

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO. 2009-0401-AIR-E RN100214386 CASE NO. 37339
RESPONDENT NAME: VALERO REFINING-TEXAS, L.P.

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| ORDER TYPE: | | |
| <input type="checkbox"/> 1660 AGREED ORDER | <input checked="" type="checkbox"/> FINDINGS AGREED ORDER | <input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING |
| <input type="checkbox"/> FINDINGS DEFAULT ORDER | <input type="checkbox"/> SHUTDOWN ORDER | <input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER |
| <input type="checkbox"/> AMENDED ORDER | <input type="checkbox"/> EMERGENCY ORDER | |
| CASE TYPE: | | |
| <input checked="" type="checkbox"/> AIR | <input type="checkbox"/> MULTI-MEDIA (check all that apply) | <input type="checkbox"/> INDUSTRIAL 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: 5900 Up River Road, Corpus Christi, Nueces County</p> <p>TYPE OF OPERATION: refinery</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are five additional pending enforcement actions regarding this facility location (2008-1520-IHW-E; 2009-0116-IHW-E; 2009-0599-AIR-E; 2010-0741-AIR-E; and 2010-1336-AIR-E).</p> <p>INTERESTED PARTIES: No one other than the ED and Respondent expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired September 20, 2010. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney: Ms. Anna Treadwell, Litigation Division, MC 175, (512) 239-3400 Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-3400 TCEQ Enforcement Coordinator: Ms. Kimberly Morales, Air Enforcement Section, MC R-12, (713) 422-8938 TCEQ Regional Contact: Mr. David Kennebeck, Corpus Christi Regional Office, MC R-14, (361) 825-3100 Respondent: Mr. Dennis Payne, Vice-President, Valero Refining-Texas, L.P., P.O. Box 9370, Corpus Christi, Texas 78469 Respondent's Attorney: Ms. Lisa Hodges, Senior Counsel, Valero Refining-Texas, L.P., One Valero Way, San Antonio, Texas 78269</p> | | |

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| VIOLATION INFORMATION | PENALTY CONSIDERATIONS | CORRECTIVE ACTIONS TAKEN/REQUIRED |
| <p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: None</p> <p>Dates of Investigation Relating to this Case: June 18, 2008 through February 18, 2009; February 18, 2009 through February 27, 2009; April 29, 2009 through July 17, 2009; and January 7, 2009 through April 22, 2009</p> <p>Dates of NOEs Relating to this Case: March 6, 2009; June 4, 2009; August 17, 2009; and September 30, 2009</p> <p>Background Facts: The EDPRP was filed on July 14, 2009. The EDFARP was filed on August 24, 2009. The EDSARP was filed on April 27, 2010. Respondent filed an answer and the case was referred to SOAH. Settlement was achieved and the agreed order was signed on August 27, 2010.</p> <p>Current Compliance Status: Respondent has not yet submitted documentation to certify compliance with the technical requirements.</p> <p>AIR:</p> <ol style="list-style-type: none"> Failed to prevent unauthorized emissions. Specifically, Respondent released 36,745.44 lbs of SO₂, 398.89 lbs of H₂S, 121.66 lbs of CO, 260.10 lbs of VOCs, 21.96 lbs of NO_x and 20.32 lbs of ammonia from the Sulfur Recovery Unit ("SRU") during an emissions event (Incident No. 107936) that began May 20, 2008, and lasted two hours and 20 minutes. TCEQ determined that the event could have been avoided by better operational practices [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), TEX. HEALTH & SAFETY CODE § 382.085(b), and Flexible Permit No. 38754, Special Condition ("SC") Nos. 1 and 24]. Failed to prevent unauthorized emissions. Specifically, Respondent released 15,304.13 lbs of SO₂, 166.29 lbs of H₂S, 17.60 lbs of CO, 0.55 lbs of VOC, 3.79 lbs of NO_x from the SRU during an emissions event (Incident No. 111400) that began July 22, 2008, and lasted 30 minutes. TCEQ determined that the event could have been avoided by better operational practices [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), TEX. HEALTH & SAFETY CODE § 382.085(b), and Flexible Permit No. 38754, SC Nos. 1 and 24]. | <p>Total Assessed: \$291,649</p> <p>Total Deferred: \$-- <input type="checkbox"/> Expedited Order <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$145,824</p> <p>Total Paid to General Revenue: \$145,825</p> <p>Respondent paid \$145,825 of the administrative penalty. The remaining amount of \$145,824 shall be conditionally offset by the completion of a Supplemental Environmental Project (SEP).</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>Findings Order Justification: People and environmental receptors have been exposed to pollutants which exceed levels that are protective (violation nos. 1, 2, and 5).</p> | <p>Corrective Actions Taken: The Executive Director recognizes that Respondent performed the following corrective actions:</p> <ol style="list-style-type: none"> Implemented measures to ensure that all SRU trains are operational when sulfur gas is being produced (violation nos. 1, 2, and 4). Established preventive maintenance procedures for critical path electrical equipment (violation no. 5). Implemented measures to ensure timely submittal of final reports for emission events (violation no. 3). Implemented measures to ensure timely notification of maintenance, startup and shutdown activities and implemented measures designed to prevent the build-up of particulates in Tank 70-TK-93 (violation no. 6). Implemented measures to determine and document visible emissions for stationary vents by utilizing Test Method 9 (violation no. 7). Visually inspected Tank 94's internal floating roof and seal (violation no. 10). Implemented measures designed to ensure the proper reporting of noncompliance items in periodic reports (violation no. 11). Began maintaining less than three percent of the total number of valves in process units as DTM and implemented measures to ensure monitoring of the valves (violation nos. 12 and 21). Included the new gasoline filter system in fugitive monitoring activities (violation no. 13). Implemented measures designed to ensure the proper reporting of emissions events and maintenance activities (violation no. 14). Implemented measures to ensure proper tank emptying and repair procedures (violation no. 15). Implemented measures to ensure the proper reporting of deviations in semi-annual reports and compliance certifications (violation no. 16). Replaced engines P6, P8, and P11 with smaller engines (violation nos. 17 and 18). |

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| VIOLATION INFORMATION | PENALTY CONSIDERATIONS | CORRECTIVE ACTIONS TAKEN/REQUIRED |
| <p>3. Failed to submit the final report for Incident No. 107936 in a timely manner [30 TEX. ADMIN. CODE § 101.201(c) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>4. Failed to prevent unauthorized emissions. Specifically, Respondent released 8,020.19 lbs of SO₂, 87.06 lbs of H₂S, 130.10 lbs of CO, 326.93 lbs of VOC, 18.34 lbs of NO_x and 25.57 lbs of ammonia from the SRU during an emissions event (Incident No. 117784) that began December 15, 2008, and lasted 25 minutes. TCEQ determined that the event could have been avoided by better operational practices [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a) and (c)(7), TEX. HEALTH & SAFETY CODE § 382.085(b), and Flexible Permit No. 38754, SC Nos. 1 and 24].</p> <p>5. Failed to prevent unauthorized emissions. Specifically, Respondent released 119,108.72 lbs of SO₂, 1,292.97 lbs of H₂S, 8,286.61 lbs of CO, 12,575.64 lbs of VOC, 1,255.15 lbs of NO_x, and 219.13 lbs of ammonia from four flares, three heaters and a wastewater combustor during an emissions event (Incident No. 117903) that began December 18, 2008, and lasted 86 hours and 25 minutes. TCEQ determined that the event could have been avoided by better operational practices [30 TEX. ADMIN. CODE §§ 101.20(3), 111.111(a)(4)(A), and 116.715(a) and (c)(7), TEX. HEALTH & SAFETY CODE § 382.085(b), and Flexible Permit No. 38754, SC Nos. 1 and 15].</p> <p>6. Failed to prevent unauthorized emissions. Specifically, Respondent released 977.33 lbs of VOCs from Tank 70-TK-93 during an emissions event (Incident No. 120744) that began February 28, 2009, and lasted 48 hours and 35 minutes. TCEQ determined that the event was the result of an activity that was not reported prior to its commencement and the event could have been foreseen [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), and Flexible Permit No. 38754, SC No. 1].</p> <p>7. Failed to determine and document visible emissions for stationary vents by utilizing Test Method 9 at least once during a 12 month period in order to demonstrate compliance with visible emissions requirements for the August 8, 2007 through August 7, 2008, and August 8, 2008 through August 7, 2009 certification periods [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE § 122.143(4), and Federal Operating Permit ("FOP") No. O-01458, Special Terms and Conditions ("STC") No. 3].</p> | | <p>14. Resumed operations in the SRU on January 1, 2009, in accordance with permit representations (violation no. 19).</p> <p>15. Began to operate the SRU's Tail Gas Incinerators' CEMS in accordance with permit representations (violation no. 20).</p> <p>Ordering Provisions:</p> <p>Respondent shall undertake the following technical requirements:</p> <ol style="list-style-type: none"> 1. Implement and complete a SEP (Texas A&M University Kingsville – <i>Corpus Christi Airshed Quality Monitoring - Nueces County</i>; and Texas Association of Resource Conservation & Development – <i>Water/Wastewater Assistance; Abandoned Tire Cleanup – Nueces and Nueces-Rio Grande River Basins</i>). 2. Within 30 days provide notice of intent to conduct compliance testing for different operating scenarios in order to identify the operating scenarios in which a 98% removal efficiency can be achieved so that Respondent can demonstrate compliance with a removal efficiency of 98% for VOC from the SMR condenser vent stream (violation no. 8). 3. Within 60 days complete the compliance testing for the SMR condenser vent stream described in Ordering Provision No. 2, above. 4. Within 90 days implement operational measures to maintain the SMR stripper exhaust fan temperature below the temperature maintained during the most recent stack sample following the initial stack test, and demonstrate compliance with a removal efficiency of 98% for VOC from the SMR condenser vent stream (violation no. 9). 5. Within 105 days, submit written certification demonstrating compliance with Ordering Provision Nos. 2 - 4. |

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| <p>8. Failed to demonstrate compliance with a removal efficiency of 98% for VOC from the Steam Methane Reformer ("SMR") condenser vent stream, and failed to request an adequate monitoring parameter and make reference to stack test failures in periodic reports [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 113.340, and 116.715(a) and (d), Flexible Permit No. 38754, SC Nos. 39 and 48, and 40 C.F.R. §§ 63.643(a)(2), 63.644(b), and 63.654(g)(6)].</p> <p>9. Failed to maintain the SMR stripper exhaust fan temperature below the temperature maintained during the most recent stack sample following the initial stack test [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a) and (d), and Flexible Permit No. 38754, SC No. 48].</p> <p>10. Failed to visually inspect a storage vessel's internal floating roof and seal at least once every 12 months [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 113.120, 113.340, and 116.715(a) and (d), Flexible Permit No. 38754, SC No. 29, and 40 C.F.R. §§ 63.119(b)(1)(ii), 63.120(a)(2)(i), and 63.646(a)].</p> <p>11. Failed to report all information pertaining to compliance exceptions with the requirements of maximum allowable control technology standards in inspection records and periodic reports at the end of a six month period [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 113.120, 113.340, 115.114(b) and 122.143(4), 40 C.F.R. §§ 63.120(a), 63.123(c) and 63.654(g)(2), and FOP No. O-01458, STC No. 1E].</p> <p>12. Failed to maintain less than three percent of the total number of valves in a process unit as difficult-to-monitor ("DTM") [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(1), 113.130, 113.140 and 122.143(4), 40 C.F.R. §§ 60.482-7(h)(2), 60.592, 63.168(i)(2), and 63.648(a), and FOP No. O-01458, STC No. 1E].</p> <p>13. Failed to monitor components in VOC service [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 113.340, 115.324, and 116.715(a) and (d), 40 C.F.R. §§ 63.640(l)(4) and 63.648(a), and Flexible Permit No. 38754, SC Nos. 32F and 37].</p> <p>14. Failed to identify all emission points involved in emissions events and their associated emissions and quantities [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.201(b)(1) and 122.143(4), and FOP No. O-01458, STC No. 2F].</p> | | |

