

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2009-1314-AIR-E **TCEQ ID:** RN100238385 **CASE NO.:** 38156
RESPONDENT NAME: Valero Refining-Texas, L.P.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input 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	
CASE TYPE:		
<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>SITE WHERE VIOLATION(S) OCCURRED: Valero Refining Texas City Refinery, 1301 Loop 197 South, Texas City, Galveston County</p> <p>TYPE OF OPERATION: Oil and gas refining plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are three additional pending enforcement actions regarding this facility location, Docket Nos. 2007-0603-AIR-E, 2007-1413-AIR-E, and 2008-0615-AIR-E.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on December 7, 2009. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Mr. Phillip Hampsten, SEP Coordinator, Enforcement Division, MC 219, (512) 239-6732 TCEQ Enforcement Coordinator: Mr. John Muennink, Enforcement Division, Enforcement Team 5, MC R-14, (361) 825-3423; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387 Respondent: Mr. Adrian Araiza, Manager, Environmental Affairs, Valero Refining-Texas, L.P., P.O. Box 3429, Texas City, Texas 77592 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: June 3, 2009</p> <p>Date of NOV/NOE Relating to this Case: August 4, 2009 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>Failure to comply with permitted emissions limits. Specifically, the flashover at Gas Circuit Breaker #3 caused power loss throughout the refinery and led to the subsequent flaring of 6,927.79 pounds ("lbs") of sulfur dioxide, 2,522.16 lbs of volatile organic compounds, 1,545.35 lbs of carbon monoxide, 206.42 lbs of nitrogen oxide, 180.43 lbs of nitrogen dioxide, and 75.06 lbs of hydrogen sulfide from Emission Point Fluid Catalytic Cracking Unit Scrubber Stack, Heater 44, Heater 57, No. 1, 2, 3, 4, and 5 Flare Stacks, and Temporary Boiler 7 over a 16 hour 45 minute period beginning on April 13, 2009. Since these emissions could have been avoided by better operational practices, the emissions are not subject to an affirmative defense under 30 TEX. ADMIN. CODE § 101.222(b) [30 TEX. ADMIN. CODE § 116.715(a), Flexible Permit No. 39142 and PSD-TX-822M2, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$10,000</p> <p>Total Deferred: \$2,000 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$4,000</p> <p>Total Paid to General Revenue: \$4,000</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment 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, implement measures to prevent a flashover on Gas Circuit Breaker #3; and</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provision No. 2.a. The certification shall include detailed supporting documentation including receipts, and/or other records to demonstrate compliance.</p>

Additional ID No(s): GB0073P

Attachment A
Docket Number: 2009-1314-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Valero Refining-Texas, L.P.

Payable Penalty Amount: Eight Thousand Dollars (\$8,000)

SEP Amount: Four Thousand Dollars (\$4,000)

Type of SEP: Pre-approved

Third-Party Recipient: Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D")- Clean School Buses

Location of SEP: Texas Air Quality Control Region 216 – Houston-Galveston

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 shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fuelled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. The funds will be disbursed on a needs-rated basis, using non-attainment area status, condition of buses, and economic status of the recipient as possible rating factors if competition for the funds exists. To maximize funds, retrofitting will take priority over replacement of buses. Older buses deemed not suitable for retrofitting will be permanently retired and sold only for scrap.

Acceptable retrofit technologies include particulate matter traps, diesel particulate matter filters, nitrogen oxides (NO_x) reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by the United States Environmental Protection Agency ("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 matter and hydrocarbon emissions from buses, to meet the new, more stringent emissions standards introduced by the EPA which will be phased in between 2007 and 2010.

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:

Texas Association of Resource Conservation and Development Areas, Inc.
1716 Briarcrest Drive, Suite 510
Bryan, Texas 77802-2700

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.

Valero Refining-Texas, L.P.
Agreed Order - Attachment A

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 October 30, 2008

TCEQ	Assigned	10-Aug-2009	Screening	13-Aug-2009	EPA Due	
DATES	PCW	18-Aug-2009				

RESPONDENT/FACILITY INFORMATION			
Respondent	Valero Refining-Texas, L.P.		
Reg. Ent. Ref. No.	RN100238385		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	38156	No. of Violations	1
Docket No.	2009-1314-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Martina Kusniadi
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit	Minimum \$0	Maximum	\$10,000

