the executive director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by other deadline specified in writing;</p> <p>e. Upon Commission approval, implement the CAP in accordance with the approved schedule; and</p> <p>f. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions c. through e.</p>

<p>3) Failure to submit the initial notification for the April 21, 2007 emissions event within 24 hours of discovery. Specifically, the report, which was due April 22, 2007, was not submitted until April 26, 2007 [30 TEX. ADMIN. CODE § 101.201(a)(1) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>		
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Attachment A  
Docket Number: 2007-0713-AIR-E

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Houston Refining LP</b>
<b>Payable Penalty Amount:</b>	<b>Twenty Thousand Four Hundred Fifty-Three Dollars (\$20,453)</b>
<b>SEP Amount:</b>	<b>Ten Thousand Two Hundred Twenty-Six Dollars (\$10,226)</b>
<b>Type of SEP:</b>	<b>Pre-approved</b>
<b>Third-Party Recipient:</b>	<b>Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program</b>
<b>Location of SEP:</b>	<b>Harris County</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.



B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council  
Houston-Galveston AERCO  
P.O. Box 22777  
Houston, Texas 77227-2777

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division  
Attention: SEP Coordinator, MC 219  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality  
Financial Administration Division, Revenues  
Attention: Cashier, MC 214  
P.O. Box 13088  
Austin, Texas 78711-3088



The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

**5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision April 26, 2007

**TCEQ**

<b>DATES</b>	<b>Assigned PCW</b>	7-May-2007	<b>Screening</b>	7-May-2007	<b>EPA Due</b>	6-Dec-2007
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<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Houston Refining LP
<b>Reg. Ent. Ref. No.</b>	RN100218130
<b>Facility/Site Region</b>	12-Houston
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	33439	<b>No. of Violations</b>	3
<b>Docket No.</b>	2007-0713-AIR-E	<b>Order Type</b>	Findings
<b>Media Program(s)</b>	Air	<b>Enf. Coordinator</b>	John Muennink
<b>Multi-Media</b>		<b>EC's Team</b>	EnforcementTeam 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$12,600
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### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

<b>Compliance History</b>	353% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$44,478
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**Notes**  
 Enhancement due to 11 NOVs with same or similar violations, 12 NOVs with unrelated violations (including five self-reported monthly effluent violations), six 1660 Agreed Orders, five Findings Orders and one Court Order. Reduction due to one notice of audit letter.

<b>Culpability</b>	No	0% Enhancement	<b>Subtotal 4</b>	\$0
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**Notes**  
 The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply</b>	0% Reduction	<b>Subtotal 5</b>	\$0
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	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

**Notes**  
 The Respondent does not meet the good faith criteria.

<b>Total EB Amounts</b>	\$296	<b>0% Enhancement*</b>	<b>Subtotal 6</b>	\$0
<b>Approx. Cost of Compliance</b>	\$10,750	*Capped at the Total EB \$ Amount		

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$57,078
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>		<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

**Notes**

<b>Final Penalty Amount</b>	\$57,078
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$20,453
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<b>DEFERRAL</b>	0% Reduction	<b>Adjustment</b>	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

**Notes**

No deferral is recommended for Findings Orders.

<b>PAYABLE PENALTY</b>	\$20,453
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Screening Date 7-May-2007

Docket No. 2007-0713-AIR-E

PCW

Respondent Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33439

PCW Revision April 26, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute] Air

Enf. Coordinator John Muennink

### Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	11	55%
	Other written NOVs	12	24%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	6	120%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	5	125%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 353%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement due to 11 NOVs with same or similar violations, 12 NOVs with unrelated violations (including five self-reported monthly effluent violations), six 1660 Agreed Orders, five Findings Orders and one Court Order. Reduction due to one notice of audit letter.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 353%

Screening Date 7-May-2007

Docket No. 2007-0713-AIR-E

PCW

Respondent Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33439

PCW Revision April 26, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 2167, Special Condition No. 1

Violation Description Failed to prevent unauthorized emissions. Specifically, Houston Refining released 1,830 pounds ("lbs") of sulfur dioxide ("SO2") from the Sulfur Recovery Unit during an avoidable emissions event that began April 3, 2007 and lasted one hour and 30 minutes. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="25%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>

Matrix Notes Human health or the environment has been exposed to an insignificant amount of pollutants as a result of the violation.