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| <p>15. Failed to make a record of excess emissions emitted as a result of not degassing prior to performing maintenance [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 101.201, 101.211, and 116.715(a) and (d), and Flexible Permit No. 38754, SC No. 1].</p> <p>16. Failed to include all instances of deviations in semi-annual deviation reports from August 8, 2004 through August 7, 2008, and failed to include all instances of deviations in the Permit Compliance Certification ("PCC") for the periods ending August 7, 2005, August 7, 2007, and August 7, 2008 [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 122.143(4), 122.145(2)(A), and 122.146(5)(D), and FOP No. O-01458, General Terms and Conditions, and STC No. 30].</p> <p>17. Failed to comply with reporting requirements for reconstructed stationary reciprocating internal combustion engines [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE § 113.1090, and 40 C.F.R. §§ 63.9(b)(2), 63.6645(b), and 63.6650(b)].</p> <p>18. Failed to conduct an approved initial performance test on stationary reciprocating internal combustion engines P6, P8, and P11 [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE § 113.1090, and 40 C.F.R. §§ 63.7(a)(2), 63.6610, and 63.6620(b)].</p> <p>19. Failed to operate SRU Trains 1, 2, and 3 with their Tail Gas Treater Units ("TGTUs") from March 2008 through December 2008 and to route acid gas to a properly operating SRU train [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 113.780, and 116.715(a) and (d), 40 C.F.R. §§ 63.1570(d) and 63.6(e)(1), and Flexible Permit No. 38754, SC Nos. 23 and 24].</p> <p>20. Failed to demonstrate the SRU's Tail Gas Incinerator's continuous emissions monitoring system ("CEMS") for SO2 were maintained in accordance with relevant regulatory standards and Flexible Permit No. 38754, Special Condition No. 40 [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 113.780 and 116.715(a) and (d), 40 C.F.R. §§ 63.1570(d), 63.6(c)(1) and (e)(1), and Flexible Permit No. 38754, SC No. 40].</p> <p>21. Failed to monitor DTM valves at least once per calendar year [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(1), 113.130, 113.340 and 122.143(4), 40 C.F.R. §§ 60.482-7(h)(2), 60.592, 63.168(i)(3), and 63.648(a), and FOP No. O-01458, STC No. 1E].</p> | | |

Attachment A
Docket Number: 2009-0401-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Valero Refining-Texas, L.P.

Penalty Amount: Two Hundred Ninety-One Thousand Six Hundred Forty-Nine Dollars (\$291,649)

Total SEP Offset Amount: One Hundred Forty-Five Thousand Eight Hundred Twenty-Four Dollars (\$145,824)

- **Project 1:**
 - SEP Offset Amount:*** Forty-Five Thousand Eight Hundred Twenty-Four Dollars (\$45,824)
 - Third Party Recipient:*** ***Texas A&M University Kingsville Corpus Christi Airshed Quality Monitoring***
 - Type of SEP:*** Pre-approved contribution
 - Location of SEP:*** Nueces County

- **Project 2:**
 - SEP Offset Amount:*** One Hundred Thousand Dollars (\$100,000)
 - Third Party Recipient:*** ***Texas Association of Resource Conservation & Development Water or Wastewater Assistance or Abandoned Tire Cleanup***
 - Type of SEP:*** Pre-approved contribution
 - Location of SEP:*** Nueces and Nueces-Rio Grande River Basins

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to two (2) Supplemental Environmental Projects (“SEP”). The total offset amount is equal to the two SEP offset amounts described above, and offset is conditioned upon completion of each SEP in accordance with the terms of this Attachment A.

1. Project Descriptions

A. **Project Information**

Project 1 – Texas A&M University Kingsville Corpus Christi Airshed Quality Monitoring

Respondent shall contribute the SEP offset amount to the Third-Party Recipient named in Project 1 above. The contribution will be made to ***Texas A&M University Kingsville*** to be used for the ***Corpus Christi Airshed Quality Monitoring*** program. Specifically, the contribution will be used to establish three air quality monitoring stations within four facilities of the San Patricio Municipal Water District. The stations will consist of ambient air quality monitoring instruments, meteorological instruments, and ancillary equipment. The primary objective of these new monitoring stations is to provide continuous information on air quality. This includes generating data on background concentrations, pollutant transport from outside the air shed, and pollutant transport from the industrial district during the periods of predominant southeast to northwest wind patterns. The monitoring sites will be located at the Odem Raw Water Station, the Taft Texana Blending Station, and the San Patricio Country Municipal Water District Main Office. These new sites will be in addition to the already existing site located at

Valero Refining—Texas, L.P.
Docket No. 2009-0401-AIR-E
Attachment A

the Aransas Pass Treatment Plant, for a total of four sites. The SEP Offset Amount will be used to pay for the instruments, installation, and maintenance and/or operation of the instruments, data validation, software license, and web server costs related solely to this project.

Instrumentation: Third Party Recipient shall provide each site with one ozone monitor and one weather station capable of measuring wind direction and speed as well as ambient temperature. One of the sites must also have a monitor for oxides of nitrogen. Third Party Recipient has a memorandum of understanding with the San Patricio Municipal Water District in which the water district agrees to provide: 1) external areas for installing the weather stations and instruments' enclosures; 2) locations for the air sampling intakes in the external walls or roofs at the sites; and 3) small areas in each sites' building for the monitoring instrument racks when necessary. Third Party Recipient has already developed the site at the Aransas Pass Treatment Plant.

Operation and Maintenance: Third Party Recipient shall manage the project with two faculty members, one research associate, and environmental engineering graduate students, which will compose the core team associated with the air quality monitoring effort. Instruments will be calibrated before deployment, and on the frequency established in the TCEQ-approved Quality Assurance Project Plan (QAPP). Third Party Recipient shall submit a detailed work plan and QAPP in EPA QA-R5 format to the TCEQ for approval prior to any sample collection, but no later than sixty days after the Effective Date of this Agreement. Any environmental laboratory data submitted to TCEQ must be produced by a laboratory accredited by TCEQ according to Title 30 Texas Administrative Code, Chapter 25 (relating to Environmental Testing Laboratory Accreditation and Certification), Subchapters A and B, as amended.

Data Management: Third Party Recipient's sites are intended for continuous air quality monitoring. Third Party Recipient shall bring data obtained from the monitors directly into the TCEQ air monitoring site information system using wireless modems at Third Party Recipient's cost and such data must be made available to the public via the TCEQ website as soon as possible upon availability. Third Party Recipient shall coordinate these tasks with TCEQ. The data displayed on the TCEQ website will be subject to change pending final validation by Third Party Recipient. Third Party Recipient shall provide contact information to the TCEQ to be posted on the TCEQ website - the contact person must be able to answer questions (during normal business hours) regarding data quality from the measurements obtained from Third Party Recipient's air quality monitoring sites.

Environmental Benefits: The SEP will provide a discernible environmental benefit by providing the community with more knowledge of pollutant concentrations and potential sources of air pollutants entering or exiting the Corpus Christi area airshed. This data can also be used by other parties interested in the air quality in the Corpus Christi area. The formation and transport of ozone is complex, and a better understanding of the sources of precursors and long-range transport are necessary to generate good scientific information for decision-making purposes. Well-located monitoring stations provide valuable information for these purposes.

Project Period: Third Party Recipient shall conduct monitoring for a minimum of 2 years.

Project 1 will be administered in accordance with federal, state, and local environmental laws and regulations. Respondent certifies that there is no prior commitment to perform the project and that it is being performed solely in an effort to settle this enforcement action.

Project 2 – Water or Wastewater Assistance or Abandoned Tire Cleanup

Respondent shall contribute the SEP offset amount to the Third-Party Recipient named in Project 2 above. The contribution will be made to **RC&D** for the *Water or Wastewater Assistance or Abandoned Tire Cleanup* program. Specifically, the SEP Offset Amount will pay for the labor and disposal costs associated with assistance to low-income residents with shallow, improperly designed or contaminated drinking water wells or failing wastewater systems, or plugging of abandoned wells. If RC&D is unable to spend the total SEP Offset Amount on this project, the remaining SEP Offset Amount may be applied to RC&D Abandoned Tire Cleanup project. The project will be administered in accordance with federal, state, and local environmental laws and regulations.

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

B. Environmental Benefit

Project 1 will provide a discernible environmental benefit by providing the community with more knowledge of pollutant concentrations and potential sources of air pollutants entering or exiting the Corpus Christi area airshed. This data can also be used by other parties interested in the air quality in the Corpus Christi area. The formation and transport of ozone is complex, and a better understanding of the sources of precursors and long-range transport are necessary to generate good scientific information for decision-making purposes. Well-located monitoring stations provide valuable information for these purposes.

Project 2 will provide a discernible environmental benefit by preventing the release of sewage into the environment. Raw sewage can carry bacteria, viruses, protozoa (parasitic organisms), helminthes (intestinal worms), and bioaerosols (inhalable molds and fungi). The diseases they may cause range in the severity from mild gastroenteritis (causing stomach cramps and diarrhea) to life-threatening ailments such as cholera, dysentery, infectious hepatitis, and severe gastroenteritis. People can be exposed through:

- Sewage in drinking water sources;
- Direct contact in areas of public access such as in lawns or streets, or waters used for recreation;
- Shellfish harvested from areas contaminated by raw sewage; and
- Inhalation and skin absorption

Sewage overflows may cause damage to the environment. A key concern with sewage overflows is the effect on rivers, lakes, streams, or aquifer systems. In addition to potential spread of disease, sewage in the environment contributes excess nutrients, metals, and toxic pollutants that contaminate water quality, cause excess algae blooms, and kill fish and other organisms in aquatic habitats.

The drinking water portion of this project will protect water sources for drinking, recreating and wildlife from contamination from the failing treatment systems, and protect public health from contaminated drinking water supplies.

In addition, this SEP will provide a discernible environmental benefit by providing for the proper disposal of tires and by reducing health threats associated with illegally dumped tires. Illegal tire dumpsites can become breeding

grounds for mosquitoes and rodents which carry disease. The potential for tire fires is also reduced by removing illegally dumped tires. Tire fires can result in the contamination of surface water, ground water, and soil.

C. Minimum Expenditure

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

2. Performance Schedule

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

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

3. Records and Reporting

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

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent fails to perform its obligations under this SEP in any way, including full payment of the Total SEP Offset Amount and submittal of the required reporting as described in paragraph 3 above, the Executive Director may require immediate payment of all or part of the Total SEP Offset Amount.

In the event of incomplete performance, Respondent shall submit a check for any remaining amount due, made payable to "Texas Commission on Environmental Quality," with the notation "SEP Refund," and the docket number of the case, and shall send it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning these SEPs made by or on behalf of Respondent must include a clear statement that the projects were 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

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

7. Other SEPs by TCEQ or Other Agencies

The SEPs identified in this Agreed Order have not been, and shall not be, included as SEPs for 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

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|--------------|-----------------|-------------|------------------|-------------|---------------------------|
| DATES | Assigned | 9-Mar-2009 | | | |
| | PCW | 24-Jul-2009 | Screening | 20-Mar-2009 | EPA Due 1-Dec-2009 |

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|----------------------------------------|-----------------------------|---------------------------|-------|--|--|
| RESPONDENT/FACILITY INFORMATION | | | | | |
| Respondent | Valero Refining-Texas, L.P. | | | | |
| Reg. Ent. Ref. No. | RN100214386 | | | | |
| Facility/Site Region | 14-Corpus Christi | Major/Minor Source | Major | | |

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|--------------------------------|-----------------|------------------------------|--------------------|----------|--|
| CASE INFORMATION | | | | | |
| Enf./Case ID No. | 37339 | No. of Violations | 5 | | |
| Docket No. | 2009-0401-AIR-E | Order Type | Findings | | |
| Media Program(s) | Air | Government/Non-Profit | No | | |
| Multi-Media | | Enf. Coordinator | Kimberly Morales | | |
| | | 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) | Subtotal 1 | \$65,100 |
|-------------------------------------------------------------|-------------------|----------|

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

| | | | |
|---------------------------|--------------------|--------------------------------|----------|
| Compliance History | 112.0% Enhancement | Subtotals 2, 3, & 7 | \$72,912 |
|---------------------------|--------------------|--------------------------------|----------|

Notes: Enhancement due to three NOVs with same or similar violations, 12 NOVs with unrelated violations, one 1660 Agreed Order, one Findings Order and one Court Order with a denial of liability. Reduction due to two notice of audit letters submitted.