Penalty Calculation Section			
TOTAL BASE PENALTY (Sum of violation base penalties)	<i>Subtotal 1</i>		\$5,000
ADJUSTMENTS (+/-) TO SUBTOTAL 1			
Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.			
Compliance History	356.0% Enhancement	<i>Subtotals 2, 3, & 7</i>	\$17,800
Notes	The penalty was enhanced by 16 similar and 17 dissimilar NOVs, seven 1660-style agreed orders, three findings agreed orders, and one court order containing denial of liability. The penalty was reduced by three NOAs.		
Culpability	No	0.0% Enhancement	<i>Subtotal 4</i> \$0
Notes	The Respondent does not meet the culpability criteria.		
Good Faith Effort to Comply		<i>Subtotal 5</i>	\$0
Economic Benefit	0.0% Enhancement*	<i>Subtotal 6</i>	\$0
Total EB Amounts	\$387	*Capped at the Total EB \$ Amount	
Approx. Cost of Compliance	\$10,000		
SUM OF SUBTOTALS 1-7		<i>Final Subtotal</i>	\$22,800
OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	<i>Adjustment</i>	\$0
Reduces or enhances the Final Subtotal by the indicated percentage.			
Notes			
		<i>Final Penalty Amount</i>	\$22,800
STATUTORY LIMIT ADJUSTMENT		<i>Final Assessed Penalty</i>	\$10,000
DEFERRAL	20.0% Reduction	<i>Adjustment</i>	-\$2,000
Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only, e.g. 20 for 20% reduction.)			
Notes	Deferral offered for expedited settlement.		
PAYABLE PENALTY			\$8,000

Screening Date: 13-Aug-2009

Docket No.: 2009-1314-AIR-E

PCW

Respondent: Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No.: 38156

PCW Revision October 30, 2008

Reg. Ent. Reference No.: RN100238385

Media [Statute]: Air

Enf. Coordinator: Martina Kusniadi

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 <i>(number of NOVs meeting criteria)</i>	16	80%
	Other written NOVs	17	34%
Orders	Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i>	7	140%
	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	3	75%
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 <i>(number of judgements or consent decrees meeting criteria)</i>	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 <i>(number of counts)</i>	0	0%
Emissions	Chronic excessive emissions events <i>(number of events)</i>	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 <i>(number of audits for which notices were submitted)</i>	3	-3%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i>	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) 356%

>> **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

The penalty was enhanced by 16 similar and 17 dissimilar NOVs, seven 1660-style agreed orders, three findings agreed orders, and one court order containing denial of liability. The penalty was reduced by three NOAs.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 356%

Screening Date 13-Aug-2009	Docket No. 2009-1314-AIR-E	PCW		
Respondent Valero Refining-Texas, L.P.		<small>Policy Revision 2 (September 2002)</small>		
Case ID No. 38156		<small>PCW Revision October 30, 2008</small>		
Reg. Ent. Reference No. RN100238385				
Media [Statute] Air				
Enf. Coordinator Martina Kusniadi				
Violation Number 1				
Rule Cite(s)	30 Tex. Admin. Code § 116.715(a), Flexible Permit No. 39142 and PSD-TX-822M2, Special Condition No. 1, and Tex. Health & Safety Code § 382.085(b).			
Violation Description	Failed to comply with permitted emissions limits, as documented during an investigation conducted on June 3, 2009. Specifically, the flashover at Gas Circuit Breaker #3 caused power loss throughout the refinery and led to the subsequent flaring of 6,927.79 pounds of sulfur dioxide, 2,522.16 pounds of volatile organic compounds, 1,545.35 pounds of carbon monoxide, 206.42 pounds of nitrogen oxide, 180.43 pounds of nitrogen dioxide, and 75.06 pounds of hydrogen sulfide from Emission Point Fluid Catalytic Cracking Unit Scrubber Stack, Heater 44, Heater 57, No. 1, 2, 3, 4, and 5 Flare Stacks, and Temporary Boiler 7 over a 16 hour 45 minute period beginning on April 13, 2009. Since these emissions could have been avoided by better operational practices, the emissions are not subject to an affirmative defense under 30 Tex. Admin. Code § 101.222(b).			
	Base Penalty	\$10,000		
>> Environmental, Property and Human Health Matrix				
OR	Harm			
	Release	Major	Moderate	Minor
	Actual	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Potential	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Percent	50%	
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Percent	0%	
Matrix Notes	Human health or the environment was exposed to significant amounts of pollutants that did not exceed levels protective of human health or environmental receptors.			
	Adjustment	\$5,000		
		Subtotal	\$5,000	
Violation Events				
	Number of Violation Events	1	Number of violation days	
		1		
<small>mark only one with an x</small>	daily	<input type="checkbox"/>	Violation Base Penalty	
	weekly	<input type="checkbox"/>		
	monthly	<input checked="" type="checkbox"/>		
	quarterly	<input type="checkbox"/>		
	semiannual	<input type="checkbox"/>		
	annual	<input type="checkbox"/>		
	single event	<input type="checkbox"/>		
	One monthly event is recommended, based on the emissions event that occurred on April 13, 2009.		\$5,000	
Good Faith Efforts to Comply				
	0.0% Reduction		\$0	
	<small>Before NOV</small>	<small>NOV to EOPRP/Settlement Offer</small>		
Extraordinary	<input type="checkbox"/>	<input type="checkbox"/>		
Ordinary	<input type="checkbox"/>	<input type="checkbox"/>		
N/A	<input checked="" type="checkbox"/>	<small>(mark with x)</small>		
Notes	The Respondent does not meet the good faith criteria for this violation.			
	Violation Subtotal	\$5,000		
Economic Benefit (EB) for this violation			Statutory Limit Test	
	Estimated EB Amount	\$387	Violation Final Penalty Total	
			\$22,800	
	This violation Final Assessed Penalty (adjusted for limits)		\$10,000	

