EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2008-1554-AIR-E **TCEQ ID:** RN100716661 **CASE NO.:** 36579

RESPONDENT NAME: Pasadena Refining System, Inc

ORDER TYPE:		
X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
X AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
__PUBLIC WATER SUPPLY	__PETROLEUM STORAGE TANKS	__OCCUPATIONAL CERTIFICATION
__WATER QUALITY	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL
__MUNICIPAL SOLID WASTE	__RADIOACTIVE WASTE	__DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Pasadena Refining System, 111 Red Bluff Road, Pasadena, Harris County

TYPE OF OPERATION: Petroleum refinery

SMALL BUSINESS: ___ Yes _X_ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There are two pending enforcement actions, Docket Nos. 2008-0050-AIR-E and 2008-0621-AIR-E, regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on March 9, 2009. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Mr. Samuel Short, Enforcement Division, Enforcement Team 3, MC 149, (512) 239-5363; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387

Respondent: Mr. Faheem Kazimi, Director HSE, Pasadena Refining System, Inc, 111 Red Bluff Road, Pasadena, Texas 77506
Mr. Tobey Taylor, Senior Environmental Engineer, Pasadena Refining System, Inc, 111 Red Bluff Road, Pasadena, Texas 77506

Respondent's Attorney: Ms. Jennifer Keane, Bake Botts L.L.P., 1500 San Jacinto Center, 98 San Jacinto Boulevard, Austin,Texas 78701-4078

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: ___ Complaint ___ Routine ___ Enforcement Follow-up X Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Record Review Relating to this Case:** March 1, 2008 **Date of NOE Relating to this Case:** August 27, 2008 (NOE) **Background Facts:** This was a routine record review. **AIR** Failure to hold the required levels of Highly-Reactive Volatile Organic Compound ("HRVOC") allowances for the January 1, 2007 to December 31, 2007 control period in their compliance account by March 1, 2008. Specifically, the Respondent needed 93 tons of HRVOC allowances in their compliance account by March 1, 2008 but did not obtain the allowances until March 31, 2008 [30 TEX. ADMIN. CODE § 101.393(b)].	**Total Assessed:** $4,975 **Total Deferred:** $995 X Expedited Settlement ___Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $3,980 **Site Compliance History Classification** ___ **High** X **Average** ___ **Poor** **Person Compliance History Classification** ___ **High** X **Average** ___ **Poor** **Major Source:** X Yes ___ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** 1) The Executive Director recognizes that the Respondent purchased 93 tons of HRVOC allowances on March 31, 2008. **Ordering Provisions:** 1) The Order will require the Respondent to: a) Within 30 days after the effective date of this Agreed Order, implement procedures designed to ensure that the required levels of HRVOC allowances are obtained prior to March 1 each year; and b) Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation to demonstrate compliance with Ordering Provision a.

Additional ID No(s).: Air Account No. HG0175D

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) — *PCW Revision June 12, 2008*

TCEQ

DATES					
Assigned	22-Sep-2008				
PCW	1-Oct-2008	Screening	23-Sep-2008	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Pasadena Refining System, Inc		
Reg. Ent. Ref. No.	RN100716661		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	36579	No. of Violations	1
Docket No.	2008-1554-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Samuel Short
		EC's Team	Enforcement Team 3

Admin. Penalty $ Limit Minimum $0 Maximum $10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* $2,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — 99.0% Enhancement — *Subtotals 2, 3, & 7* $2,475

Notes: Enhancement is recommended for having thirteen NOVs for non-similar violations, one Agreed Order with denial, one Agreed Order without denial, one Final Court Order with denial, and two NOIs within the last five years.

Culpability — No — 0.0% Enhancement — *Subtotal 4* $0

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments — *Subtotal 5* $0

Economic Benefit — 0.0% Enhancement* — *Subtotal 6* $0

Total EB Amounts $2,999
Approx. Cost of Compliance $512,500

**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 — *Final Subtotal* $4,975

OTHER FACTORS AS JUSTICE MAY REQUIRE — 0.0% — *Adjustment* $0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount $4,975

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* $4,975

DEFERRAL — 20.0% Reduction — *Adjustment* -$995

Reduces the Final Assessed Penalty by the indicted percentage. *(Enter number only; e.g. 20 for 20% reduction.)*

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $3,980

Screening Date 23-Sep-2008 **Docket No.** 2008-1554-AIR-E **PCW**

Respondent Pasadena Refining System, Inc *Policy Revision 2 (September 2002)*

Case ID No. 36579 *PCW Revision June 12, 2008*

Reg. Ent. Reference No. RN100716661

Media [Statute] Air

Enf. Coordinator Samuel Short

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*)	0	0%
	Other written NOVs	13	26%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	1	20%
	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	1	25%
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 judgements 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)*	2	-2%
	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) 99%