| | | | | |
|--------------------|----|------------------|-------------------|-----|
| 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 \$754
 Approx. Cost of Compliance \$14,750
 *Capped at the Total EB \$ Amount

| | | |
|-----------------------------|-----------------------|-----------|
| SUM OF SUBTOTALS 1-7 | Final Subtotal | \$138,012 |
|-----------------------------|-----------------------|-----------|

| | | | |
|---------------------------------------------|------|-------------------|-----|
| OTHER FACTORS AS JUSTICE MAY REQUIRE | 0.0% | Adjustment | \$0 |
|---------------------------------------------|------|-------------------|-----|

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount \$138,012

| | | |
|-----------------------------------|-------------------------------|----------|
| STATUTORY LIMIT ADJUSTMENT | Final Assessed Penalty | \$70,212 |
|-----------------------------------|-------------------------------|----------|

| | | | | |
|-----------------|------|-----------|-------------------|-----|
| DEFERRAL | 0.0% | Reduction | Adjustment | \$0 |
|-----------------|------|-----------|-------------------|-----|

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

Notes:

No deferral is recommended for Findings Orders.

| | |
|------------------------|----------|
| PAYABLE PENALTY | \$70,212 |
|------------------------|----------|

Screening Date 20-Mar-2009

Docket No. 2009-0401-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 37339

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100214386

Media [Statute] Air

Enf. Coordinator Kimberly Morales

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) | 3 | 15% |
| | Other written NOVs | 12 | 24% |
| 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% |
| <i>Please Enter Yes or No</i> | | | |
| 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) 112%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes Enhancement due to three NOVs with same or similar violations, 12 NOVs with unrelated violations, one 1660 Agreed Order, one Findings Order and one Court Order with a denial of liability. Reduction due to two notice of audit letters submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 112%

Screening Date 20-Mar-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, Special Condition Nos. 1 and 24
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 36,745.44 pounds ("lbs") of sulfur dioxide ("SO2"), 398.89 lbs of hydrogen sulfide ("H2S"), 121.66 lbs of carbon monoxide ("CO"), 260.10 lbs of volatile organic compounds ("VOC"), 21.96 lbs of nitrogen oxide ("NOx") and 20.32 lbs of ammonia from the Sulfur Recovery Unit ("SRU") during an avoidable emissions event (Incident No. 107936) that began May 20, 2008 and lasted two hours and 20 minutes. The blower on SRU Train 3 malfunctioned causing Train 3 to trip. Trains 1 and 2 were not able to immediately accept the sulfur acid gas stream when Train 3 went down, resulting in unauthorized emissions. The emission event could have been avoided if Trains 1 and 2 could have immediately accepted the sulfur gas stream from SRU Train 3. Since this emissions event could have been avoided by better operational practices and the final report was submitted late, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.
Base Penalty

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | | Percent |
|-----------|-------------------------------------|--------------------------|--------------------------|-----------------------------------|
| | Major | Moderate | Minor | |
| Actual | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="text" value="100%"/> |
| Potential | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

>>Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|---------|
| | Human health or the environment has been exposed to a significant amount of pollutants that exceed levels protective of human health or environmental receptors. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

Adjustment

Violation Events

Number of Violation Events Number of violation days
 daily
 weekly
 monthly
 quarterly
 semiannual
 annual
 single event
mark only one with an x
Violation Base Penalty

 One daily event is recommended based on the emissions event date of May 20, 2008.

Good Faith Efforts to Comply Reduction

| | Before NOV | NOV to EDPRP/Settlement |
|---------------|-------------------------------------|--------------------------|
| Extraordinary | <input type="checkbox"/> | <input type="checkbox"/> |
| Ordinary | <input type="checkbox"/> | <input type="checkbox"/> |
| N/A | <input checked="" type="checkbox"/> | (mark with x) |

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

Economic Benefit (EB) for this violation **Statutory Limit Test**
Violation Final Penalty Total
This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
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

| | | | | | | | |
|--------------------------|---------|-------------|-------------|------|-------|-----|-------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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 |
| Other (as needed) | | 22-Jun-2008 | 30-Sep-2009 | 1.27 | \$0 | n/a | \$0 |
| Other (as needed) | \$5,000 | 20-May-2008 | 30-Sep-2009 | 1.36 | \$341 | n/a | \$341 |

Notes for DELAYED costs Estimated expense to ensure that all SRU trains are operational when sulfur acid gas is being produced. The Dates Required are the dates of the emissions event. The Final Dates are the dates that corrective measures are estimated to be completed.

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 | \$5,000 | TOTAL | \$341 |
|----------------------------|---------|--------------|-------|

Screening Date 20-Mar-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 2
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, Special Condition Nos. 1 and 24
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 15,304.13 lbs of SO₂, 166.29 lbs of H₂S, 17.60 lbs of CO, 0.55 lbs of VOC and 3.79 lbs of NO_x from the SRU during an avoidable emissions event (Incident No. 111400) that began July 22, 2008 and lasted 30 minutes. The blower on SRU Train 3 malfunctioned causing Train 3 to be brought down for maintenance. Trains 1 and 2 were not able to immediately accept the sulfur acid gas stream when Train 3 went down, resulting in unauthorized emissions. The emissions event could have been avoided if Trains 1 and 2 could have immediately accepted the sulfur gas stream from SRU Train 3. Since this emissions event could have been avoided by better operational practices, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | Actual | x | | | 100% |
| | Potential | | | | |

>> Programmatic Matrix

| | Falsification | Major | Moderate | Minor | Percent |
|--|---------------|-------|----------|-------|---------|
| | | | | | 0% |

Matrix Notes Human health or the environment has been exposed to a significant amount of pollutants that exceed levels protective of human health or environmental receptors.

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 1 Number of violation days 1

| | |
|--------------|---|
| daily | x |
| weekly | |
| monthly | |
| quarterly | |
| semiannual | |
| annual | |
| single event | |

mark only one with an x

Violation Base Penalty \$10,000

One daily event is recommended based on the emissions event date of July 22, 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 \$10,000

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

Estimated EB Amount \$0 **Violation Final Penalty Total** \$21,200

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

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 2

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|--|--|--|------|-----|-----|-----|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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 expense to ensure that all SRU trains are operational when sulfur acid gas is being produced included in the Economic Benefit for Violation No. 1.

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

\$0

TOTAL

\$0

Screening Date 20-Mar-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 3
Rule Cite(s) 30 Tex. Admin. Code § 101.201(c) and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to submit the final report for Incident No. 107936 in a timely manner. Specifically, the report was due June 3, 2008 and was not submitted until June 9, 2008.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|-----------|---------|--------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | | Actual | | | |
| Potential | | | | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|--------------|---------------|-------|----------|-------|---------|
| | | | | x | |

At least 70% of the rule requirement was met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | |
| semiannual | |
| annual | |
| single event | x |

Violation Base Penalty \$100

One single event is recommended based on the one report that was submitted late.

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 \$100

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

Estimated EB Amount \$100 **Violation Final Penalty Total** \$212

This violation Final Assessed Penalty (adjusted for limits) \$212

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 3

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|---------|------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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 | \$1,500 | 3-Jun-2008 | 30-Sep-2009 | 1.33 | \$99 | n/a | \$99 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$250 | 3-Jun-2008 | 9-Jun-2008 | 0.02 | \$0 | n/a | \$0 |

Notes for DELAYED costs Estimated expense to submit a timely final report and to implement measures designed to ensure the timely submittal of emissions event reports. The Date Required is the date that the report was due. The Final Date is the date that the report was submitted and when corrective measures are estimated to be completed.

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 | \$1,750 | TOTAL | \$100 |
|-----------------------------------|---------|--------------|-------|

Screening Date 20-Mar-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 4
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, Special Condition Nos. 1 and 24
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 8,020.19 lbs of SO₂, 87.06 lbs of H₂S, 130.10 lbs of CO, 326.93 lbs of VOC, 18.34 lbs of NO_x and 25.57 lbs of ammonia from the SRU during an avoidable emissions event (Incident No. 117784) that began December 15, 2008 and lasted 25 minutes. The blower on SRU Train 3 malfunctioned causing Train 3 to trip. Trains 1 and 2 were not able to immediately accept the sulfur acid gas stream when Train 3 went down, resulting in unauthorized emissions. The emissions event could have been avoided if Trains 1 and 2 could have immediately accepted the sulfur gas stream from SRU Train 3. Since this emissions event could have been avoided by better operational practices, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | Actual | | x | | 50% |
| | Potential | | | | |

>> Programmatic Matrix

| | Falsification | Major | Moderate | Minor | Percent |
|--|---------------|-------|----------|-------|---------|
| | | | | | 0% |

Matrix Notes Human health or the environment has been exposed to a significant amount of pollutants that do not exceed levels protective of human health or environmental receptors.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1 1 Number of violation days

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | x |
| quarterly | |
| semiannual | |
| annual | |
| single event | |

mark only one with an x

Violation Base Penalty \$5,000

One monthly event is recommended based on the emissions event date of December 15, 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 \$5,000

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

Estimated EB Amount \$0

Violation Final Penalty Total \$10,600

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

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 4

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|--|--|--|------|-----|-----|-----|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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 expense to ensure that all SRU trains are operational when sulfur acid gas is being produced included in the Economic Benefit for Violation No. 1.

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

\$0

TOTAL

\$0

Screening Date 20-Mar-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 5
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 111.111(a)(4)(A), 116.715(a) and (c)(7), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, Special Condition Nos. 1 and 15
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 119,108.72 lbs of SO₂, 1,292.97 lbs of H₂S, 8,286.61 lbs of CO, 12,575.64 lbs of VOC, 1,255.15 lbs of NO_x and 219.13 lbs of ammonia from four flares, three heaters and a wastewater combustor during an avoidable emissions event (Incident No. 117903) that began December 18, 2008 and lasted 86 hours and 25 minutes. The Current Limiting Reactor No. 2 malfunctioned due to an electrically generated flashover assisted by dust, dirt and rainwater on its exposed insulators and caused a power failure, resulting in unauthorized emissions. Had procedures to operate and maintain critical path electrical equipment been established, the emissions event could have been avoided. Additionally, black smoke was observed from two flares for approximately two hours during this emissions event. Since this emissions event could have been avoided by better operational practices, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| Release | Harm | | | Percent |
|-----------|-------|----------|-------|---------|
| | Major | Moderate | Minor | |
| Actual | x | | | 100% |
| Potential | | | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|-------|---------|
| | Human health or the environment has been exposed to a significant amount of pollutants that exceed levels protective of human health or environmental receptors. | | | | |

Adjustment \$0

\$10,000

Violation Events

Number of Violation Events 4 4 Number of violation days

| | |
|--------------|---|
| daily | x |
| weekly | |
| monthly | |
| quarterly | |
| semiannual | |
| annual | |
| single event | |

Four daily events are recommended based on the duration of the emissions event from December 18 - 22, 2008.

Violation Base Penalty \$40,000

Good Faith Efforts to Comply 0.0% Reduction \$0

| | Before NOV | NOV to EDRP/ Settlement Offer |
|----------|--------------------------------------------------------------------------|-------------------------------|
| | Extraordinary | |
| Ordinary | | |
| N/A | x | (mark with x) |
| Notes | The Respondent does not meet the good faith criteria for this violation. | |

Violation Subtotal \$40,000

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

Estimated EB Amount \$313 **Violation Final Penalty Total** \$84,800

This violation Final Assessed Penalty (adjusted for limits) \$40,000

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 5

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|---------|-------------|-------------|------|-------|-----|-------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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) | \$8,000 | 18-Dec-2008 | 30-Sep-2009 | 0.78 | \$313 | n/a | \$313 |

Notes for DELAYED costs
 Estimated expense to establish procedures to operate and maintain critical path electrical equipment. The Date Required is the date of the emissions event. The Final Date is the date that corrective measures are estimated to be completed.