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 38156
Reg. Ent. Reference No. RN100238385
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
No commas or \$							

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment	\$10,000	13-Apr-2009	1-Nov-2009	0.55	\$18	\$369	\$387
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs: Estimated cost to implement measures to prevent a flashover on Gas Circuit Breaker #3. The Date Required is the date of the event and the Final Date is the date of expected compliance.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$10,000	TOTAL	\$387
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Compliance History Report

Customer/Respondent/Owner-Operator: CN600127468 Valero Refining-Texas, L.P. Classification: AVERAGE Rating: 9.90
Regulated Entity: RN100238385 VALERO REFINING TEXAS CITY Classification: AVERAGE Site Rating: 6.54
REFINERY

ID Number(s):			
	AIR OPERATING PERMITS	ACCOUNT NUMBER	GB0073P
	AIR OPERATING PERMITS	PERMIT	1253
	AIR OPERATING PERMITS	PERMIT	2599
	AIR OPERATING PERMITS	PERMIT	2599
	WASTEWATER	PERMIT	TPDES0006009
	WASTEWATER	PERMIT	WQ0000449000
	WASTEWATER	PERMIT	TX0006009
	AIR NEW SOURCE PERMITS	PERMIT	39142
	AIR NEW SOURCE PERMITS	PERMIT	42395
	AIR NEW SOURCE PERMITS	PERMIT	42394
	AIR NEW SOURCE PERMITS	PERMIT	48330
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	GB0073P
	AIR NEW SOURCE PERMITS	PERMIT	962
	AIR NEW SOURCE PERMITS	PERMIT	8352
	AIR NEW SOURCE PERMITS	PERMIT	53530
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX822
	AIR NEW SOURCE PERMITS	REGISTRATION	75542
	AIR NEW SOURCE PERMITS	REGISTRATION	75695
	AIR NEW SOURCE PERMITS	AFS NUM	4816700007
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX822M2
	AIR NEW SOURCE PERMITS	PERMIT	71076
	AIR NEW SOURCE PERMITS	REGISTRATION	72517
	AIR NEW SOURCE PERMITS	REGISTRATION	73799
	AIR NEW SOURCE PERMITS	REGISTRATION	76530
	AIR NEW SOURCE PERMITS	REGISTRATION	76967
	AIR NEW SOURCE PERMITS	REGISTRATION	77806
	AIR NEW SOURCE PERMITS	REGISTRATION	79850
	AIR NEW SOURCE PERMITS	REGISTRATION	79881
	AIR NEW SOURCE PERMITS	REGISTRATION	80059
	AIR NEW SOURCE PERMITS	REGISTRATION	80581
	AIR NEW SOURCE PERMITS	REGISTRATION	81005
	AIR NEW SOURCE PERMITS	REGISTRATION	81523
	AIR NEW SOURCE PERMITS	REGISTRATION	81621
	AIR NEW SOURCE PERMITS	REGISTRATION	81695
	AIR NEW SOURCE PERMITS	REGISTRATION	82055
	AIR NEW SOURCE PERMITS	REGISTRATION	84258

AIR NEW SOURCE PERMITS	REGISTRATION	87844
AIR NEW SOURCE PERMITS	REGISTRATION	87694
AIR NEW SOURCE PERMITS	REGISTRATION	83921
AIR NEW SOURCE PERMITS	REGISTRATION	82462
AIR NEW SOURCE PERMITS	REGISTRATION	84166
AIR NEW SOURCE PERMITS	REGISTRATION	84575
AIR NEW SOURCE PERMITS	REGISTRATION	82434
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30011
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD000792937
WASTE WATER GENERAL PERMIT	PERMIT	TXG670007

Location: 1301 LOOP 197 S, TEXAS CITY, TX, 77590

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: August 10, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 10, 2004 to August 10, 2009

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

Name: Martina Kusniadi Phone: 713-767-3682

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/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s) ? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2008 Repeat Violator: NO

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: 03/11/2005 ADMINORDER 2002-1217-IWD-E
 Classification: Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Rqmt Prov: Effluent Limitations and Monitoring Reqs PERMIT
 Description: Failure to comply with the WET limit NOEC of 8% effluent specified in the permit.

Effective Date: 11/23/2005 COURTORDER
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: 39142, Special Condition No. 1 PA
 Description: Exceeded permit limit during an avoidable emissions event.
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)

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

Rqmt Prov: 39142, Special Condition No. 1 PA

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

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

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

Rqmt Prov: 39142/PSDTX822M2, SC#1 PERMIT

Description: Failed to prevent a leak in a heat exchanger (E-1338).

Classification: Moderate

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

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

Rqmt Prov: TCEQ Flexible Air Permit #39142, SC #1 PERMIT

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

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

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

Rqmt Prov: 39142/ PSD-TX-822M2 PERMIT

Description: Valero failed to prevent a back-up pump from tripping off.

Classification: Moderate

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

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

Rqmt Prov: TCEQ Flexible Air Permit #39142, SC #1 PERMIT

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

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

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

Rqmt Prov: 39142, SC No. 1 PA

Description: Exceeded permit limit during an avoidable emissions event.