>> 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 is recommended for having thirteen NOVs for non-similar violations, one Agreed Order with denial, one Agreed Order without denial, one Final Court Order with denial, and two NOIs within the last five years.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 99%

Screening Date 23-Sep-2008 **Docket No.** 2008-1554-AIR-E **PCW**

Respondent Pasadena Refining System, Inc *Policy Revision 2 (September 2002)*

Case ID No. 36579 *PCW Revision June 12, 2008*

Reg. Ent. Reference No. RN100716661

Media [Statute] Air

Enf. Coordinator Samuel Short

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 101.393(b)

Violation Description Failed to hold the required levels of Highly-Reactive Volatile Organic Compound ("HRVOC") allowances for the January 1, 2007 to December 31, 2007 control period in their compliance account by March 1, 2008. Specifically, the Respondent needed 93 tons of HRVOC allowances in their compliance account by March 1, 2008 but did not obtain the allowances until March 31, 2008.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: 100% of the rule requirement was not met.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events: 1 — 30 Number of violation days

mark only one with an x

daily	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $2,500

One monthly event is recommended from the date the allowances were due March 1, 2008, to the date the allowances were obtained, March 31, 2008.

Good Faith Efforts to Comply

0.0% Reduction — $0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes: The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal $2,500

Economic Benefit (EB) for this violation — Statutory Limit Test

Estimated EB Amount $2,999 **Violation Final Penalty Total** $4,975

This violation Final Assessed Penalty (adjusted for limits) $4,975

Economic Benefit Worksheet

Respondent Pasadena Refining System, Inc
Case ID No. 36579
Reg. Ent. Reference No. RN100716661
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	No commas or $						
Delayed Costs							
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Other (as needed)	$511,500	1-Mar-2008	31-Mar-2008	0.08	$140	$2,803	$2,943
Engineering/construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)	$1,000	1-Mar-2008	14-Apr-2009	1.12	$56	n/a	$56

Notes for DELAYED costs: The estimated cost to obtain 93 tons of HRVOC allowances at $5,500 a ton. The date required is the date that the allowances were needed and the final date is the date that they were purchased. The estimated cost to develop and implement procedures designed to ensure that the required levels of HRVOC allowances are obtained prior to March 1 of each year. Date required is the date that the allowances were needed and the final date is the estimated date of compliance.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/equipment				0.00	$0	$0	$0
Financial Assurance [2]				0.00	$0	$0	$0
ONE-TIME avoided costs [3]				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $512,500

TOTAL: $2,999

Compliance History Report

Customer/Respondent/Owner-Operator:	CN603137605	Pasadena Refining System, Inc	Classification: AVERAGE	Rating: 2.22
Regulated Entity:	RN100716661	PASADENA REFINING SYSTEM	Classification: AVERAGE	Site Rating: 3.65