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 | \$8,000 | TOTAL | \$313 |
|-----------------------------------|---------|--------------|-------|

Compliance History Report

| | | | | |
|-------------------------------------|----------------------------------------------|----------------------------------------------|---------------------------|-------------------|
| Customer/Respondent/Owner-Operator: | CN600127468 | Valero Refining-Texas, L.P. | Classification: AVERAGE | Rating: 9.90 |
| Regulated Entity: | RN100214386 | VALERO CORPUS CHRISTI REFINERY WEST PLANT | Classification: AVERAGE | Site Rating: 5.35 |
| ID Number(s): | AIR OPERATING PERMITS | ACCOUNT NUMBER | NE0112G | |
| | AIR OPERATING PERMITS | PERMIT | 1458 | |
| | AIR OPERATING PERMITS | PERMIT | 2601 | |
| | INDUSTRIAL AND HAZARDOUS WASTE GENERATION | SOLID WASTE REGISTRATION # (SWR) | 30478 | |
| | INDUSTRIAL AND HAZARDOUS WASTE GENERATION | EPA ID | TXD074604166 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 38754 | |
| | AIR NEW SOURCE PERMITS | ACCOUNT NUMBER | NE0112G | |
| | AIR NEW SOURCE PERMITS | PERMIT | 1507A | |
| | AIR NEW SOURCE PERMITS | PERMIT | 10157 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 10496 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 10642 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 10777 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 12722 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 12844 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 16552 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 20740 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 20992 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 23633 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 29272 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 33323 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 36004 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 37375 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 39505 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 46918 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 49888 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 55362 | |
| | AIR NEW SOURCE PERMITS | EPA ID | PSDTX324M9 | |
| | AIR NEW SOURCE PERMITS | EPA ID | PSDTX324M10 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 55688 | |
| | AIR NEW SOURCE PERMITS | AFS NUM | 4835500050 | |
| | AIR NEW SOURCE PERMITS | EPA ID | PSDTX324M11 | |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 71034 | |
| | AIR NEW SOURCE PERMITS | EPA ID | PSDTX324M8 | |
| | AIR NEW SOURCE PERMITS | PERMIT | 55294 | |
| | AIR NEW SOURCE PERMITS | EPA ID | PSDTX324M12 | |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 77580 | |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 77944 | |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 80027 | |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 81549 | |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 84572 | |
| | AIR NEW SOURCE PERMITS | REGISTRATION | 86443 | |
| | WASTEWATER | PERMIT | WQ0001909000 | |
| | WASTEWATER | EPA ID | TPDES0063355 | |
| | WASTEWATER | PERMIT | TX0063355 | |
| | WASTEWATER LICENSING STORMWATER | LICENSE PERMIT | WQ0001909000 TXR05S045 | |
| | IHW CORRECTIVE ACTION | SOLID WASTE REGISTRATION # (SWR) | 30478 | |

Location: 5900 UP RIVER RD, CORPUS CHRISTI, TX, 78407
 TCEQ Region: REGION 14 - CORPUS CHRISTI
 Date Compliance History Prepared: March 11, 2009
 Agency Decision Requiring Compliance History: Enforcement
 Compliance Period: March 11, 2004 to March 11, 2009
 TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
 Name: John Muennink Phone: (361) 825-3423

Site Compliance History Components

- 1. Has the site been in existence and/or operation for the full five year compliance period? Yes
- 2. Has there been a (known) change in ownership of the site during the compliance period? No
- 3. If Yes, who is the current owner? N/A
- 4. if Yes, who was/were the prior owner(s)? N/A
- 5. When did the change(s) in ownership occur? N/A
- 6. Rating Date: 9/1/2008 Repeat Violator: NO

Components (Multimedia) for the Site :

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

Effective Date: 11/23/2005

COURTORDER

Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)
 Description: Failed to maintain sulfate emissions from the heavy oil cracker (HOC), emission point number (EPN) 121 at levels at or below 58.3 pounds per hour.
 Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.6(a)(1)
 Description: Failure to notify the TNRCC's regional office within 24 hours after the discovery of an upset.
 Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
 Description: Failure to meet exemption requirements for upset emissions, resulting in unauthorized emissions.
 Classification: Major
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 116, SubChapter G 116.715(c)(7)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: Emission CAP Limit PERMIT
 Special Condition No. 54 PERMIT
 Description: Failure to comply with General and Special conditions of Permit Nos. 38754 and PSD-TX-324M10. Specifically, unauthorized emissions of hydrogen sulfide, sulfur dioxide, and ammonia released during four emissions events that occurred on September 1, 2004.

Effective Date: 07/13/2007

ADMINORDER 2007-0028-IWD-E

Classification: Major
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Rqmt Prov: PC(2)(g) PERMIT
 Description: Failure to prevent the unauthorized discharge of slop oil and wastewater to the environment.
 Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)
 Rqmt Prov: RR(7)(a) PERMIT
 Description: Failure to provide notification of the unauthorized discharge of slop oil and wastewater to the environment as required by permit WQ0001909-000.
 Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(19)
 Rqmt Prov: PC(1)(a) PERMIT
 Description: Failure to submit correct facts and information in its Permit Application (renewal) dated May 25, 2004, and failure to notify the Executive Director of the correct facts and information.

Effective Date: 04/03/2008

ADMINORDER 2007-1483-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: TCEQ Air Flexible Permit No. 38754 PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 35,136.47 lbs of SO₂, 613.1 lbs of VOCs, 257.95 lbs of CO, 381.45 lbs H₂S, 114.11 lbs NO_x, 5.67 lbs of ammonia and 141.37 lbs of hexane from the Acid Gas Flare and the Main Flare during an avoidable emissions event that began February 27, 2007 and lasted 19 hrs and 40 minutes.

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 | 03/18/2004 | (309916) | 47 | 08/29/2005 | (406253) | 93 | 02/16/2007 | (583158) |
| 2 | 04/23/2004 | (309918) | 48 | 08/31/2005 | (400938) | 94 | 03/08/2007 | (540725) |
| 3 | 04/26/2004 | (309917) | 49 | 08/31/2005 | (406090) | 95 | 03/19/2007 | (583160) |
| 4 | 04/26/2004 | (309925) | 50 | 09/19/2005 | (583175) | 96 | 04/20/2007 | (583163) |
| 5 | 05/18/2004 | (309921) | 51 | 09/21/2005 | (431540) | 97 | 05/15/2007 | (557031) |
| 6 | 06/12/2004 | (309923) | 52 | 09/21/2005 | (432140) | 98 | 05/21/2007 | (583166) |
| 7 | 07/01/2004 | (270362) | 53 | 11/18/2005 | (583179) | 99 | 05/22/2007 | (557035) |
| 8 | 07/01/2004 | (277794) | 54 | 12/15/2005 | (583177) | 100 | 06/19/2007 | (583169) |
| 9 | 08/17/2004 | (289440) | 55 | 12/19/2005 | (439303) | 101 | 06/29/2007 | (560992) |
| 10 | 08/24/2004 | (357962) | 56 | 12/21/2005 | (583181) | 102 | 07/03/2007 | (566581) |
| 11 | 09/16/2004 | (286828) | 57 | 01/20/2006 | (451440) | 103 | 07/11/2007 | (557176) |
| 12 | 09/16/2004 | (357963) | 58 | 01/24/2006 | (583183) | 104 | 07/11/2007 | (566079) |
| 13 | 10/20/2004 | (357964) | 59 | 02/01/2006 | (435482) | 105 | 07/18/2007 | (583172) |
| 14 | 10/20/2004 | (357967) | 60 | 02/21/2006 | (583157) | 106 | 07/27/2007 | (567691) |
| 15 | 10/22/2004 | (335486) | 61 | 03/01/2006 | (450492) | 107 | 08/08/2007 | (514284) |
| 16 | 11/18/2004 | (357965) | 62 | 03/17/2006 | (583159) | 108 | 08/08/2007 | (539377) |
| 17 | 11/23/2004 | (341603) | 63 | 03/27/2006 | (459945) | 109 | 08/28/2007 | (562022) |
| 18 | 12/06/2004 | (342954) | 64 | 04/24/2006 | (583162) | 110 | 09/14/2007 | (565956) |
| 19 | 12/20/2004 | (357966) | 65 | 05/23/2006 | (583165) | 111 | 10/02/2007 | (514528) |
| 20 | 01/24/2005 | (347892) | 66 | 06/18/2006 | (583171) | 112 | 10/09/2007 | (595450) |
| 21 | 02/16/2005 | (350569) | 67 | 06/21/2006 | (583168) | 113 | 10/15/2007 | (608382) |
| 22 | 02/18/2005 | (385070) | 68 | 07/07/2006 | (485450) | 114 | 10/19/2007 | (596871) |
| 23 | 03/07/2005 | (373370) | 69 | 07/12/2006 | (485630) | 115 | 10/22/2007 | (608381) |
| 24 | 03/15/2005 | (373594) | 70 | 08/07/2006 | (481848) | 116 | 11/06/2007 | (595861) |
| 25 | 03/17/2005 | (385071) | 71 | 08/14/2006 | (482853) | 117 | 01/23/2008 | (612779) |
| 26 | 04/01/2005 | (376012) | 72 | 08/16/2006 | (497159) | 118 | 02/26/2008 | (612679) |
| 27 | 04/18/2005 | (583161) | 73 | 08/16/2006 | (497523) | 119 | 04/07/2008 | (641587) |
| 28 | 05/12/2005 | (380791) | 74 | 08/18/2006 | (583174) | 120 | 04/08/2008 | (638701) |
| 29 | 05/18/2005 | (380544) | 75 | 08/23/2006 | (483649) | 121 | 04/15/2008 | (646179) |
| 30 | 05/19/2005 | (583164) | 76 | 08/31/2006 | (450609) | 122 | 05/22/2008 | (670929) |
| 31 | 05/25/2005 | (393344) | 77 | 08/31/2006 | (511046) | 123 | 06/13/2008 | (682875) |
| 32 | 06/16/2005 | (395612) | 78 | 09/18/2006 | (583176) | 124 | 08/22/2008 | (646255) |
| 33 | 06/20/2005 | (583167) | 79 | 10/20/2006 | (483955) | 125 | 08/25/2008 | (699662) |
| 34 | 06/29/2005 | (397403) | 80 | 10/20/2006 | (583178) | 126 | 08/28/2008 | (641497) |
| 35 | 06/29/2005 | (397984) | 81 | 11/02/2006 | (517526) | 127 | 10/30/2008 | (706187) |
| 36 | 06/30/2005 | (395371) | 82 | 11/17/2006 | (583180) | 128 | 11/24/2008 | (706186) |
| 37 | 07/01/2005 | (395376) | 83 | 12/13/2006 | (532743) | 129 | 12/18/2008 | (709825) |
| 38 | 07/20/2005 | (583170) | 84 | 12/18/2006 | (583182) | 130 | 12/22/2008 | (721338) |
| 39 | 07/22/2005 | (400525) | 85 | 12/20/2006 | (482975) | 131 | 12/23/2008 | (682877) |
| 40 | 07/28/2005 | (402169) | 86 | 01/05/2007 | (535816) | 132 | 01/09/2009 | (708321) |
| 41 | 08/13/2005 | (404652) | 87 | 01/11/2007 | (535323) | 133 | 01/13/2009 | (722749) |
| 42 | 08/13/2005 | (404858) | 88 | 01/19/2007 | (583184) | 134 | 01/15/2009 | (708931) |
| 43 | 08/19/2005 | (404027) | 89 | 01/24/2007 | (537029) | 135 | 02/26/2009 | (636579) |
| 44 | 08/19/2005 | (405534) | 90 | 02/01/2007 | (538731) | 136 | 02/27/2009 | (701555) |
| 45 | 08/19/2005 | (583173) | 91 | 02/08/2007 | (539006) | 137 | 02/27/2009 | (736312) |
| 46 | 08/26/2005 | (406126) | 92 | 02/16/2007 | (540900) | 138 | 03/06/2009 | (686483) |