Classification: Moderate

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

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

Rqmt Prov: TCEQ Flexible Air Permit #39142, SC #1 PERMIT

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

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

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

Rqmt Prov: TCEQ Flexible Air Permit #39142, SC #1 PERMIT

Description: Exceeded permit limits during an avoidable emissions event.

Classification: Moderate

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

Description: Failed to prevent an avoidable emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(1)

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

Description: Failed to prevent an avoidable emissions event.

Effective Date: 10/19/2006

ADMINORDER 2006-0549-IWD-E

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)

30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: Effluent Limits PERMIT

Description: Failure to comply with permit effluent limits as documented by a TCEQ record review of

Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to provide preconstruction authorization number on final report.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: 39142, SC 1 PA
Description: Exceeded permit limits during an avoidable emissions event.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: 39142, SC No. 1 PA
Description: Exceeded permit limits during an avoidable emissions event.

Effective Date: 11/19/2007 ADMINORDER 2006-0468-MLM-E

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: No. 39142, SC No. 1 PA
Description: Failed to prevent unauthorized emissions from Flare Nos. 2 and 3 (EPN EFL-02 and EFL-03) during an emissions event which occurred on October 13, 2005 in the Utilities Unit and lasted 2 hours and 15 minutes, as documented during a record review conducted on February 8, 2006. Since this emissions event was avoidable, Valero failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: 39142, SC No. 1 PA
Description: Failed to prevent unauthorized emissions from Flare Nos. 2, 3 and 4 (EPN EFL-02, EFL-03 and EFL-04) during an emissions event which occurred on November 28, 2005 in the Utilities Unit and lasted 24 hours and 29 minutes, as documented during a record review conducted on January 25, 2006. Since this emissions event was avoidable, Valero failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: No. 39142, SC No. 1 PA
Description: Failed to prevent unauthorized emissions from the Incinerator Stack (EPN EG-18-1403) during an emissions event which occurred on September 20, 2005 in the Gas-Oil Hydrotreater (GOHT) Unit (PRU) and lasted 55 hours, as documented during an investigation conducted on November 29, 2005. Since this emissions event was avoidable, Valero failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: 39142 PA
Description: Failed to prevent unauthorized emissions during a September 25, 2006 emissions event, as documented during a record review conducted on November 29, 2006. Specifically, during the September 25, 2006 emissions event the following unauthorized emissions were released from the No. 2 and No. 3 Flare over a period of fifty-five minutes: 2,101 lbs of sulfur dioxide, 328.5 lbs of volatile organic compounds, 191 lbs of carbon monoxide, and 26.4 lbs of nitrogen oxides.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 116, SubChapter G 116.715(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THC Chapter 382, SubChapter D 382.085(b)
Rqmt Prov: 39142, SC No. 1 PA
Description: Failed to prevent unauthorized emissions and failure to operate a flare with a flame present during an October 14, 2006 emissions event, as documented during a record review conducted on December 13, 2006. Specifically, on October 14, 2006 through October 15, 2006, over a period of 4 hours and 14 minutes, Flare No. 3 (EPN EFL-03) located in the Utilities Unit, emitted 1,333.4 lbs of ethylene and 1,394.5 lbs of propane. Flexible Air Permit No. 39142 does not authorize any upset emissions.

Effective Date: 06/19/2008 ADMINORDER 2007-1512-AIR-E
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter D 382.085(b)
 Rqmt Prov: 39142, Special Condition No. 1 PERMIT
 Description: As evidenced by Findings of Fact No. 3, Valero failed to prevent unauthorized emissions during a May 9, 2007 emissions event, in violation of Air Permit No. 39142, Special Condition No. 1, 30 TEX. ADMIN. CODE § 116.715(a), and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event was avoidable the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to prevent an affirmative defense were not met.

Effective Date: 07/03/2008 ADMINORDER 2007-2039-AIR-E
 Classification: Major
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: 39142, Special Condition No. 1 PERMIT
 Description: Failed to maintain an emission rate below the maximum allowable emission limits from Boiler 27 [emission point number ("EPN EB-27")], Boiler 28 ("EPN EB-28"), No. 1 Flare Stack ("EPN EFL-01"), No. 2 Flare Stack ("EPN EFL-02"), No. 3 Flare Stack ("EPN EFL-03"), and No. 4 Flare Stack ("EPN EFL-04").

Effective Date: 12/04/2008 ADMINORDER 2008-0893-AIR-E
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: No. 39142, Special Condition No. 1 PERMIT
 Description: Exceeded permit limits during an avoidable emissions event.

Effective Date: 02/08/2009 ADMINORDER 2008-1341-AIR-E
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: 39142, Special Condition No. 1 PERMIT
 Description: Valero failed to maintain the lube oil level in the compressor mainframe reservoir.

Effective Date: 02/22/2009 ADMINORDER 2007-1234-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: #39142, SC #1 PA
 Description: As evidenced by Findings of Fact No. 3, Valero failed to prevent unauthorized emissions during Incident Nos. 62478 and 62479, in violation of Air Permit No. 39142, Special Condition No. 1, 30 TEX. ADMIN. CODE § 116.715(a), and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions were avoidable and excessive, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to prevent an affirmative defense were not met.