Adjustment

Violation Events

Number of Violation Events  Number of violation days

mark only one with an x	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input type="text"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input checked="" type="checkbox"/>

Violation Base Penalty

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

## Economic Benefit Worksheet

**Respondent:** Houston Refining LP  
**Case ID No.:** 33439  
**Reg. Ent. Reference No.:** RN100218130  
**Media:** Air  
**Violation No.:** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$5,000	3-Apr-2007	31-Oct-2007	0.6	\$145	n/a	\$145

Notes for DELAYED costs

Estimated expense to revise procedures and work practices for maintenance work on the motorized operating valves that interconnect the process units in the Sulfur Recovery Complex. Date required is the date of the emissions event. Final date is the date that corrective actions are estimated to be completed.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

**TOTAL**

\$145

Screening Date 7-May-2007

Docket No. 2007-0713-AIR-E

PCW

Respondent Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33439

PCW Revision April 26, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.715(a), Tex. Health & Safety Code § 382.085(b) and Permit No. 2167, Special Condition No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, Houston Refining released 54,320 lbs of SO2, 700 lbs of sulfur trioxide, 596 lbs of hydrogen sulfide, 304 lbs of ammonia and 76 lbs of nitric oxide from the Sulfur Recovery Unit during an avoidable emissions event that began April 21, 2007 and lasted 16 hours and 45 minutes. Since these emissions were avoidable, improperly reported and determined to be excessive, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	x			100%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to a significant amount of pollutants as a result of the violation.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	x
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$10,000

One daily event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$106

Violation Final Penalty Total \$45,300

This violation Final Assessed Penalty (adjusted for limits) \$10,000

## Economic Benefit Worksheet

**Respondent** Houston Refining LP  
**Case ID No.** 33439  
**Reg. Ent. Reference No.** RN100218130  
**Media** Air  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$4,000	21-Apr-2007	31-Oct-2007	0.5	\$106	n/a	\$106

Notes for DELAYED costs

Estimated expense to implement measures designed to ensure the proper operation of bypass equipment in the Sulfur Recovery Unit. Date required is the date of the emissions event. Final date is the date that corrective action is estimated to be completed.

### Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$4,000

TOTAL

\$106

Screening Date 7-May-2007

Docket No. 2007-0713-AIR-E

PCW

Respondent Houston Refining LP

Policy Revision 2 (September 2002)

Case ID No. 33439

PCW Revision April 26, 2007

Reg. Ent. Reference No. RN100218130

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit the initial notification for the April 21, 2007 emissions event within 24 hours of discovery. Specifically, the report, which was due April 22, 2007, was not submitted until April 26, 2007.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
			x	1%

Matrix Notes

The Respondent has met at least 70% of the rule requirement.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$46

Violation Final Penalty Total \$453

This violation Final Assessed Penalty (adjusted for limits) \$453

## Economic Benefit Worksheet

**Respondent:** Houston Refining LP  
**Case ID No.:** 33439  
**Reg. Ent. Reference No.:** RN100218130  
**Media:** Air  
**Violation No.:** 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$1,500	22-Apr-2007	31-Oct-2007	0.5	\$39	n/a	\$39
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$250	22-Apr-2007	31-Oct-2007	0.5	\$7	n/a	\$7

Notes for DELAYED costs

Estimated cost for plant personnel to file a timely initial notification and to implement measures designed to ensure the proper reporting of emissions events. Date required is 24 hours after the plant discovered the event. Final Date is the estimated date new reporting procedures will be implemented.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,750

**TOTAL**

\$46

# Compliance History

Customer/Respondent/Owner-Operator: CN601313083 Houston Refining LP Classification: AVERAGE Rating: 6.67  
 Regulated Entity: RN100218130 LYONDELL-CITGO REFINING Classification: AVERAGE Site Rating: 6.67