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

- 1 Date: 04/30/2004 (309921) Classification: Moderate
Self Report? YES
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
- 2 Date: 07/02/2004 (270362) Classification: Moderate
Self Report? NO
Citation: TPDES Permit No. 01909 PERMIT
TWC Chapter 26 26.121
Description: Failure to prevent a discharge of wastewater and process area storm water from entering the Corpus Christi Inner Harbor.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)
TPDES Permit No. 01909 PERMIT
Description: Failure to submit a written notification of a noncompliance within five working days of becoming aware of the noncompliance. On April 25, 2004, the facility received approximately 6 inches of rainfall in a two hour period which resulted in the discharge of wastewater and process area stormwater.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TPDES Permit No. 01909 PERMIT
Description: Failure to maintain the chlorine residual within the permitted limit of at least 1.0 mg/l. On the morning of May 3, 2004, a grab sample taken from outfall 005 measured 0.001 mg/l.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TPDES Permit No. 01909 PERMIT
Description: Failure to maintain the flow of effluent within the permitted limit at outfall 003. A 2.89 MGD flow was reported for April 25, 2004 due to heavy rainfall in the area. The 24-hour flow limit is 2.79 million gallons (MGD).
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TPDES Permit No. 01909 PERMIT
Description: Failure to meet the effluent limit of 200 mg/l for chemical oxygen demand (COD) at storm water outfall 011. On December 12, 2003, a grab sample taken from outfall 011 measured 404 mg/l of COD.
- 3 Date: 08/16/2004 (289440) Classification: Moderate
Self Report? NO
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
30 TAC Chapter 116, SubChapter B 116.115(c)
38754/PSD-TX-324M11 PERMIT
Description: Failure to prevent visible emissions from two flares (EPNs 127 and 158) as reported on January 23, 2004 in incident 33729 and on March 30, 2004 in incident 37226 respectively.
- 4 Date: 05/31/2005 (583167) CN600127468 Classification: Moderate
Self Report? YES
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
- 5 Date: 06/30/2006 (583171) CN600127468 Classification: Moderate
Self Report? YES
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

- 6 Date: 08/31/2006 (450609)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.146(5)(D)
 Description: Failure to submit an accurate and complete Permit Compliance Certification including or referencing the identification of all terms and conditions of the permit for which compliance was not achieved.
- 7 Date: 12/31/2006 (583184) 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
- 8 Date: 04/23/2007 (557176) CN600127468
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter A 335.4(1)
 Description: Failure to obtain commission authorization prior to an activity of collection, handling, storage, processing, or disposal of industrial solid waste.
- 9 Date: 05/15/2007 (557031)
 Self Report? NO Classification: Moderate
 Citation: Permit Conditions 2.g. PERMIT
 TWC Chapter 26 26.121
 Description: Failure to prevent two unauthorized discharges from the wastewater system or through a permitted outfall.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)
 Monitoring and Reporting Req., 7. PERMIT
 Description: Failure to provide notification to the TCEQ in accordance with permit provisions.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Effluent Limitations PERMIT
 Description: Failure to meet permit limitation for Chemical Oxygen Demand (COD) at Outfall 006 on December 7, 2006.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.124
 Permit Conditions, 2.a. PERMIT
 Description: Failure to sample Outfall 002 weekly when discharge occurs.
- 10 Date: 05/31/2007 (583169)
 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
- 11 Date: 07/10/2007 (557176)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT CC 265.1090(f)
 Description: Failure to provide documentation verifying exemption status.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191
 Description: Failure to comply with assessment of existing tank system's integrity.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.194(b)
 Description: Failure to comply with general operating requirements.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.195
 Description: Failure to comply with cathodic protection inspection and schedule.

- 12 Date: 09/30/2007 (608381) 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
- 13 Date: 11/06/2007 (595861) CN600127468
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191
 Description: Failure to comply with assessment of existing tank system's integrity.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.195
 Description: Failure to comply with cathodic protection inspection and schedule.
- 14 Date: 02/26/2008 (612679)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.145(2)(C)
 5C THSC Chapter 382 382.085(b)
 Description: Failure to submit a deviation report no later than 30 days after the end of the each reporting period. Specifically, the deviation report for the period of August 8, 2006 through February 7, 2007, due no later than March 7, 2007, was submitted late on March 15, 2007.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 113, SubChapter C 113.340
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.646
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.119(b)
 5C THSC Chapter 382 382.085(b)
 Description: Failure to conduct storage vessel inspections according to the frequency stipulated in provisions of applicable regulations.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 113, SubChapter C 113.340
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.113b(a)(4)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
 5C THSC Chapter 382 382.085(b)
 Description: Failure to conduct storage vessel inspections according to the frequency stipulated in provisions of applicable regulations.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 113, SubChapter C 113.340
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.646
 5C THSC Chapter 382 382.085(b)
 Description: Failure to equip affected openings of storage vessels with devices which close off liquid surface area from atmosphere.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 113, SubChapter C 113.130
 30 TAC Chapter 115, SubChapter D 115.322(2)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)
 40 CFR Part 63, Subpart H 63.168
 5C THSC Chapter 382 382.085(b)
 Flex NSR 38754 SC 32 & 33 PA
 Description: Failure to repair leaking components in a timely manner according to applicable requirements.
 Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.322(4)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
Flex NSR 38754 SC 32(E) PA

Description: Failure to properly equip and operate each open-ended line (OELs) with a cap, blind flange, plug or a second valve.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT QQQ 60.692-2(a)(2)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct monthly inspection of drain water seal controls.

15

Date: 11/24/2008 (706186)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Effluent Limitations and Monitoring Req. PERMIT

Description: Failure to meet permit limitations for one or more parameters on five separate Discharge Monitoring Reports (DMRs) between November, 2007, and October, 2008.

F. Environmental audits.

Notice of Intent Date: 03/05/2008 (640797)

No DOV Associated

Notice of Intent Date: 05/12/2008 (682226)

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



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

| | | | | | | |
|--------------|-----------------|-------------|------------------|-------------|----------------|-------------|
| DATES | Assigned | 17-Aug-2009 | Screening | 19-Aug-2009 | EPA Due | 11-May-2010 |
| | PCW | 8-Jul-2010 | | | | |

| | | | |
|----------------------------------------|-----------------------------|---------------------------|-------|
| RESPONDENT/FACILITY INFORMATION | | | |
| Respondent | Valero Refining-Texas, L.P. | | |
| Reg. Ent. Ref. No. | RN100214386 | | |
| Facility/Site Region | 14-Corpus Christi | Major/Minor Source | Major |

| | | | |
|--------------------------------|-----------------|------------------------------|--------------------|
| CASE INFORMATION | | | |
| Enf./Case ID No. | 37339 | No. of Violations | 1 |
| Docket No. | 2009-0401-AIR-E | Order Type | 1660 |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Kimberly Morales |
| | | 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) | 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 | 100.0% Enhancement | Subtotals 2, 3, & 7 | \$2,500 |
|---------------------------|--------------------|--------------------------------|---------|

Notes
 Enhancement due to one NOV with same or similar violations, 11 NOVs with unrelated violations, one 1660 Agreed Order, one Findings Order and one Court Order with a denial of liability. Reduction due to two Notice of Audit letters submitted.

| | | | | |
|--------------------|----|------------------|-------------------|-----|
| 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 | \$250 |
|------------------------------------------------------|-------------------|-------|

| | | | |
|-------------------------|-------------------|-------------------|-----|
| Economic Benefit | 0.0% Enhancement* | Subtotal 6 | \$0 |
|-------------------------|-------------------|-------------------|-----|

Total EB Amounts \$76
 Approx. Cost of Compliance \$2,250
 *Capped at the Total EB \$ Amount

| | | |
|-----------------------------|-----------------------|---------|
| SUM OF SUBTOTALS 1-7 | Final Subtotal | \$4,750 |
|-----------------------------|-----------------------|---------|

| | | | |
|---------------------------------------------|------|-------------------|-----|
| OTHER FACTORS AS JUSTICE MAY REQUIRE | 0.0% | Adjustment | \$0 |
|---------------------------------------------|------|-------------------|-----|

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes
 [Empty box for notes]

| | |
|-----------------------------|---------|
| Final Penalty Amount | \$4,750 |
|-----------------------------|---------|

| | | |
|-----------------------------------|-------------------------------|---------|
| STATUTORY LIMIT ADJUSTMENT | Final Assessed Penalty | \$4,750 |
|-----------------------------------|-------------------------------|---------|

| | | | | |
|-----------------|--|-----------|-------------------|-----|
| DEFERRAL | | Reduction | Adjustment | \$0 |
|-----------------|--|-----------|-------------------|-----|

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

Notes
 Deferral not offered for non-expedited settlement.

| | |
|------------------------|---------|
| PAYABLE PENALTY | \$4,750 |
|------------------------|---------|

Screening Date 19-Aug-2009

Docket No. 2009-0401-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 37339

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100214386

Media [Statute] Air

Enf. Coordinator Kimberly Morales

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) | 1 | 5% |
| | Other written NOVs | 11 | 22% |
| 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% |
| <i>Please Enter Yes or No</i> | | | |
| 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) 100%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes Enhancement due to one NOV with same or similar violations, 11 NOVs with unrelated violations, one 1660 Agreed Order, one Findings Order and one Court Order with a denial of liability. Reduction due to two Notice of Audit letters submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 100%

Screening Date 19-Aug-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number
Rule Cite(s) 30 Tex. Admin. Code §§ 116.715(a) and 101.20(3), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, Special Condition No. 1
Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 977.33 pounds of volatile organic compounds from Tank 70-TK-93 during an avoidable emissions event (Incident No. 120744) that began February 28, 2009 and lasted 48 hours and 35 minutes. The unauthorized release was the result of not giving notification prior to the shutdown of Tank 70-TK-93 for maintenance. Since the emissions were the result of an activity that was not reported prior to its commencement and the emissions could have been foreseen, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.
Base Penalty

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|-----------|----------------------|----------------------|----------------------|----------------------|---------|
| | | Major | Moderate | Minor | |
| | | Actual | <input type="text"/> | <input type="text"/> | |
| Potential | <input type="text"/> | <input type="text"/> | <input type="text"/> | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------------------------|
| | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Human health or the environment has been exposed to an insignificant amount of pollutants that do not exceed levels protective of human health or environmental receptors. | | | | | |
| Adjustment | | | | | <input type="text" value="\$7,500"/> |

Violation Events

Number of Violation Events Number of violation days
 mark only one with an x
 daily
 weekly
 monthly
 quarterly
 semiannual
 annual
 single event
Violation Base Penalty
 One quarterly event is recommended based on the emissions event that occurred February 28 through March 2, 2009.

Good Faith Efforts to Comply Reduction

Before NOV NOV to EDRP/Settlement
 Extraordinary
 Ordinary
 N/A (mark with x)
 Notes The Respondent completed corrective measures by October 31, 2009, after the NOE date of August 18, 2009 and before the April 28, 2010 EDSARP.
Violation Subtotal

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

Estimated EB Amount **Violation Final Penalty Total**
This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
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

| | | | | | | | |
|--------------------------|---------|-------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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 | \$1,000 | 28-Feb-2009 | 31-Oct-2009 | 0.67 | \$34 | n/a | \$34 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$1,250 | 28-Feb-2009 | 31-Oct-2009 | 0.67 | \$42 | n/a | \$42 |

Notes for DELAYED costs

Estimated expense to send notification of a maintenance activity prior to the commencement of the activity, to implement measures designed to ensure the proper prior notification of future maintenance activities and to prevent a particulate build-up in the tank in order prevent future events due to similar causes. The Date Required is the date of the emissions event. The Final Date is the date that corrective measures were completed.