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 08/16/2004 (280377)
- 2 03/16/2004 (282158)
- 3 08/17/2004 (289843)
- 4 08/24/2004 (352181)
- 5 08/31/2004 (269258)
- 6 08/31/2004 (270855)
- 7 08/31/2004 (271300)

8	09/01/2004	(289773)
9	09/01/2004	(291403)
10	09/23/2004	(352182)
11	10/19/2004	(334137)
12	10/22/2004	(352183)
13	10/27/2004	(289067)
14	11/11/2004	(281257)
15	11/12/2004	(281637)
16	11/12/2004	(281714)
17	11/12/2004	(281823)
18	11/12/2004	(283676)
19	11/15/2004	(337390)
20	11/18/2004	(352184)
21	12/10/2004	(285390)
22	12/13/2004	(290035)
23	12/13/2004	(340262)
24	12/14/2004	(281320)
25	12/14/2004	(334546)
26	12/14/2004	(334780)
27	12/14/2004	(338676)
28	12/16/2004	(281398)
29	12/16/2004	(283937)
30	12/17/2004	(338870)
31	12/20/2004	(281999)
32	12/20/2004	(381870)
33	12/23/2004	(339913)
34	12/28/2004	(281856)
35	01/03/2005	(281991)
36	01/04/2005	(281998)
37	01/04/2005	(282000)
38	01/04/2005	(338922)
39	01/06/2005	(285581)
40	01/10/2005	(281993)
41	01/10/2005	(281997)
42	01/10/2005	(339003)
43	01/10/2005	(339417)
44	01/12/2005	(339012)
45	01/24/2005	(381871)
46	01/31/2005	(285435)
47	02/22/2005	(381868)
48	03/22/2005	(381869)
49	03/31/2005	(350576)
50	04/25/2005	(419706)
51	04/26/2005	(281994)
52	04/26/2005	(343243)
53	04/27/2005	(282002)
54	05/02/2005	(349631)
55	05/02/2005	(350537)
56	05/20/2005	(348483)
57	05/23/2005	(419707)
58	05/25/2005	(351133)
59	06/14/2005	(373350)
60	06/14/2005	(378741)
61	06/14/2005	(419708)
62	06/23/2005	(378628)
63	06/27/2005	(397418)
64	06/28/2005	(348790)
65	07/07/2005	(399131)

66	07/13/2005	(399194)
67	07/15/2005	(348789)
68	07/22/2005	(397707)
69	07/22/2005	(440845)
70	08/02/2005	(348759)
71	08/03/2005	(403101)
72	08/03/2005	(403276)
73	08/08/2005	(403521)
74	08/08/2005	(403525)
75	08/10/2005	(396623)
76	08/13/2005	(397699)
77	08/13/2005	(400189)
78	08/17/2005	(400929)
79	08/19/2005	(396740)
80	08/22/2005	(406017)
81	08/23/2005	(440846)
82	08/24/2005	(400925)
83	09/01/2005	(400337)
84	09/23/2005	(440847)
85	10/20/2005	(468457)
86	11/22/2005	(468458)
87	12/06/2005	(438942)
88	12/20/2005	(468459)
89	12/28/2005	(449585)
90	12/29/2005	(439223)
91	12/29/2005	(449459)
92	01/17/2006	(431818)
93	01/24/2006	(468460)
94	01/30/2006	(440131)
95	02/01/2006	(451967)
96	02/15/2006	(439989)
97	02/17/2006	(439355)
98	02/17/2006	(468454)
99	02/21/2006	(455248)
100	03/16/2006	(455002)
101	03/21/2006	(468455)
102	03/29/2006	(453666)
103	03/31/2006	(434168)
104	04/13/2006	(468456)
105	04/26/2006	(457610)
106	04/27/2006	(460539)
107	05/08/2006	(453710)
108	05/11/2006	(461750)
109	05/15/2006	(462815)
110	05/17/2006	(464808)
111	05/18/2006	(498220)
112	05/25/2006	(457878)
113	05/31/2006	(463733)
114	06/16/2006	(498221)
115	06/27/2006	(481343)
116	06/30/2006	(462803)
117	06/30/2006	(462898)
118	06/30/2006	(481516)
119	06/30/2006	(483867)
120	07/06/2006	(482247)
121	07/14/2006	(486365)
122	07/15/2006	(486391)
123	07/17/2006	(479861)