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	HG0175D
AIR OPERATING PERMITS	PERMIT	1544
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD008091290
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30311
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT	50112
WASTEWATER	PERMIT	WQ0000574000
WASTEWATER	PERMIT	TPDES0004626
WASTEWATER	PERMIT	TX0004626
AIR NEW SOURCE PERMITS	PERMIT	3776
AIR NEW SOURCE PERMITS	PERMIT	4160
AIR NEW SOURCE PERMITS	PERMIT	4805
AIR NEW SOURCE PERMITS	PERMIT	5639
AIR NEW SOURCE PERMITS	PERMIT	5953
AIR NEW SOURCE PERMITS	PERMIT	6059
AIR NEW SOURCE PERMITS	PERMIT	12244
AIR NEW SOURCE PERMITS	PERMIT	12421
AIR NEW SOURCE PERMITS	PERMIT	12928
AIR NEW SOURCE PERMITS	PERMIT	13494
AIR NEW SOURCE PERMITS	PERMIT	14097
AIR NEW SOURCE PERMITS	PERMIT	14133
AIR NEW SOURCE PERMITS	PERMIT	20246
AIR NEW SOURCE PERMITS	PERMIT	21261
AIR NEW SOURCE PERMITS	PERMIT	22039
AIR NEW SOURCE PERMITS	PERMIT	26891
AIR NEW SOURCE PERMITS	PERMIT	29623
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG0175D
AIR NEW SOURCE PERMITS	REGISTRATION	75825
AIR NEW SOURCE PERMITS	REGISTRATION	76022
AIR NEW SOURCE PERMITS	PERMIT	76192
AIR NEW SOURCE PERMITS	AFS NUM	4820100006
AIR NEW SOURCE PERMITS	REGISTRATION	74742
AIR NEW SOURCE PERMITS	REGISTRATION	15114
AIR NEW SOURCE PERMITS	REGISTRATION	23453
AIR NEW SOURCE PERMITS	REGISTRATION	24103
AIR NEW SOURCE PERMITS	REGISTRATION	24413
AIR NEW SOURCE PERMITS	REGISTRATION	29628
AIR NEW SOURCE PERMITS	REGISTRATION	37094
AIR NEW SOURCE PERMITS	REGISTRATION	37366
AIR NEW SOURCE PERMITS	REGISTRATION	38901
AIR NEW SOURCE PERMITS	REGISTRATION	42375
AIR NEW SOURCE PERMITS	REGISTRATION	42719
AIR NEW SOURCE PERMITS	REGISTRATION	43721
AIR NEW SOURCE PERMITS	REGISTRATION	45156
AIR NEW SOURCE PERMITS	REGISTRATION	53208
AIR NEW SOURCE PERMITS	REGISTRATION	54536
AIR NEW SOURCE PERMITS	REGISTRATION	54538
AIR NEW SOURCE PERMITS	REGISTRATION	71605
AIR NEW SOURCE PERMITS	REGISTRATION	77074
AIR NEW SOURCE PERMITS	PERMIT	80804
AIR NEW SOURCE PERMITS	REGISTRATION	81553
AIR NEW SOURCE PERMITS	REGISTRATION	44511
AIR NEW SOURCE PERMITS	REGISTRATION	81978
AIR NEW SOURCE PERMITS	EPA ID	PSDTX1096
AIR NEW SOURCE PERMITS	REGISTRATION	82003
AIR NEW SOURCE PERMITS	REGISTRATION	82373
AIR NEW SOURCE PERMITS	REGISTRATION	82840
AIR NEW SOURCE PERMITS	PERMIT	56389
AIR NEW SOURCE PERMITS	REGISTRATION	84630
AIR NEW SOURCE PERMITS	EPA ID	PSDTX1109
AIR NEW SOURCE PERMITS	REGISTRATION	82764-
AIR NEW SOURCE PERMITS	REGISTRATION	82764
AIR NEW SOURCE PERMITS	REGISTRATION	82861
AIR QUALITY NON PERMITTED	ACCOUNT NUMBER	HG0175D
IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30311
INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE	PERMIT	50112

INDUSTRIAL AND HAZARDOUS WASTE COMPLIANCE PLANS PERMIT 50112

Location: 111 RED BLUFF RD, Pasadena, Harris County, Texas Rating Date: 9/1/2008 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: October 07, 2008

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: October 07, 2003 to October 07, 2008

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

Name: Samuel Short Phone: (512) 239-5363

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? Yes
3. If Yes, who is the current owner? Pasadena Refining System, Inc
4. if Yes, who was/were the prior owner(s)? Crown Central Petroleum Corporation
   N/A
   Pasadena Refining System, Inc.
5. When did the change(s) in ownership occur? 01/25/2005
   01/12/2007

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: 04/07/2006 COURTORDER

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Emission Sources - MAERT PERMIT
Description: Crown failed to comply with the Emission Sources MAERT as authorized by the permit for Tank No. 332 (EPN T-332).

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Emission Sources - MAERT PERMIT
Description: Crown failed to comply with the Emission Sources MAERT as authorized by the permit for Reformer No. 3 (EPN HTREF2631).

Effective Date: 02/18/2007 ADMINORDER 2006-0664-AIR-E

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: No. 20246, Special Condition 4 PERMIT
Description: Failure to prevent an unplanned compressor shutdown resulting in unauthorized emissions.

Classification: Moderate
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(A)
Description: Failure to prevent unauthorized emissions.

Classification: Moderate
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(A)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)

Rqmt Prov: TCEQ Permit No. 5953, MAERT PERMIT
Description: Failure to prevent unauthorized emissions from an avoidable emissions event.

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

Description: Failure to provide notification of a reportable emissions event within 24 hours of discovery.