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

\$2,250

TOTAL

\$76

Compliance History Report

CH 2 of 3

| | | | | |
|-------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------|-------------------|
| Customer/Respondent/Owner-Operator: | CN600127468 | Valero Refining-Texas, L.P. | Classification: AVERAGE | Rating: 9.90 |
| Regulated Entity: | RN100214386 | VALERO CORPUS CHRISTI REFINERY WEST PLANT | Classification: AVERAGE | Site Rating: 5.35 |
| ID Number(s): | AIR OPERATING PERMITS | ACCOUNT NUMBER | | NE0112G |
| | AIR OPERATING PERMITS | PERMIT | | 1458 |
| | AIR OPERATING PERMITS | PERMIT | | 2601 |
| | INDUSTRIAL AND HAZARDOUS WASTE GENERATION | SOLID WASTE REGISTRATION # (SWR) | | 30478 |
| | INDUSTRIAL AND HAZARDOUS WASTE GENERATION | EPA ID | | TXD074604166 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 38754 |
| | AIR NEW SOURCE PERMITS | ACCOUNT NUMBER | | NE0112G |
| | AIR NEW SOURCE PERMITS | PERMIT | | 1507A |
| | AIR NEW SOURCE PERMITS | PERMIT | | 10157 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 10496 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 10642 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 10777 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 12722 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 12844 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 16552 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 20740 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 20992 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 23633 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 29272 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 33323 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 36004 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 37375 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 39505 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 46918 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 49888 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 55362 |
| | AIR NEW SOURCE PERMITS | EPA ID | | PSDTX324M9 |
| | AIR NEW SOURCE PERMITS | EPA ID | | PSDTX324M10 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 55688 |
| | AIR NEW SOURCE PERMITS | AFS NUM | | 4835500050 |
| | AIR NEW SOURCE PERMITS | EPA ID | | PSDTX324M11 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 71034 |
| | AIR NEW SOURCE PERMITS | EPA ID | | PSDTX324M8 |
| | AIR NEW SOURCE PERMITS | PERMIT | | 55294 |
| | AIR NEW SOURCE PERMITS | EPA ID | | PSDTX324M12 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 77580 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 77944 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 80027 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 81549 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 84572 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 86443 |
| | AIR NEW SOURCE PERMITS | REGISTRATION | | 87894 |
| | WASTEWATER | PERMIT | | WQ0001909000 |
| | WASTEWATER | EPA ID | | TPDES0063355 |
| | WASTEWATER | PERMIT | | TX0063355 |
| | WASTEWATER LICENSING | LICENSE | | WQ0001909000 |
| | STORMWATER | PERMIT | | TXR05S045 |
| | IHW CORRECTIVE ACTION | SOLID WASTE REGISTRATION # (SWR) | | 30478 |

Location: 5900 UP RIVER RD, CORPUS CHRISTI, TX, 78407
TCEQ Region: REGION 14 - CORPUS CHRISTI
Date Compliance History Prepared: August 18, 2009
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: August 18, 2004 to August 18, 2009
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: John Muennink Phone: (361) 825-3423

Site Compliance History Components

- 1. Has the site been in existence and/or operation for the full five year compliance period? Yes
- 2. Has there been a (known) change in ownership/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 judgments, and consent decrees of the state of Texas and the federal government.

Effective Date: 11/23/2005

COURTORDER

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)
Description: Failed to maintain sulfate emissions from the heavy oil cracker (HOC), emission point number (EPN) 121 at levels at or below 58.3 pounds per hour.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.6(a)(1)
Description: Failure to notify the TNRCC's regional office within 24 hours after the discovery of an upset.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
Description: Failure to meet exemption requirements for upset emissions, resulting in unauthorized emissions.
Classification: Major
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Emission CAP Limit PERMIT
Special Condition No. 54 PERMIT
Description: Failure to comply with General and Special conditions of Permit Nos. 38754 and PSD-TX-324M10. Specifically, unauthorized emissions of hydrogen sulfide, sulfur dioxide, and ammonia released during four emissions events that occurred on September 1, 2004.

Effective Date: 07/13/2007

ADMINORDER 2007-0028-IWD-E

Classification: Major
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: PC(2)(g) PERMIT
Description: Failure to prevent the unauthorized discharge of slop oil and wastewater to the environment.
Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)
Rqmt Prov: RR(7)(a) PERMIT
Description: Failure to provide notification of the unauthorized discharge of slop oil and wastewater to the environment as required by permit WQ0001909-000.

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(19)

Rqmt Prov: PC(1)(a) PERMIT

Description: Failure to submit correct facts and information in its Permit Application (renewal) dated May 25, 2004, and failure to notify the Executive Director of the correct facts and information.

Effective Date: 04/03/2008

ADMINORDER 2007-1483-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: TCEQ Air Flexible Permit No. 38754 PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 35,136.47 lbs of SO2, 613.1 lbs of VOCs, 257.95 lbs of CO, 381.45 lbs H2S, 114.11 lbs NOx, 5.67 lbs of ammonia and 141.37 lbs of hexane from the Acid Gas Flare and the Main Flare during an avoidable emissions event that began February 27, 2007 and lasted 19 hrs and 40 minutes.

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 | 08/24/2004 | (357962) | 40 | 08/31/2005 | (406090) | 79 | 01/19/2007 | (583184) |
| 2 | 09/16/2004 | (286828) | 41 | 09/19/2005 | (583175) | 80 | 01/24/2007 | (537029) |
| 3 | 09/16/2004 | (357963) | 42 | 09/21/2005 | (431540) | 81 | 02/01/2007 | (538731) |
| 4 | 10/20/2004 | (357964) | 43 | 09/21/2005 | (432140) | 82 | 02/08/2007 | (539006) |
| 5 | 10/20/2004 | (357967) | 44 | 11/18/2005 | (583179) | 83 | 02/16/2007 | (540900) |
| 6 | 10/22/2004 | (335486) | 45 | 12/15/2005 | (583177) | 84 | 02/16/2007 | (583158) |
| 7 | 11/18/2004 | (357965) | 46 | 12/19/2005 | (439303) | 85 | 03/08/2007 | (540725) |
| 8 | 11/23/2004 | (341603) | 47 | 12/21/2005 | (583181) | 86 | 03/19/2007 | (583160) |
| 9 | 12/06/2004 | (342954) | 48 | 01/20/2006 | (451440) | 87 | 04/20/2007 | (583163) |
| 10 | 12/20/2004 | (357966) | 49 | 01/24/2006 | (583183) | 88 | 05/15/2007 | (557031) |
| 11 | 01/24/2005 | (347892) | 50 | 02/01/2006 | (435482) | 89 | 05/21/2007 | (583166) |
| 12 | 02/16/2005 | (350569) | 51 | 02/21/2006 | (583157) | 90 | 05/22/2007 | (557035) |
| 13 | 02/18/2005 | (385070) | 52 | 03/01/2006 | (450492) | 91 | 06/19/2007 | (583169) |
| 14 | 03/07/2005 | (373370) | 53 | 03/17/2006 | (583159) | 92 | 06/29/2007 | (560992) |
| 15 | 03/15/2005 | (373594) | 54 | 03/27/2006 | (459945) | 93 | 07/03/2007 | (566581) |
| 16 | 03/17/2005 | (385071) | 55 | 04/24/2006 | (583162) | 94 | 07/11/2007 | (557176) |
| 17 | 04/01/2005 | (376012) | 56 | 05/23/2006 | (583165) | 95 | 07/11/2007 | (566079) |
| 18 | 04/18/2005 | (583161) | 57 | 06/18/2006 | (583171) | 96 | 07/18/2007 | (583172) |
| 19 | 05/12/2005 | (380791) | 58 | 06/21/2006 | (583168) | 97 | 07/27/2007 | (567691) |
| 20 | 05/18/2005 | (380544) | 59 | 07/07/2006 | (485450) | 98 | 08/08/2007 | (514284) |
| 21 | 05/19/2005 | (583164) | 60 | 07/12/2006 | (485630) | 99 | 08/08/2007 | (539377) |
| 22 | 05/25/2005 | (393344) | 61 | 08/07/2006 | (481848) | 100 | 08/28/2007 | (562022) |
| 23 | 06/16/2005 | (395612) | 62 | 08/14/2006 | (482853) | 101 | 09/14/2007 | (565956) |
| 24 | 06/20/2005 | (583167) | 63 | 08/16/2006 | (497159) | 102 | 10/02/2007 | (514528) |
| 25 | 06/29/2005 | (397403) | 64 | 08/16/2006 | (497523) | 103 | 10/09/2007 | (595450) |
| 26 | 06/29/2005 | (397984) | 65 | 08/18/2006 | (583174) | 104 | 10/15/2007 | (608382) |
| 27 | 06/30/2005 | (395371) | 66 | 08/23/2006 | (483649) | 105 | 10/19/2007 | (596871) |
| 28 | 07/01/2005 | (395376) | 67 | 08/31/2006 | (450609) | 106 | 10/22/2007 | (608381) |
| 29 | 07/20/2005 | (583170) | 68 | 08/31/2006 | (511046) | 107 | 11/06/2007 | (595861) |
| 30 | 07/22/2005 | (400525) | 69 | 09/18/2006 | (583176) | 108 | 01/23/2008 | (612779) |
| 31 | 07/28/2005 | (402169) | 70 | 10/20/2006 | (483955) | 109 | 02/26/2008 | (612679) |
| 32 | 08/13/2005 | (404652) | 71 | 10/20/2006 | (583178) | 110 | 04/07/2008 | (641587) |
| 33 | 08/13/2005 | (404858) | 72 | 11/02/2006 | (517526) | 111 | 04/08/2008 | (638701) |
| 34 | 08/19/2005 | (404027) | 73 | 11/17/2006 | (583180) | 112 | 04/15/2008 | (646179) |
| 35 | 08/19/2005 | (405534) | 74 | 12/13/2006 | (532743) | 113 | 05/22/2008 | (670929) |
| 36 | 08/19/2005 | (583173) | 75 | 12/18/2006 | (583182) | 114 | 06/13/2008 | (682875) |
| 37 | 08/26/2005 | (406126) | 76 | 12/20/2006 | (482975) | 115 | 08/22/2008 | (646255) |
| 38 | 08/29/2005 | (406253) | 77 | 01/05/2007 | (535816) | 116 | 08/25/2008 | (699662) |
| 39 | 08/31/2005 | (400938) | 78 | 01/11/2007 | (535323) | 117 | 08/28/2008 | (641497) |

| | | | | | | | | |
|-----|------------|----------|-----|------------|----------|-----|------------|----------|
| 118 | 10/30/2008 | (706187) | 127 | 02/27/2009 | (701555) | 136 | 05/27/2009 | (747008) |
| 119 | 11/24/2008 | (706186) | 128 | 02/27/2009 | (736312) | 137 | 06/04/2009 | (724878) |
| 120 | 12/18/2008 | (709825) | 129 | 03/06/2009 | (686483) | 138 | 06/10/2009 | (747949) |
| 121 | 12/22/2008 | (721338) | 130 | 03/12/2009 | (736366) | 139 | 06/12/2009 | (748273) |
| 122 | 12/23/2008 | (682877) | 131 | 03/13/2009 | (737725) | 140 | 06/15/2009 | (748749) |
| 123 | 01/09/2009 | (708321) | 132 | 03/26/2009 | (704382) | 141 | 06/15/2009 | (748785) |
| 124 | 01/13/2009 | (722749) | 133 | 04/06/2009 | (740409) | 142 | 08/14/2009 | (737602) |
| 125 | 01/15/2009 | (708931) | 134 | 04/14/2009 | (721022) | 143 | 08/14/2009 | (744261) |
| 126 | 02/26/2009 | (636579) | 135 | 05/01/2009 | (742806) | | | |

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

- 1

Date: 05/31/2005 (583167)
 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
- 2

Date: 06/30/2006 (583171)
 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
- 3

Date: 08/31/2006 (450609)
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.146(5)(D)
 Description: Failure to submit an accurate and complete Permit Compliance Certification including or referencing the identification of all terms and conditions of the permit for which compliance was not achieved.
- 4

Date: 12/31/2006 (583184)
 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
- 5

Date: 04/23/2007 (557176)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter A 335.4(1)
 Description: Failure to obtain commission authorization prior to an activity of collection, handling, storage, processing, or disposal of industrial solid waste.
- 6

Date: 05/15/2007 (557031)
 Self Report? NO Classification: Moderate
 Citation: Permit Conditions 2.g. PERMIT
 TWC Chapter 26 26.121
 Description: Failure to prevent two unauthorized discharges from the wastewater system or through a permitted outfall.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)
 Monitoring and Reporting Req., 7. PERMIT
 Description: Failure to provide notification to the TCEQ in accordance with permit provisions.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Effluent Limitations PERMIT
 Description: Failure to meet permit limitation for Chemical Oxygen Demand (COD) at Outfall 006 on December 7, 2006.

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.124
 Permit Conditions, 2.a. PERMIT
 Description: Failure to sample Outfall 002 weekly when discharge occurs.
- 7

Date: 05/31/2007 (583169)
 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

8

Date: 07/10/2007 (557176)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT CC 265.1090(f)

Description: Failure to provide documentation verifying exemption status.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191

Description: Failure to comply with assessment of existing tank system's integrity.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.194(b)

Description: Failure to comply with general operating requirements.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.195

Description: Failure to comply with cathodic protection inspection and schedule.