124	07/18/2006	(498222)
125	07/19/2006	(482178)
126	07/19/2006	(483638)
127	07/19/2006	(483715)
128	07/21/2006	(487175)
129	07/21/2006	(487390)
130	07/21/2006	(487892)
131	07/25/2006	(488179)
132	07/26/2006	(462901)
133	07/26/2006	(482594)
134	08/10/2006	(520234)
135	08/25/2006	(488734)
136	09/01/2006	(466735)
137	09/01/2006	(466736)
138	09/01/2006	(478491)
139	09/01/2006	(478556)
140	09/01/2006	(478638)
141	09/01/2006	(487342)
142	09/01/2006	(487896)
143	09/01/2006	(488020)
144	09/01/2006	(488032)
145	09/01/2006	(488134)
146	09/01/2006	(488176)
147	09/01/2006	(488191)
148	09/01/2006	(488541)
149	09/01/2006	(488559)
150	09/01/2006	(488624)
151	09/01/2006	(488633)
152	09/01/2006	(488740)
153	09/01/2006	(488979)
154	09/01/2006	(489434)
155	09/01/2006	(489467)
156	09/01/2006	(489815)
157	09/01/2006	(489837)
158	09/01/2006	(489863)
159	09/01/2006	(489866)
160	09/01/2006	(490185)
161	09/01/2006	(508690)
162	09/01/2006	(509158)
163	09/01/2006	(509713)
164	09/01/2006	(509730)
165	09/01/2006	(509756)
166	09/01/2006	(509784)
167	09/18/2006	(520235)
168	09/27/2006	(512555)
169	09/28/2006	(509876)
170	10/11/2006	(514061)
171	10/19/2006	(520236)
172	10/23/2006	(512981)
173	10/31/2006	(517239)
174	11/07/2006	(516594)
175	11/13/2006	(518837)
176	11/15/2006	(519473)
177	11/15/2006	(544546)
178	11/21/2006	(519775)
179	12/13/2006	(544547)
180	12/21/2006	(532369)
181	12/21/2006	(532370)

182 01/16/2007 (534075)
183 01/19/2007 (532751)
184 01/19/2007 (544548)
185 02/07/2007 (536972)
186 02/09/2007 (534096)
187 02/14/2007 (544545)
188 03/15/2007 (531898)
189 03/15/2007 (533196)
190 03/15/2007 (575352)
191 03/23/2007 (543996)
192 04/02/2007 (539574)
193 04/05/2007 (543902)
194 04/09/2007 (543124)
195 04/09/2007 (555314)
196 04/10/2007 (543795)
197 04/11/2007 (556037)
198 04/11/2007 (556038)
199 04/17/2007 (575353)
200 04/30/2007 (556603)
201 04/30/2007 (556624)
202 05/08/2007 (555995)
203 05/10/2007 (559617)
204 05/10/2007 (559619)
205 05/10/2007 (559620)
206 05/11/2007 (558768)
207 05/14/2007 (555999)
208 05/14/2007 (558769)
209 05/14/2007 (559618)
210 05/20/2007 (575354)
211 05/31/2007 (542320)
212 06/01/2007 (561100)
213 06/04/2007 (561098)
214 06/20/2007 (575355)
215 06/22/2007 (561101)
216 07/03/2007 (566302)
217 07/09/2007 (564575)
218 07/11/2007 (431249)
219 07/20/2007 (575356)
220 07/23/2007 (531864)
221 07/31/2007 (564508)
222 08/10/2007 (564206)
223 08/10/2007 (564225)
224 08/20/2007 (607555)
225 08/24/2007 (570706)
226 08/24/2007 (570707)
227 09/20/2007 (607556)
228 10/02/2007 (572268)
229 10/05/2007 (572254)
230 10/05/2007 (595008)
231 10/09/2007 (594109)
232 10/11/2007 (567830)
233 10/11/2007 (568141)
234 10/11/2007 (568182)
235 10/11/2007 (568234)
236 10/11/2007 (593936)
237 10/12/2007 (572190)
238 10/12/2007 (572204)
239 10/12/2007 (572244)

240	10/15/2007	(593466)
241	10/16/2007	(568501)
242	10/17/2007	(595009)
243	10/19/2007	(607557)
244	11/15/2007	(619522)
245	11/16/2007	(568445)
246	11/19/2007	(571858)
247	11/19/2007	(595089)
248	11/19/2007	(597629)
249	11/19/2007	(597934)
250	11/19/2007	(598398)
251	11/27/2007	(571671)
252	12/05/2007	(609936)
253	12/17/2007	(619523)
254	12/21/2007	(600245)
255	01/18/2008	(619524)
256	01/30/2008	(613666)
257	02/20/2008	(672044)
258	03/03/2008	(637489)
259	03/14/2008	(672045)
260	03/25/2008	(616898)
261	04/18/2008	(672046)
262	04/25/2008	(636923)
263	05/15/2008	(637714)
264	05/16/2008	(689958)
265	05/23/2008	(638602)
266	06/06/2008	(682334)
267	06/19/2008	(689959)
268	07/07/2008	(657176)
269	07/08/2008	(670867)
270	07/18/2008	(689960)
271	07/21/2008	(682766)
272	07/21/2008	(684727)
273	07/30/2008	(687563)
274	08/11/2008	(688850)
275	08/14/2008	(710740)
276	08/18/2008	(687788)
277	09/19/2008	(710741)
278	09/20/2008	(686586)
279	10/16/2008	(671077)
280	10/16/2008	(671086)
281	10/17/2008	(710742)
282	10/24/2008	(687335)
283	10/27/2008	(686049)
284	10/27/2008	(686129)
285	10/27/2008	(686138)
286	10/28/2008	(686938)
287	10/29/2008	(686783)
288	10/29/2008	(686930)
289	11/17/2008	(727485)
290	12/08/2008	(687448)
291	12/15/2008	(686189)
292	12/16/2008	(701325)
293	12/17/2008	(700705)
294	12/18/2008	(727486)
295	12/18/2008	(727487)
296	01/06/2009	(689065)
297	01/06/2009	(706089)