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0048L
	AIR OPERATING PERMITS	PERMIT	1372
	INDUSTRIAL AND HAZARDOUS WASTE COMPLIANCE PLANS	PERMIT	50106
	PETROLEUM STORAGE TANK REGISTRATION	REGISTRATION	39953
	AIR NEW SOURCE PERMITS	PERMIT	2167
	AIR NEW SOURCE PERMITS	PERMIT	3844
	AIR NEW SOURCE PERMITS	PERMIT	26987
	AIR NEW SOURCE PERMITS	PERMIT	31955
	AIR NEW SOURCE PERMITS	PERMIT	38735
	AIR NEW SOURCE PERMITS	PERMIT	44938
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0048L
	AIR NEW SOURCE PERMITS	REGISTRATION	54769
	AIR NEW SOURCE PERMITS	REGISTRATION	55719
	AIR NEW SOURCE PERMITS	REGISTRATION	75386
	AIR NEW SOURCE PERMITS	AFS NUM	4820100040
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX985
	AIR NEW SOURCE PERMITS	REGISTRATION	71613
	AIR NEW SOURCE PERMITS	REGISTRATION	74743
	AIR NEW SOURCE PERMITS	REGISTRATION	76934
	AIR NEW SOURCE PERMITS	REGISTRATION	78506
	AIR NEW SOURCE PERMITS	REGISTRATION	80698
	AIR NEW SOURCE PERMITS	REGISTRATION	43445
	AIR NEW SOURCE PERMITS	REGISTRATION	46595
	AIR NEW SOURCE PERMITS	REGISTRATION	49678
	AIR NEW SOURCE PERMITS	REGISTRATION	50839
	AIR NEW SOURCE PERMITS	REGISTRATION	56586
	AIR NEW SOURCE PERMITS	REGISTRATION	71380
	AIR NEW SOURCE PERMITS	REGISTRATION	81566
	WASTEWATER	PERMIT	WQ0000392000
	WASTEWATER	PERMIT	TPDES0003247
	WASTEWATER	EPA ID	TPDES0003247
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011570
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1011570
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD082688979
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30092
	INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50106
	WATER LICENSING	LICENSE	1011570
	IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30092
	INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE	PERMIT	50106

Location: 12000 Lawndale St, Gate 14, Houston, TX Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: May 07, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: May 07, 2002 to May 07, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: John Muennink Phone: (361) 825-3423

### Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A

4. If Yes, who was/were the prior owner(s)?

N/A

5. When did the change(s) in ownership occur?

N/A

**Components (Multimedia) for the Site :**

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 08/22/2002

ADMINORDER 2001-0072-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(2)(C)  
40 CFR Part 60, Subpart J 60.105(a)(1)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to install a COMS in the fluid catalytic cracking unit regeneration stack to continuously monitor and record opacity of emissions, from 10/95 thru 3/00.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.13(b)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to use the appropriate low span daily calibration gas for the continuous emission monitoring system (CEMS) that measures hydrogen sulfide in the fuel gas, and by failing to use the appropriate high span standard gas during the first qtr 1998.

Classification: Moderate

Citation: 5C THC Chapter 382, SubChapter A 382.085(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Allowed unauthorized emissions from the 736 Coker Unit fire at the "B" drum on May 7, 1999.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC15 PERMIT

Description: Failed to properly calibrate the Predictive Emissions Monitoring System (PEMS) on the 537 Crude Unit F1 Heater to determine in-stack emissions of oxides of nitrogen and oxygen.

Effective Date: 08/07/2003

ADMINORDER 2002-1040-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to monitor 368 valves in the Benzene and Toluene Unit in VOC service.

Effective Date: 12/05/2003

COURTORDER

Classification: Major

Citation: 30 TAC Chapter 101, SubChapter A 101.4  
30 TAC Chapter 116, SubChapter G 116.715(a)

Rqmt Prov: SC 1 PERMIT

Description: Emissions of sulfur dioxide and hydrogen sulfide into the air at such concentration as to adversely affect human health or welfare or as to interfere with the reasonable use and enjoyment of property.