9

Date: 09/30/2007 (608381)

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

10

Date: 11/06/2007 (595861)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191

Description: Failure to comply with assessment of existing tank system's integrity.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.195

Description: Failure to comply with cathodic protection inspection and schedule.

11

Date: 02/26/2008 (612679)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(C)
5C THSC Chapter 382 382.085(b)

Description: Failure to submit a deviation report no later than 30 days after the end of the each reporting period. Specifically, the deviation report for the period of August 8, 2006 through February 7, 2007, due no later than March 7, 2007, was submitted late on March 15, 2007.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.646
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.119(b)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct storage vessel inspections according to the frequency stipulated in provisions of applicable regulations.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.113b(a)(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct storage vessel inspections according to the frequency stipulated in provisions of applicable regulations.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.646
5C THSC Chapter 382 382.085(b)

Description: Failure to equip affected openings of storage vessels with devices which close off liquid surface area from atmosphere.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 113, SubChapter C 113.130
30 TAC Chapter 115, SubChapter D 115.322(2)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)
40 CFR Part 63, Subpart H 63.168
5C THSC Chapter 382 382.085(b)
Flex NSR 38754 SC 32 & 33 PA

Description: Failure to repair leaking components in a timely manner according to applicable requirements.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter D 115.322(4)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
Flex NSR 38754 SC 32(E) PA

Description: Failure to properly equip and operate each open-ended line (OELs) with a cap, blind flange, plug or a second valve.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT QQQ 60.692-2(a)(2)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct monthly inspection of drain water seal controls.

12

Date: 11/24/2008 (706186)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Effluent Limitations and Monitoring Req. PERMIT

Description: Failure to meet permit limitations for one or more parameters on five separate Discharge Monitoring Reports (DMRs) between November, 2007, and October, 2008.

F. Environmental audits.

Notice of Intent Date: 03/05/2008 (640797)

No DOV Associated

Notice of Intent Date: 05/12/2008 (682226)

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



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

| | | | | | | |
|--------------|-----------------|------------|------------------|-------------|----------------|-------------|
| DATES | Assigned | 5-Oct-2009 | Screening | 14-Oct-2009 | EPA Due | 27-Jun-2010 |
| | PCW | 8-Jul-2010 | | | | |

| | | | |
|----------------------------------------|-----------------------------|---------------------------|-------|
| RESPONDENT/FACILITY INFORMATION | | | |
| Respondent | Valero Refining-Texas, L.P. | | |
| Reg. Ent. Ref. No. | RN100214386 | | |
| Facility/Site Region | 14-Corpus Christi | Major/Minor Source | Major |

| | | | | |
|--------------------------------|-----------------|------------------------------|--------------------|----------|
| CASE INFORMATION | | | | |
| Enf./Case ID No. | 37339 | No. of Violations | 15 | |
| Docket No. | 2009-0401-AIR-E | Order Type | 1660 | |
| Media Program(s) | Air | Government/Non-Profit | No | |
| Multi-Media | | Enf. Coordinator | Kimberly Morales | |
| | | 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) | Subtotal 1 | \$91,300 |
|-------------------------------------------------------------|-------------------|----------|

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

| | | | |
|---------------------------|--------------------|--------------------------------|-----------|
| Compliance History | 138.0% Enhancement | Subtotals 2, 3, & 7 | \$125,994 |
|---------------------------|--------------------|--------------------------------|-----------|

| | | | |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| Notes | Enhancement due to three NOVs with same or similar violations, 10 NOVs with unrelated violations, one 1660 Agreed Order, one Findings Order, one Court Order with a denial of liability and one Federal Order with a denial of liability. Reduction due to two Notice of Audit letters submitted. | | |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

| | | | | |
|--------------------|----|------------------|-------------------|-----|
| 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 | \$8,660 |
|------------------------------------------------------|-------------------|---------|

| | | | |
|-------------------------|-------------------|-------------------|-----|
| Economic Benefit | 0.0% Enhancement* | Subtotal 6 | \$0 |
|-------------------------|-------------------|-------------------|-----|

| | | |
|----------------------------|----------|-----------------------------------|
| Total EB Amounts | \$10,254 | *Capped at the Total EB \$ Amount |
| Approx. Cost of Compliance | \$32,000 | |

| | | |
|-----------------------------|-----------------------|-----------|
| SUM OF SUBTOTALS 1-7 | Final Subtotal | \$208,634 |
|-----------------------------|-----------------------|-----------|

| | | | |
|---------------------------------------------|------|-------------------|---------|
| OTHER FACTORS AS JUSTICE MAY REQUIRE | 3.9% | Adjustment | \$8,053 |
|---------------------------------------------|------|-------------------|---------|

Reduces or enhances the Final Subtotal by the indicated percentage.

| | | | |
|--------------|------------------------------------------------------------------------------------------------------------------|--|--|
| Notes | Enhancement recommended for recovery of avoided costs of compliance associated with Violation Nos. 4, 11 and 12. | | |
|--------------|------------------------------------------------------------------------------------------------------------------|--|--|

| | |
|-----------------------------|-----------|
| Final Penalty Amount | \$216,687 |
|-----------------------------|-----------|

| | | |
|-----------------------------------|-------------------------------|-----------|
| STATUTORY LIMIT ADJUSTMENT | Final Assessed Penalty | \$216,687 |
|-----------------------------------|-------------------------------|-----------|

| | | | |
|-----------------|----------------|-------------------|-----|
| DEFERRAL | 0.0% Reduction | Adjustment | \$0 |
|-----------------|----------------|-------------------|-----|

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

| | | | |
|--------------|----------------------------------------------------|--|--|
| Notes | Deferral not offered for non-expedited settlement. | | |
|--------------|----------------------------------------------------|--|--|

| | |
|------------------------|-----------|
| PAYABLE PENALTY | \$216,687 |
|------------------------|-----------|

Screening Date 14-Oct-2009

Docket No. 2009-0401-AIR-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 37339

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100214386

Media [Statute] Air

Enf. Coordinator Kimberly Morales

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) | 3 | 15% |
| | Other written NOVs | 10 | 20% |
| 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) | 2 | 60% |
| | 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% |
| <i>Please Enter Yes or No</i> | | | |
| 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) 138%

>> **Repeat Violator (Subtotal 3)**

No

Adjustment Percentage (Subtotal 3) 0%

>> **Compliance History Person Classification (Subtotal 7)**

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes Enhancement due to three NOVs with same or similar violations, 10 NOVs with unrelated violations, one 1660 Agreed Order, one Findings Order, one Court Order with a denial of liability and one Federal Order with a denial of liability. Reduction due to two Notice of Audit letters submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 138%

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number
Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Tex. Health & Safety Code § 382.085(b) and Federal Operating Permit ("FOP") No. O-01458, Special Terms and Conditions No. 3
Violation Description Failed to determine and document visible emissions for stationary vents by utilizing Test Method 9 at least once during a 12 month period in order to demonstrate compliance with visible emissions requirements for the August 8, 2007 through August 7, 2008 and August 8, 2008 through August 7, 2009 certification periods.
Base Penalty

>> Environmental, Property and Human Health Matrix

| | | | | |
|-----------|----------------|----------------------|----------------------|-------------------------------------------------|
| OR | Harm | | | |
| | Release | Major | Moderate | Minor |
| | Actual | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| | Potential | <input type="text"/> | <input type="text"/> | <input type="text" value="x"/> |
| | | | | Percent <input type="text" value="10%"/> |

>> Programmatic Matrix

| | | | | | |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|--------------------------------------------------------|
| | Falsification | Major | Moderate | Minor | |
| | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | Percent <input type="text" value="0%"/> |
| Matrix Notes | Human health or the environment could be exposed to a significant amount of pollutants that would not exceed levels protective of human health or environmental receptors. | | | | |
| | | | | | Adjustment <input type="text" value="\$9,000"/> |

Violation Events

Number of Violation Events Number of violation days
 mark only one with an x

| | |
|--------------|--------------------------------|
| daily | <input type="text"/> |
| weekly | <input type="text"/> |
| monthly | <input type="text"/> |
| quarterly | <input type="text"/> |
| semiannual | <input type="text"/> |
| annual | <input type="text"/> |
| single event | <input type="text" value="x"/> |

Violation Base Penalty
 Two single events are recommended based on the two tests that were not properly conducted.

Good Faith Efforts to Comply Reduction

| | | |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| | Before NOV | NOV to EDPRP/Settlement |
| Extraordinary | <input type="text"/> | <input type="text"/> |
| Ordinary | <input type="text"/> | <input type="text" value="x"/> |
| N/A | <input type="text"/> | (mark with x) |
| Notes | The Respondent completed corrective measures by October 31, 2009, after the NOE date of September 30, 2009 and before the April 28, 2010 EDSARP. | |
| | Violation Subtotal | <input type="text" value="\$1,800"/> |

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

Estimated EB Amount **Violation Final Penalty Total**
This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
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

| | | | | | | | |
|--------------------------|---------|------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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) | \$2,000 | 7-Jan-2009 | 31-Oct-2009 | 0.81 | \$81 | n/a | \$81 |

Notes for DELAYED costs

Estimated expense to determine and document visible emissions for stationary vents by utilizing Test Method 9. The Date Required is the date of the investigation. The Final Date is the date that corrective measures were completed.

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

\$2,000

TOTAL

\$81

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 2
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 113.340, 116.715(a) and (d), 40 Code of Federal Regulations ("CFR") §§ 63.643(a)(2), 63.644(b), 63.654(g)(6), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, Special Condition ("SC") Nos. 39 and 48
Violation Description Failed to demonstrate compliance with a removal efficiency of 98% for volatile organic compounds ("VOC") from the Steam Methane Reformer ("SMR") condenser vent stream. Specifically, the Respondent conducted stack tests on August 30, 2005 and September 7, 2006 and verified a removal efficiency for VOCs of 90.4% and 96.7%, respectively. A re-test has yet to be conducted to demonstrate compliance with the required rate of 98%. Additionally, the Respondent failed to request an adequate monitoring parameter and make reference to the stack test failures in the periodic reports required by 40 CFR § 63.654(g)(6).

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| | | | | | |
|-----------|----------------|-------|----------|--------------------|-------|
| OR | Harm | | | | |
| | Release | Major | Moderate | | Minor |
| | Actual | | | | x |
| Potential | | | | | |
| | | | | Percent 25% | |

>> Programmatic Matrix

| | | | | | |
|--|---------------|-------|----------|-------|-------------------|
| | Falsification | Major | Moderate | Minor | |
| | | | | | Percent 0% |

Matrix Notes Human health or the environment has been exposed to an insignificant amount of pollutants that do not exceed levels protective of human health or environmental receptors.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 17 1506 Number of violation days

mark only one with an x

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | x |
| semiannual | |
| annual | |
| single event | |

Violation Base Penalty \$42,500

17 quarterly events are recommended based on the initial failed stack test date of August 30, 2005 through the screening date of October 14, 2009.

Good Faith Efforts to Comply 0.0% Reduction \$0

| | | |
|---------------|------------|------------------------------|
| | Before NOV | NOV to EDRP/Settlement Offer |
| Extraordinary | | |
| Ordinary | | |
| N/A | x | (mark with x) |

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

Violation Subtotal \$42,500

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

Estimated EB Amount \$990 **Violation Final Penalty Total** \$105,054

This violation Final Assessed Penalty (adjusted for limits) \$105,054

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 2

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|----------|------------|-------------|------|-------|-----|-------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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) | \$10,000 | 7-Jan-2009 | 31-Dec-2010 | 1.98 | \$990 | n/a | \$990 |

Notes for DELAYED costs

Estimated expense to demonstrate compliance with a removal efficiency of 98% for VOCs from the SMR condenser vent stream. The Date Required is the date of the investigation. The Final Date is the date that corrective measures are estimated to be completed.