Effective Date: 10/04/2007 ADMINORDER 2006-2193-AIR-E

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
Rqmt Prov: No. 20246, Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Minor

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

Description: Failed to submit an initial notification of an emissions event within the 24-hour period.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: No. 20246, Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Minor

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

Description: Failed to submit an initial notification of an emissions event within the 24-hour perioud

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	10/08/2003	(248881)
2	10/08/2003	(248976)
3	10/08/2003	(249236)
4	10/08/2003	(249305)
5	10/17/2003	(295054)
6	11/07/2003	(253579)
7	11/21/2003	(295055)
8	12/22/2003	(295056)
9	01/27/2004	(257474)
10	02/17/2004	(295040)
11	03/23/2004	(264460)
12	03/31/2004	(295042)
13	04/26/2004	(295043)
14	05/17/2004	(295045)
15	06/30/2004	(272332)
16	06/30/2004	(273377)
17	07/02/2004	(278046)
18	07/26/2004	(351954)
19	07/28/2004	(351953)
20	08/04/2004	(275287)
21	08/13/2004	(277198)
22	08/13/2004	(277250)
23	08/13/2004	(277929)
24	08/23/2004	(351955)
25	08/31/2004	(282637)
26	09/20/2004	(351956)
27	10/19/2004	(335210)
28	10/19/2004	(335752)
29	10/21/2004	(351957)
30	11/22/2004	(338866)
31	11/24/2004	(351958)
32	11/29/2004	(339524)
33	12/17/2004	(338853)
34	12/17/2004	(338855)
35	12/17/2004	(338865)
36	12/20/2004	(274159)
37	12/20/2004	(338847)
38	12/22/2004	(338872)
39	12/23/2004	(381778)
40	12/27/2004	(289044)
41	01/03/2005	(338875)
42	01/07/2005	(338846)
43	01/07/2005	(338863)

44	01/07/2005	(338882)
45	01/07/2005	(339594)
46	01/17/2005	(381779)
47	02/22/2005	(381777)
48	03/16/2005	(348878)
49	03/23/2005	(419605)
50	04/12/2005	(377273)
51	04/15/2005	(419606)
52	05/11/2005	(419607)
53	06/20/2005	(419608)
54	07/05/2005	(394416)
55	07/11/2005	(440748)
56	07/22/2005	(394059)
57	08/10/2005	(373721)
58	08/17/2005	(403174)
59	08/24/2005	(403097)
60	08/25/2005	(440749)
61	09/12/2005	(440750)
62	10/14/2005	(468284)
63	11/21/2005	(468285)
64	12/22/2005	(468286)
65	01/20/2006	(468287)
66	02/08/2006	(454548)
67	02/10/2006	(468282)
68	02/14/2006	(454565)
69	02/27/2006	(407010)
70	02/27/2006	(407360)
71	02/27/2006	(418333)
72	03/13/2006	(468283)
73	04/20/2006	(498096)
74	05/11/2006	(457075)
75	05/18/2006	(498097)
76	05/22/2006	(459365)
77	05/22/2006	(462966)
78	05/23/2006	(462971)
79	05/26/2006	(462753)
80	06/22/2006	(498098)
81	06/30/2006	(483088)
82	06/30/2006	(483478)
83	07/21/2006	(520114)
84	07/31/2006	(484233)
85	08/21/2006	(520115)
86	09/01/2006	(482950)
87	09/15/2006	(490299)
88	09/15/2006	(510015)
89	09/27/2006	(520116)
90	10/05/2006	(513823)
91	10/13/2006	(512280)
92	10/19/2006	(544373)
93	11/16/2006	(517348)
94	11/30/2006	(544374)
95	12/12/2006	(532836)
96	12/18/2006	(544375)
97	12/20/2006	(533720)
98	12/21/2006	(533545)
99	01/22/2007	(544376)
100	01/23/2007	(535901)
101	02/05/2007	(536180)
102	02/14/2007	(533928)
103	03/01/2007	(575114)
104	03/22/2007	(575115)
105	04/23/2007	(575116)
106	05/16/2007	(575117)
107	06/13/2007	(575118)
108	07/11/2007	(575119)
109	08/17/2007	(601551)

110	08/20/2007	(571080)
111	08/23/2007	(564192)
112	09/19/2007	(601552)
113	10/12/2007	(601553)
114	11/05/2007	(598483)
115	11/15/2007	(619457)
116	12/14/2007	(619458)
117	12/17/2007	(595574)
118	01/15/2008	(619459)
119	01/25/2008	(615887)
120	02/13/2008	(671968)
121	03/12/2008	(671969)
122	03/24/2008	(639888)
123	03/27/2008	(617768)
124	04/08/2008	(671970)
125	04/16/2008	(615131)
126	04/22/2008	(653441)
127	05/07/2008	(689884)
128	06/03/2008	(681376)
129	06/10/2008	(689885)
130	06/19/2008	(683357)
131	08/11/2008	(656875)
132	08/27/2008	(688669)
133	09/17/2008	(689585)

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

Date: 10/09/2003 (249236)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.211(a)(1)(I)
30 TAC Chapter 101, SubChapter F 101.211(b)(9)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

Rqmt Prov: PERMIT 20246

Description: Failure to state authorized limits on the intial notification and final report of scheduled maintenance. Non-exempted emissions from Tank 818.