Effective Date: 07/01/2004

ADMINORDER 2003-1418-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Special Condition No. 1 PERMIT

Description: Allowed an unauthorized release of SO<sub>2</sub>, H<sub>2</sub>S, and SO<sub>3</sub> from the Sulfur Recovery Complex. Specifically, an emissions event occurred on December 19, 2002 which resulted in excess emissions of 85,009 lbs of SO<sub>2</sub>, 1,869 lbs of H<sub>2</sub>S, and 2,426 lbs of SO<sub>3</sub>.

Effective Date: 04/10/2005

ADMINORDER 2004-0866-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PSD-TX-985, Special Condition 1 PERMIT

Description: Exceeded VOC emissions limit for TCEQ Flexible Permit #2167 during an emissions event.

Effective Date: 08/07/2005

ADMINORDER 2004-2002-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Special Condition No. 1 PERMIT  
Description: Failed to comply with permitted emissions limits.  
Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit the initial report for the reportable emission event that occurred on September 1, 2004 in a timely manner.

Effective Date: 12/15/2005 ADMINORDER 2005-1172-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit No. 2167, SC #1. PERMIT  
Description: Failed to comply with permitted emissions limits.

Effective Date: 02/05/2006 ADMINORDER 2005-0754-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.716(a)[G]  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 1 PERMIT  
Description: Failed to comply with permitted emissions limits.

Effective Date: 02/20/2006 ADMINORDER 2005-0359-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #2 PA  
Flexible Permit #2167, SC#26 PA

Description: Failed to limit the hydrogen sulfide ("H2S") concentration in the fuel gas to no more than 160 parts per million ("ppm") on a three-hour rolling average basis.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #44B PA

Description: Failed to operate the Wet Gas Scrubber (EPN 732 COB) at a minimum pressure drop across the scrubber of 0.91 pounds per square inch ("psi") and at a minimum liquid-to-gas ratio ("L/G") of 16.0 gallons per 1,000 actual cubic feet.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.103(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #2 PA

Description: Failed to maintain a maximum hourly average carbon monoxide ("CO") concentration of no more than 500 parts per million volume ("ppmv") from the FCCU Catalyst Regenerator Stack (EPN 732-COB)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Special Condition 47 PERMIT

Description: Failed to note daily flare observations in the Flare Observation Log and failed to maintain monitoring records for a flare's pilot flame.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)

30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 115, SubChapter D 115.352(2)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.171(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #14.I PA  
Description: Failed to repair three valves within 15 days of leak detection  
Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #37 PA  
Description: Failed to maintain the sulfur dioxide ("SO2") concentration in the exhaust gas of the #435 and #440 Tail Gas Thermal Oxidizers (EPNs TGU-ICN and TGU-ICN2) below 235 ppmv on a one-hour average basis.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 115, SubChapter B 115.114(a)(1)  
30 TAC Chapter 115, SubChapter B 115.114(a)(2)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(a)(2)(i)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(b)(1)(iii)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Flexible Permit #2167, SC #4 PA  
Description: Failed to conduct the required inspections for three storage tanks.

Effective Date: 05/28/2006 ADMINORDER 2005-1985-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ Flexible Permit #2167, SC #1 PERMIT  
Description: Failed to prevent unauthorized emissions.

Effective Date: 06/15/2006 ADMINORDER 2005-2073-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ Permit #2167, SC#1 PERMIT  
Description: Failed to prevent unauthorized emissions.

Effective Date: 02/05/2007 ADMINORDER 2006-0811-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: No. 2167, SC #1 PERMIT  
Description: Failed to prevent unauthorized emissions on November 7, 2005.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
  