298 01/20/2009 (706090)
 299 02/04/2009 (725522)
 300 02/05/2009 (723030)
 301 02/12/2009 (684569)
 302 02/16/2009 (700894)
 303 02/16/2009 (750275)
 304 03/11/2009 (750276)
 305 03/18/2009 (726731)
 306 03/27/2009 (726604)
 307 04/10/2009 (741302)
 308 04/16/2009 (750277)
 309 04/24/2009 (739887)
 310 05/18/2009 (742104)
 311 05/18/2009 (742106)
 312 05/19/2009 (704309)
 313 06/10/2009 (747592)
 314 06/15/2009 (749180)
 315 08/04/2009 (746919)

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

Date: 08/31/2004 (270855)
 Self Report? NO
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 Permit No. 39142 and PSD-TX-822M2, SC #1 PA
 Description: Exceeded permit limits.

Date: 08/31/2004 (271300)
 Self Report? NO
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Flexible Permit No. 39142, SC 1 PA
 Description: Failure to prevent unauthorized emissions.

Date: 08/31/2004 (269258)
 Self Report? NO
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Flexible Permit No. 39142, SC 1 PA
 Description: Failure to prevent unauthorized emissions.

Date: 09/30/2004 (352183) CN600127468
 Self Report? YES
 Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter

Date: 12/10/2004 (285390)
 Self Report? NO
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 39142 and PSD-TX-822M2 PA
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failure to meet demonstration criteria.

Date: 12/28/2004 (281856)
 Self Report? NO
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 9142 and PSD-TX-822M2 PA
 Description: Failure to meet demonstration criteria.

Date: 12/31/2004 (381871) CN600127468
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 01/06/2005 (338922)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)
 39142, Special Condition No. 1 PA
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failure to meet demonstration criteria.
 Date: 01/31/2005 (285435)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 39142, SC No. 1 PA
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failure to meet demonstration criteria.
 Date: 02/28/2005 (381869) CN600127468
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 03/31/2005 (419706) CN600127468
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 08/10/2005 (396623)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 39142, Special Condition No. 1 PA
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Valero failed to control hydrocarbon carryover from the Delayed Coker Unit into
 the Amine Unit.
 Date: 10/31/2005 (468458) CN600127468
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 11/30/2005 (468459) CN600127468
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 12/31/2005 (468460) CN600127468
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 01/31/2006 (451967) CN600127468
 Self Report? NO Classification: Moderate

Citation: No. 00449-000 Page 7, No. 2g PERMIT
 TWC Chapter 26 26.121(a)(1)

Description: Failure to prevent unauthorized discharges of solids and oil into waters of the State.

Self Report? NO Classification: Moderate
 Citation: 00449-000 Page 2, No. 1 & Page 2d, no. 1 PERMIT
 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failure to maintain compliance with the self-monitored, permitted effluent limits for Total Suspended Solids, Oil & Grease, and Total Zinc.

Date: 02/21/2006 (455248)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 No. 39142 PA

Description: Exceeded permit limits during an avoidable emissions event.

Date: 04/30/2006 (498220) CN600127468

Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter

Date: 06/30/2006 (481516)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 39142, SC No. 1 PA
 5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to prevent an unplanned compressor shutdown resulting in unauthorized emissions from flaring.

Date: 06/30/2006 (483867)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 117, SubChapter B 117.206(e)(2)

Description: RE exceeded the NH3 emission limit of 10 ppm set forth in 30 TAC 117.206(e)(2).

Date: 09/29/2006 (509876)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 39142, SC No. 1 PA
 5C THC Chapter 382, SubChapter D 382.085(b)

Description: Exceeded permit limits during an avoidable emissions event.

Date: 01/31/2007 (544545) CN600127468

Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter

Date: 03/31/2007 (575353) CN600127468

Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)

Description: Failure to meet the limit for one or more permit parameter

Date: 04/04/2007 (539574)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 39142, SC No. 1 PA

5C THC Chapter 382, SubChapter D 382.085(b)
Description: Exceeded permit limits during an avoidable emissions event.

Date: 04/10/2007 (543996)
Self Report? NO **Classification:** Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
39142, SC No. 1 PA
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Exceeded permit limits during an avoidable emissions event.

Date: 06/04/2007 (561098)
Self Report? NO **Classification:** Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
39142, SC No. 1 PERMIT
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to exercise good maintenance practices.

Date: 06/30/2007 (575356) **CN600127468**
Self Report? YES **Classification:** Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)
Description: Failure to meet the limit for one or more permit parameter

Date: 07/31/2007 (607555) **CN600127468**
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 (619522) **CN600127468**
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: 07/09/2008 (670867)
Self Report? NO **Classification:** Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
Description: Failure to identify the permit number in the Final Report.