Date: 10/09/2003 (248976)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(e)(8)
30 TAC Chapter 111, SubChapter A 111.111(a)(1)(E)
30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT 20246

Description: Failure to state authorized opacity limit on notification of excess opacity event. Non-exempted emissions from Boiler No. 10.

Date: 10/09/2003 (248881)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

Rqmt Prov: PERMIT 20246

Description: Failure to submit initial notification within 24 hours of start of emissions event. Non-exempted emissions from Fluidized Catalytic Cracking Unit.

Date: 12/20/2004 (274159)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: PERMIT No. 3776, S.C. No. 4

Description: Failure to submit notification within 24 hours from discovery of emissions event.

Date: 05/11/2006 (457075)

Self Report? NO Classification: Moderate

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

Rqmt Prov: PERMIT TCEQ Permit 20246, Special Condition 7

Description: Failure to prevent excess opacity.

Date: 05/31/2006 (462753)

Self Report? NO Classification: Moderate

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

Description: Failure to comply with the EE reporting requirements.

Date: 06/30/2006 (483088)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(1)(A)
5C THC Chapter 382, SubChapter A 382.085(b)
Description: Failure to prevent unauthorized emissions.
Date: 07/31/2006 (484233)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT No. 20246, Special Condition 4
Description: Failure to prevent unauthorized emissions.
Date: 01/23/2007 (535901)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: PERMIT No. 20246, Special Condition 1
Description: Failure to prevent unauthorized emissions.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
Description: Failure to notify the TCEQ Houston Region office of a reportable emissions event within 24 hours of its discovery.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
Description: Failure to include in the final report of a reportable emissions event, the authorized emission limits and preconstruction authorization of the facility involved in the emissions event.
Date: 07/31/2007 (601551)
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter
Date: 10/31/2007 (619457)
Self Report? YES Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter
Date: 04/14/2008 (615131)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 117, SubChapter B 117.345(c)
5C THSC Chapter 382 382.085(b)
Description: Exceeded the 60 day time limit to submit a stack test report.
Date: 08/11/2008 (656875)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: PERMIT NSR Permit 56389, GC 8
PERMIT NSR Permit 56389, SC 1
Description: Failure to maintain hourly emission limits for ethylene for the East Flare (EPN FLRFNEAST).

F. Environmental audits.

Notice of Intent Date: 05/16/2005 (396204)
No DOV Associated

Notice of Intent Date: 04/09/2007 (558490)
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	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
PASADENA REFINING SYSTEM, INC	§	
RN100716661	§	
	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2008-1554-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Pasadena Refining System, Inc ("the Respondent") 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 the Respondent, represented by Jennifer Keane of the law firm of Baker Botts L.L.P., appear before the Commission and together stipulate that:

1. The Respondent owns and operate a petroleum refinery at 111 Red Bluff Road in Pasadena, 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. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.

4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about September 1, 2008.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Four Thousand Nine Hundred Seventy-Five Dollars ($4,975) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Three Thousand Nine Hundred Eighty Dollars

($3,980) of the administrative penalty and Nine Hundred Ninety-Five Dollars ($995) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

9. The Executive Director recognizes that the Respondent purchased 93 tons of Highly-Reactive Volatile Organic Compound ("HRVOC") allowances on March 31, 2008.

10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

11. 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.

12. 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.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to hold the required levels of HRVOC allowances for the January 1, 2007 to December 31, 2007 control period in their compliance account by March 1, 2008, in violation of 30 TEX. ADMIN. CODE § 101.393(b), as documented during a record review conducted on August 14, 2008. Specifically, the Respondent needed 93 tons of HRVOC allowances in their compliance account by March 1, 2008 but did not obtain the allowances until March 31, 2008.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve

only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Pasadena Refining System, Inc, Docket No. 2008-1554-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. It is further ordered that the Respondent shall undertake the following technical requirements:

   a. Within 30 days after the effective date of this Agreed Order, implement procedures designed to ensure that the required levels of HRVOC allowances are obtained prior to March 1 of each year, in accordance with 30 TEX. ADMIN. CODE § 101.393; and

   b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification 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

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent 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.

4. If the Respondent 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, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. 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 the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent 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.

7. 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.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 1/30/2009
For the Executive Director Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

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

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- 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;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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

_____ 12/18/08
Signature Date

FAHEEM KAZIMI, ~~DIRECTOR HSE~~ DIRECTOR HSE
Name (Printed or typed) Title
Authorized Representative of
Pasadena Refining System, Inc

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.