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: TCEQ Permit #2167, SC#1 PERMIT  
Description: Failed to prevent unauthorized emissions on March 21, 2006.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	05/07/2002	(130100)
2	06/17/2002	(156189)
3	07/08/2002	(156192)
4	07/19/2002	(1841)
5	08/01/2002	(3456)
6	08/07/2002	(156196)
7	08/31/2002	(4788)
8	08/31/2002	(10045)
9	08/31/2002	(10424)
10	08/31/2002	(9990)
11	08/31/2002	(10142)
12	08/31/2002	(10031)
13	09/10/2002	(156199)
14	10/08/2002	(156202)
15	10/28/2002	(13011)
16	11/14/2002	(156206)
17	11/25/2002	(12940)
18	12/16/2002	(156210)
19	01/06/2003	(10859)
20	01/13/2003	(156214)
21	02/18/2003	(24723)
22	02/20/2003	(156176)
23	03/10/2003	(156179)
24	03/21/2003	(27575)
25	04/08/2003	(156183)
26	04/21/2003	(29841)
27	05/13/2003	(294606)
28	06/16/2003	(294608)
29	07/07/2003	(294610)
30	07/31/2003	(35420)
31	08/04/2003	(144785)
32	08/06/2003	(144511)
33	08/12/2003	(294612)
34	08/18/2003	(112865)
35	09/10/2003	(294614)
36	10/14/2003	(294616)
37	11/12/2003	(294617)
38	12/16/2003	(294618)
39	01/05/2004	(252510)
40	01/08/2004	(294619)
41	01/30/2004	(258069)
42	02/03/2004	(252543)
43	02/09/2004	(294599)
44	02/23/2004	(4691)
45	02/24/2004	(263274)
46	02/29/2004	(262038)
47	03/09/2004	(294603)
48	04/16/2004	(294604)
49	05/14/2004	(264609)
50	05/20/2004	(351815)
51	05/27/2004	(143412)
52	06/14/2004	(351816)
53	07/22/2004	(351817)
54	08/11/2004	(286666)
55	08/11/2004	(288389)
56	08/11/2004	(287948)
57	08/16/2004	(260979)
58	08/16/2004	(260585)
59	08/16/2004	(351818)
60	08/19/2004	(261725)
61	08/24/2004	(271493)
62	08/31/2004	(271505)
63	08/31/2004	(289666)
64	08/31/2004	(292409)
65	09/01/2004	(276631)
66	09/15/2004	(351819)
67	10/15/2004	(282886)
68	10/18/2004	(351820)
69	10/19/2004	(335898)

70	10/19/2004	(336015)
71	11/11/2004	(290238)
72	11/11/2004	(292704)
73	11/11/2004	(291091)
74	11/14/2004	(271509)
75	11/18/2004	(340059)
76	11/18/2004	(351821)
77	11/22/2004	(341679)
78	12/03/2004	(269989)
79	12/07/2004	(341250)
80	12/09/2004	(342162)
81	12/14/2004	(342195)
82	12/16/2004	(285369)
83	12/27/2004	(351822)
84	12/28/2004	(278159)
85	01/05/2005	(21204)
86	01/18/2005	(381702)
87	01/28/2005	(345654)
88	02/02/2005	(347718)
89	02/15/2005	(381700)
90	03/16/2005	(347527)
91	03/21/2005	(381701)
92	03/29/2005	(375273)
93	04/14/2005	(376977)
94	04/14/2005	(372794)
95	04/18/2005	(419493)
96	04/19/2005	(376798)
97	04/22/2005	(349552)
98	05/02/2005	(372107)
99	05/03/2005	(376226)
100	05/20/2005	(381195)
101	05/24/2005	(419494)
102	05/25/2005	(379525)
103	05/26/2005	(337173)
104	05/26/2005	(349881)
105	06/07/2005	(395018)
106	06/20/2005	(419495)
107	06/21/2005	(379593)
108	07/07/2005	(379524)
109	07/22/2005	(400281)
110	07/25/2005	(419496)
111	08/15/2005	(404916)
112	08/18/2005	(404363)
113	08/18/2005	(404331)
114	08/24/2005	(405604)
115	08/24/2005	(405556)
116	08/24/2005	(440650)
117	08/25/2005	(404773)
118	09/19/2005	(440651)
119	10/10/2005	(431795)
120	10/10/2005	(468144)
121	10/28/2005	(432450)
122	10/31/2005	(432333)
123	11/07/2005	(468145)
124	11/23/2005	(435308)
125	12/02/2005	(431511)
126	12/28/2005	(434541)
127	01/19/2006	(468146)
128	02/01/2006	(468142)
129	02/25/2006	(456998)
130	02/25/2006	(457020)
131	02/25/2006	(457004)
132	02/28/2006	(457235)
133	03/17/2006	(468143)
134	04/10/2006	(498011)
135	04/20/2006	(437368)
136	04/27/2006	(439800)
137	05/10/2006	(498012)