Date: 08/11/2008 (688850)
Self Report? NO **Classification:** Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.646(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(b)(1)(i)
5C THSC Chapter 382 382.085(b)
FOP O-01253, Special Term & Condition 1A OP
FOP O-01253, Special Term & Condition 22 OP
Permit 39142, Special Condition 5D PERMIT
Description: Failure to perform primary seal inspections to Tank 478.

Date: 12/08/2008 (687448)
Self Report? NO **Classification:** Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.113b(a)(4)
5C THSC Chapter 382 382.085(b)
FOP O-01253 SC 30A OP
NSR 39142 SC 5 PERMIT
Description: Failure to conduct an inspection of the primary seals for the internal floating roof of tank T-301 at least every ten years.

Date: 01/06/2009 (706089)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
39142, Special Condition No. 1 PERMIT
5C THSC Chapter 382 382.085(b)
Description: Valero failed to prevent the No. 4 Flare from losing its pilots
Self Report? NO Classification: Moderate
Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)
Description: Valero failed to operate the No. 4 Flare with a flame present at all times.

F. Environmental audits.

Notice of Intent Date: 06/02/2008 (684099)

No DOV Associated

Notice of Intent Date: 08/29/2008 (704521)

No DOV Associated

Notice of Intent Date: 01/12/2009 (735551)

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
VALERO REFINING-TEXAS, L.P.
RN100238385**

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**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2009-1314-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 Valero Refining-Texas, L.P. ("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 appear before the Commission and together stipulate that:

1. The Respondent owns and operates an oil and gas refining plant at 1301 Loop 197 South in Texas City, Galveston 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 August 9, 2009.
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 Ten Thousand Dollars (\$10,000) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Four Thousand Dollars (\$4,000) of the administrative penalty and Two Thousand Dollars (\$2,000) 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. Four Thousand Dollars (\$4,000) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

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 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.
10. 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.
11. 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 comply with permitted emissions limits, in violation of 30 TEX. ADMIN. CODE § 116.715(a), Flexible Permit No. 39142 and PSD-TX-822M2, Special Condition No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 3, 2009. Specifically, the flashover at Gas Circuit Breaker #3 caused power loss throughout the refinery and led to the subsequent flaring of 6,927.79 pounds of sulfur dioxide, 2,522.16 pounds of volatile organic compounds, 1,545.35 pounds of carbon monoxide, 206.42 pounds of nitrogen oxide, 180.43 pounds of nitrogen dioxide, and 75.06 pounds of hydrogen sulfide from Emission Point Fluid Catalytic Cracking Unit Scrubber Stack, Heater 44, Heater 57, No. 1, 2, 3, 4, and 5 Flare Stacks, and Temporary Boiler 7 over a 16 hour 45 minute period beginning on April 13, 2009. Since these emissions could have been avoided by better operational practices, the emissions are not subject to an affirmative defense under 30 TEX. ADMIN. CODE § 101.222(b).

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: Valero Refining-Texas, L.P., Docket No. 2009-1314-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. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Four Thousand Dollars (\$4,000) of the assessed administrative penalty shall be offset with the condition that the Respondent implements the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provision of the SEP agreement.
3. 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 measures to prevent a flashover on Gas Circuit Breaker #3; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provision No. 3.a. The certification shall include detailed supporting documentation including receipts, and/or other records to demonstrate compliance, be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines 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 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.
5. 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.
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 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.
7. 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.
8. This Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes under this Agreed Order.
9. 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

Jules Zoller
For the Executive Director

11/2/2009
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.

Adrian Avaira
Signature

9/25/2009
Date

Adrian Avaira
Name (Printed or typed)
Authorized Representative of
Valero Refining-Texas, L.P.

Manager, Environmental Affairs
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: 2009-1314-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Valero Refining-Texas, L.P.
Payable Penalty Amount:	Eight Thousand Dollars (\$8,000)
SEP Amount:	Four Thousand Dollars (\$4,000)
Type of SEP:	Pre-approved
Third-Party Recipient:	Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D")- Clean School Buses
Location of SEP:	Texas Air Quality Control Region 216 – Houston-Galveston

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 shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fuelled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. The funds will be disbursed on a needs-rated basis, using non-attainment area status, condition of buses, and economic status of the recipient as possible rating factors if competition for the funds exists. To maximize funds, retrofitting will take priority over replacement of buses. Older buses deemed not suitable for retrofitting will be permanently retired and sold only for scrap.

Acceptable retrofit technologies include particulate matter traps, diesel particulate matter filters, nitrogen oxides (NO_x) reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by the United States Environmental Protection Agency ("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 matter and hydrocarbon emissions from buses, to meet the new, more stringent emissions standards introduced by the EPA which will be phased in between 2007 and 2010.

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:

Texas Association of Resource Conservation and Development Areas, Inc.
1716 Briarcrest Drive, Suite 510
Bryan, Texas 77802-2700

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.

Valero Refining-Texas, L.P.
Agreed Order - Attachment A

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.