138 05/31/2006 (480504)  
 139 05/31/2006 (480500)  
 140 05/31/2006 (480503)  
 141 05/31/2006 (480506)  
 142 05/31/2006 (480494)  
 143 06/14/2006 (479843)  
 144 06/15/2006 (498013)  
 145 06/15/2006 (481316)  
 146 06/15/2006 (461559)  
 147 06/29/2006 (458901)  
 148 06/30/2006 (469140)  
 149 07/17/2006 (485790)  
 150 07/26/2006 (520029)  
 151 07/28/2006 (463199)  
 152 08/08/2006 (489220)  
 153 08/11/2006 (520030)  
 154 08/18/2006 (396831)  
 155 09/11/2006 (489202)  
 156 10/06/2006 (489212)  
 157 10/12/2006 (544276)  
 158 10/30/2006 (511654)  
 159 11/21/2006 (544277)  
 160 01/09/2007 (532009)  
 161 01/25/2007 (512685)  
 162 02/02/2007 (435323)  
 163 02/02/2007 (511662)  
 164 02/05/2007 (536476)  
 165 02/08/2007 (512678)  
 166 02/22/2007 (510814)  
 167 02/23/2007 (511980)  
 168 03/21/2007 (539194)  
 169 03/21/2007 (539188)  
 170 03/21/2007 (539192)  
 171 04/04/2007 (554793)  
 172 04/04/2007 (554809)  
 173 04/20/2007 (556941)  
 174 04/24/2007 (557537)  
 175 04/30/2007 (554360)  
 176 05/04/2007 (556720)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date 07/19/2002 (1841)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 Description: Unexempted upset emissions exceeded emission limits for SO2 and H2S under Permit No. 2167, Special Condition 1.

Date 10/28/2002 (13011)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(1)(A)  
 Description: Failure to inspect the ground storage tanks (1&2) at least annually.

Date 08/18/2003 (112865)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 335, SubChapter A 335.6(c)[G]  
 Description: During this investigation, it was found LCR failed to provide proper notification of all current solid waste activities to the TCEQ.

Date 02/03/2004 (252543)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT 2167, Special Condition #1  
 Description: Lyondell failed to comply with the Special Conditions of permit 2167. Improper trim adjustment on a control valve caused temperature and pressure to increase above the PSV setpoint.

Date 02/29/2004 (262038)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ FLEXIBLE AIR PERMIT #2167, SC #1  
 Description: Lyondell exceeded permit limits during an emissions event.

Date 05/14/2004 (264609)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT Permit #2167, Special Condition #1  
 Description: Exceeded VOC permit limit during an emissions event.  
 Date 08/16/2004 (260585)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ FLEXIBLE AIR PERMIT 2167, SC #1  
 Description: Exceeded VOC permit limit during an avoidable emissions event.  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)  
 Description: Failure to submit an administratively complete final emissions event report.  
 Date 08/16/2004 (260979)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)  
 Description: Failure to comply with emissions events reporting requirements.  
 Date 08/18/2004 (261725)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Flexible Air Permit #2167, SC #1  
 Description: Failure to submit an administratively complete final emissions event report.  
 Date 11/14/2004 (271509)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT Flexible No. 2167 and PSD-TX-985, S.C. 1  
 Description: Exceeded VOC permit limits during an avoidable emissions event.  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(c)  
 Description: Failure to submit a final report within 14 days of the end of an emissions event.  
 Date 11/30/2004 (351822)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter  
 Date 12/09/2004 (342162)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 Rqmt Prov: PA Special Condition #1  
 Description: Failure to control unauthorized emissions.  
 Date 05/02/2005 (372107)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 117, SubChapter B 117.219(f)(10)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Description: Failure to record the times of operation for testing and maintenance for diesel engines  
 subject to the restriction on hours of operation.  
 Date 05/26/2005 (379525)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Description: Failure to control knockout pot level on south compressor.  
 Date 07/06/2005 (379524)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT Special Condition 15E  
 Description: Failed to keep a cap or plug on open-ended line ID # 501010 and open-ended valve #  
 614862.  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6[G]  
 5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT Special Condition 15E  
 Description: Failed to keep a cap or plug on open-ended valves ID # 501010 and # 270505.  
 Date 07/31/2005 (440650)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter  
 Date 06/13/2006 (479843)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Flexible Permit #2167, SC #1  
 Description: Lyondell failed to prevent the "Y Train" from overpressuring.  
 Date 06/30/2006 (520029)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter  
 Date 07/31/2006 (520030)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter  
 Date 08/01/2006 (463199)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 115, SubChapter D 115.352(4)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)  
 Rqmt Prov: PA 2167 and PSD-TX-985, SC 15E  
 Description: Failure to cap/plug open-ened line  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)  
 Description: Leaking plug associated with valve #802412.  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 115, SubChapter D 115.354(2)(C)  
 30 TAC Chapter 116, SubChapter G 116.715(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)  
 Rqmt Prov: PA 2167 and PSD-TX-985, SC 15F  
 Description: Failure to monitor valves  
 Date 08/09/2006 (489220)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PERMIT TCEQ Flexible Permit #2167, SC#1  
 Description: Failure to prevent the disconnection of a pressure indication instrument.  
 Date 08/18/2006 (396831)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 5C THC Chapter 382, SubChapter A 382.085(b)  
 Rqmt Prov: PERMIT Flexible Permit No. 2167, SC #1.  
 Description: The RE failed to prevent unauthorized emissions from a leaking pipe.  
 Date 10/31/2006 (544277)  
 Self Report? YES Classification: Moderate  
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
 TWC Chapter 26 26.121(a)[G]  
 Description: Failure to meet the limit for one or more permit parameter

F. Environmental audits.

Notice of Intent Date: 01/05/2004 (263563)  
 No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A  
J. Early compliance.  
N/A  
Sites Outside of Texas  
N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
HOUSTON REFINING LP  
RN100218130

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

**AGREED ORDER**  
**DOCKET NO. 2007-0713-AIR-E**

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality (“the Commission” or “TCEQ”) considered this agreement of the parties, resolving an enforcement action regarding Houston Refining LP (“Houston Refining”) under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Houston Refining presented this agreement to the Commission.

Houston Refining understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, Houston Refining agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon Houston Refining.

The Commission makes the following Findings of Fact and Conclusions of Law:

**I. FINDINGS OF FACT**

1. Houston Refining owns and operates a refinery at 12000 Lawndale Street, Gate 14 in Houston, Harris County, Texas (the “Plant”).



2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During investigations on April 12 and May 6, 2007, TCEQ staff documented that:
  - a. Houston Refining released of 1,830 pounds (“lbs”) of sulfur dioxide (“SO<sub>2</sub>”) from the Sulfur Recovery Unit during an avoidable emissions event that began April 3, 2007 and lasted one hour and 30 minutes;
  - b. Houston Refining released 54,320 lbs of SO<sub>2</sub>, 700 lbs of sulfur trioxide, 596 lbs of hydrogen sulfide, 304 lbs of ammonia and 76 lbs of nitric oxide from the Sulfur Recovery Unit during an avoidable emissions event that began April 21, 2007 and lasted 16 hours and 45 minutes; and
  - c. Houston Refining failed to submit the initial notification for the April 21, 2007 emissions event within 24 hours of discovery. Specifically, the report, which was due April 22, 2007, was not submitted until April 26, 2007.
4. Houston Refining received notices of the violations on May 9 and June 3, 2007.

## II. CONCLUSIONS OF LAW

1. Houston Refining is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3.a., Houston Refining failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 2167, Special Condition No. 1. Since these emissions were avoidable, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
3. As evidenced by Findings of Fact No. 3.b., Houston Refining failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.715(a), TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 2167, Special Condition No. 1. Since these emissions were avoidable, improperly reported and determined to be excessive, Houston Refining failed to meet the demonstrations necessary to present an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
4. As evidenced by Findings of Fact No. 3.c., Houston Refining failed to submit the initial notification for the April 21, 2007 emissions event within 24 hours of discovery, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b).
5. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Houston Refining for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission’s jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
6. An administrative penalty in the amount of Twenty Thousand Four Hundred Fifty-Three Dollars (\$20,453) is justified by the facts recited in this Agreed Order, and considered in light of the



factors set forth in TEX. WATER CODE § 7.053. Houston Refining has paid Ten Thousand Two Hundred Twenty-Seven Dollars (\$10,227) of the administrative penalty. Ten Thousand Two Hundred Twenty-Six Dollars (\$10,226) shall be conditionally offset by Houston Refining's completion of a Supplemental Environmental Project ("SEP").

### III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. Houston Refining is assessed an administrative penalty in the amount of Twenty Thousand Four Hundred Fifty-Three Dollars (\$20,453) as set forth in Section II, Paragraph 6 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Houston Refining's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Houston Refining LP, Docket No. 2007-0713-AIR-E" to:

Financial Administration Division, Revenues Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. Houston Refining shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 6 above, Ten Thousand Two Hundred Twenty-Six Dollars (\$10,226) of the assessed administrative penalty shall be offset with the condition that Houston Refining implement the SEP defined in Attachment A, incorporated herein by reference. Houston Refining's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. Houston Refining shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order:
    - i. Implement measures designed to prevent the reoccurrence of emissions due to the same causes as that of the April 3, 2007 emissions event;
    - ii. Implement measures designed to ensure the proper reporting of emissions events;
  - b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision 3.a., as described in Ordering Provision 3.f.;



- c. Comply with the TCEQ request dated May 29, 2007, for submittal of a corrective action plan ("CAP") to address the excessive emissions event that occurred on April 21, 2007, in accordance with 30 TEX. ADMIN. CODE § 101.223(a)(1);
- d. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by other deadline specified in writing;
- e. Upon Commission approval, implement the CAP in accordance with the approved schedule; and
- f. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions 3.c. through 3.e. as described below:

The certification shall be notarized by a State of Texas Notary Public and contain the following language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Air Section, Manager  
Houston Regional Office  
Texas Commission on Environmental Quality  
5425 Polk Avenue, Suite H  
Houston, Texas 77023-1486

4. The provisions of this Agreed Order shall apply to and be binding upon Houston Refining. Houston Refining is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If Houston Refining fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Houston Refining's failure to comply is not a violation of this Agreed Order. Houston Refining shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Houston Refining shall notify the Executive



Director within seven days after Houston Refining becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Houston Refining shall be made in writing to the Executive Director. Extensions are not effective until Houston Refining receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to Houston Refining if the Executive Director determines that Houston Refining has not complied with one or more of the terms or conditions in this Agreed Order.
8. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
9. This Agreed Order, issued by the Commission, shall not be admissible against Houston Refining in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
10. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.



Houston Refining LP  
DOCKET NO. 2007-0713-AIR-E  
Page 6

### SIGNATURE PAGE

#### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

  
\_\_\_\_\_  
For the Executive Director

08/1/07  
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Houston Refining LP. I am authorized to agree to the attached Agreed Order on behalf of Houston Refining LP, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Houston Refining LP waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
Signature

07/12/07  
Date

James B. Roecker  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Houston Refining LP

Vice President  
General Manager Refining  
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.



**Attachment A**  
**Docket Number: 2007-0713-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Houston Refining LP</b>
<b>Payable Penalty Amount:</b>	<b>Twenty Thousand Four Hundred Fifty-Three Dollars (\$20,453)</b>
<b>SEP Amount:</b>	<b>Ten Thousand Two Hundred Twenty-Six Dollars (\$10,226)</b>
<b>Type of SEP:</b>	<b>Pre-approved</b>
<b>Third-Party Recipient:</b>	<b>Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program</b>
<b>Location of SEP:</b>	<b>Harris County</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.



B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council  
Houston-Galveston AERCO  
P.O. Box 22777  
Houston, Texas 77227-2777

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division  
Attention: SEP Coordinator, MC 219  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality  
Financial Administration Division, Revenues  
Attention: Cashier, MC 214  
P.O. Box 13088  
Austin, Texas 78711-3088



The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

**5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