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

\$10,000

TOTAL

\$990

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 3
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (d), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, SC No. 48
Violation Description Failed to maintain the SMR stripper exhaust fan temperature below the temperature maintained during the most recent stack sample following the initial stack test. Specifically, the Respondent exceeded 127.7 degrees Fahrenheit, the temperature maintained during the applicable stack test on the SMR Unit's condensate stripper vent. The temperatures ranged from 127.972 to 242.718 degrees Fahrenheit on 54 occasions between February 13, 2007 and December 18, 2008.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | Actual | | | | 25% |
| | Potential | | x | | |

>> Programmatic Matrix

| | Falsification | Major | Moderate | Minor | Percent |
|--|---------------|-------|----------|-------|---------|
| | | | | | 0% |

Matrix Notes Human health or the environment could be exposed to a significant amount of pollutants that would not exceed levels protective of human health or environmental receptors.

Adjustment \$7,500
 \$2,500

Violation Events

Number of Violation Events 4 54 Number of violation days
 mark only one with an x
 daily
 weekly
 monthly
 quarterly x
 semiannual
 annual
 single event
Violation Base Penalty \$10,000

Four quarterly events are recommended.

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 \$10,000

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

Estimated EB Amount \$495 **Violation Final Penalty Total** \$24,719

This violation Final Assessed Penalty (adjusted for limits) \$24,719

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 3

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|---------|------------|-------------|------|-------|-----|-------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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) | \$5,000 | 7-Jan-2009 | 31-Dec-2010 | 1.98 | \$495 | n/a | \$495 |

Notes for DELAYED costs

Estimated expense to maintain the SMR stripper exhaust fan temperature below the temperature maintained during the most recent stack sample following the initial stack test. The Date Required is the date of the investigation. The Final Date is the date that corrective measures are estimated to be completed.

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

\$5,000

TOTAL

\$495

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 4
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 113.120, 113.340, 116.715(a) and (d), 40 CFR §§ 63.119(b)(1)(ii), 63.120(a)(2)(i), 63.646(a), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, SC No. 29
Violation Description Failed to visually inspect a storage vessel's internal floating roof and seal at least once every 12 months. Specifically, the visual inspection of Tank 94 was due on September 16, 2007 and was not conducted until March 25, 2008.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | Actual | | | | 10% |
| | Potential | | | x | |

>> Programmatic Matrix

| | Falsification | Major | Moderate | Minor | Percent |
|--|---------------|-------|----------|-------|---------|
| | | | | | 0% |

Matrix Notes Human health or the environment could be exposed to an insignificant amount of pollutants that would not exceed levels protective of human health or environmental receptors.

Adjustment \$9,000
 \$1,000

Violation Events

Number of Violation Events 1 191 Number of violation days

mark only one with an x

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | |
| semiannual | |
| annual | |
| single event | x |

Violation Base Penalty \$1,000

One single event is recommended based on the one late inspection.

Good Faith Efforts to Comply 25.0% Reduction \$250

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

Notes The Respondent completed corrective measures on March 25, 2008, before the NOE date of September 30, 2009.

Violation Subtotal \$750

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

Estimated EB Amount \$288 **Violation Final Penalty Total** \$2,212

This violation Final Assessed Penalty (adjusted for limits) \$2,212

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 4

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|-------|-------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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 | \$500 | 16-Sep-2007 | 25-Mar-2008 | 0.52 | \$13 | n/a | \$13 |
| 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 expense to perform a timely visual inspection of a storage vessel's internal floating roof and seal at least once every 12 months. The Date Required is the date that the inspection on Tank 94 was due. The Final Date is the date that the inspection was conducted.

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 | \$500 | 16-Sep-2007 | 25-Mar-2008 | 0.52 | \$13 | \$262 | \$275 |
| 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

Estimated expense to visually inspect Tank 94's internal floating roof and seal. The Date Required is the date that the initial inspection on Tank 94 was due. The Final Date is the date that the tank was inspected.

Approx. Cost of Compliance

\$1,000

TOTAL

\$288

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 5
Rule Cite(s) 30 Tex. Admin. Code §§ 113.120, 113.340, 115.114(b), 122.143(4), 40 CFR §§ 63.120(a), 63.123(c), 63.654(g)(2), Tex. Health & Safety Code § 382.085(b) and FOP No. O-01458, Special Terms and Conditions No. 1E
Violation Description Failed to report all information pertaining to compliance exceptions with the requirements of maximum allowable control technology standards in inspection records and periodic reports at the end of a six month period. Specifically, internal floating roof malfunctions pertaining to Tank 94 were not included in the inspection record dated September 16, 2006. Malfunctions for Tanks 103 and 99 that occurred on January 23 and September 26, 2006, respectively, were not reported in the periodic reports dated July 21, 2006 and January 24, 2007. The failure to degas Tank 94 prior to the tank being emptied was also not included in the periodic report dated January 24, 2007.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| Release | Harm | | | Percent |
|-----------|-------|----------|-------|---------|
| | Major | Moderate | Minor | |
| Actual | | | | 0% |
| Potential | | | | |

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor | Percent |
|---------------|-------|----------|-------|---------|
| | | | x | 1% |

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

Adjustment \$9,900
\$100

Violation Events

Number of Violation Events 3 3 Number of violation days

mark only one with an x

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | |
| semiannual | |
| annual | |
| single event | x |

Violation Base Penalty \$300

Three single events are recommended based on the three incomplete reports.

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 \$300

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

Estimated EB Amount \$110 **Violation Final Penalty Total** \$742

This violation Final Assessed Penalty (adjusted for limits) \$742

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 5

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|-------|-------------|-------------|------|-------|-----|-------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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) | \$500 | 21-Jul-2006 | 16-Dec-2010 | 4.41 | \$110 | n/a | \$110 |

Notes for DELAYED costs

Estimated expense to implement measures designed to ensure the proper reporting of noncompliance items in periodic reports. The Date Required is the date of the first periodic report. The Final Date is the date that corrective measures are estimated to be completed.

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

\$500

TOTAL

\$110

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 6
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1), 113.130, 113.340, 122.143(4), 40 CFR §§ 60.482-7(h)(2), 60.592, 63.168(i)(2), 63.648(a), Tex. Health & Safety Code § 382.085(b), FOP No. O-01458, Special Terms and Conditions No. 1E
Violation Description Failed to maintain less than three percent of the total number of valves in a process unit as difficult-to-monitor ("DTM"). Specifically, based on the semi-annual report for the period of July 1, 2007 through December 31, 2008, 15 process units listed more than three percent of the total number of valves as DTM.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | Actual | | | | 10% |
| | Potential | | | x | |

>> Programmatic Matrix

| | Falsification | Major | Moderate | Minor | Percent |
|--|---------------|-------|----------|-------|---------|
| | | | | | 0% |

Matrix Notes Human health or the environment could be exposed to an insignificant amount of pollutants that would not exceed levels protective of human health or environmental receptors.

Adjustment \$9,000
 \$1,000

Violation Events

Number of Violation Events 1 1 Number of violation days
 mark only one with an x
 daily
 weekly
 monthly
 quarterly
 semiannual
 annual
 single event x
Violation Base Penalty \$1,000

One single event is recommended based on the noncompliance with the rule.

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 \$1,000

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

Estimated EB Amount \$33 Violation Final Penalty Total \$2,472
This violation Final Assessed Penalty (adjusted for limits) \$2,472

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 6

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|-------|------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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 | \$500 | 7-Jan-2009 | 30-Apr-2010 | 1.31 | \$33 | n/a | \$33 |
| 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 expense to maintain less than three percent of the total number of valves in a process unit as difficult-to-monitor. The Date Required is the date of the investigation. The Final Date is the date that corrective measures were completed.

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 | \$500 | TOTAL | \$33 |
|----------------------------|-------|--------------|------|

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number
Rule Cite(s) 30 Tex. Admin. Code §§ 113.340, 115.324, 116.715(a) and (d), 40 CFR §§ 63.640(l)(4), 63.648(a), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, SC Nos. 32F and 37
Violation Description Failed to monitor components in VOC service. Specifically, a new gasoline filter system was installed in October 2008 and was not included in fugitive monitoring activities until March 2009.
Base Penalty

>> Environmental, Property and Human Health Matrix

| Release | Harm | | | Percent |
|-----------|----------------------|----------------------|-------------------------------------|----------------------------------|
| | Major | Moderate | Minor | |
| Actual | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="10%"/> |
| Potential | <input type="text"/> | <input type="text"/> | <input checked="" type="checkbox"/> | |

>> Programmatic Matrix

| Matrix Notes | Harm | | | Percent |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|--------------------------------------------------------|
| | Falsification | Major | Moderate | |
| | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="0%"/> |
| Human health or the environment could be exposed to an insignificant amount of pollutants that would not exceed levels protective of human health or environmental receptors. | | | | |
| | | | | Adjustment <input type="text" value="\$9,000"/> |

Violation Events

| | | | | |
|--------------------------------|--------------------------------|-------------------------------------|--------------------------|--------------------------------------------------------------------|
| | <input type="text" value="1"/> | <input type="text" value="378"/> | Number of violation days | |
| <i>mark only one with an x</i> | daily | <input type="text"/> | | Violation Base Penalty <input type="text" value="\$1,000"/> |
| | weekly | <input type="text"/> | | |
| | monthly | <input type="text"/> | | |
| | quarterly | <input type="text"/> | | |
| | semiannual | <input type="text"/> | | |
| | annual | <input type="text"/> | | |
| | single event | <input checked="" type="checkbox"/> | | |

One single event is recommended based on the one noncompliance with the rule.

Good Faith Efforts to Comply Reduction

| | Before NOV | NOV to EDPRP/Settlement Offer |
|---------------|------------------------------------------------------------------------------------------------------------|-------------------------------|
| Extraordinary | <input type="text"/> | <input type="text"/> |
| Ordinary | <input checked="" type="checkbox"/> | <input type="text"/> |
| N/A | <input type="text"/> | (mark with x) |
| Notes | The Respondent completed corrective measures by March 31, 2009, before the NOE date of September 30, 2009. | |

Violation Subtotal

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

Estimated EB Amount **Violation Final Penalty Total**

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 7

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|-------|------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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) | \$500 | 1-Oct-2008 | 31-Mar-2009 | 0.50 | \$12 | n/a | \$12 |

Notes for DELAYED costs

Estimated expense to include the new gasoline filter system in fugitive monitoring activities. The Date Required is the date that the system was installed. The Final Date is the date that corrective measures were completed.

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

\$500

TOTAL

\$12

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 8
Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(b)(1), 122.143(4), Tex. Health & Safety Code § 382.085(b) and FOP No. O-01458, Special Terms and Conditions No. 2F
Violation Description Failed to identify all emission points involved in emissions events and their associated emissions and quantities. Specifically, the emissions event reports for Incident Nos. 82095 and 84726 that occurred on October 17 and December 8, 2006, respectively, did not identify emissions from the SMR Heater. The emissions event reports for Incident Nos. 88439 and 88484 that occurred on March 14 and 19, 2007, respectively, did not identify emissions from the Catalytic Reforming Unit Heater.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|-----------|---------|--------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | | Actual | | | |
| Potential | | | | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|--------------------------------------------------------------|---------------|-------|----------|-------|---------|
| | | | | x | |
| The Respondent has met at least 70% of the rule requirement. | | | | | |
| Adjustment | | | | | \$9,900 |

Adjustment \$9,900 \$100

Violation Events

[4] [4] Number of violation days
mark only one with an x
 daily []
 weekly []
 monthly []
 quarterly []
 semiannual []
 annual []
 single event [x]
Violation Base Penalty \$400
 Four single events are recommended based in the four incomplete reports.

Good Faith Efforts to Comply 25.0% Reduction \$100

Before NOV NOV to EDRP/Settlement Offer
 Extraordinary [] []
 Ordinary [x] []
 N/A [] (mark with x)
 Notes: The Respondent completed corrective measures by September 30, 2008, before the NOE date of September 30, 2009.
Violation Subtotal \$300

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

Estimated EB Amount \$147 **Violation Final Penalty Total** \$885
This violation Final Assessed Penalty (adjusted for limits) \$885

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 8

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|---------|-------------|-------------|------|-------|-----|-------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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 | \$1,500 | 17-Oct-2006 | 30-Sep-2008 | 1.96 | \$147 | n/a | \$147 |
| 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 expense to implement measures designed to ensure the proper recording and reporting of emissions events and maintenance activities. The Date Required is the date of the first violation. The Final Date is the date that corrective measures were completed.

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 | \$1,500 | TOTAL | \$147 |
|-----------------------------------|---------|--------------|-------|

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 9
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 101.201, 101.211, 116.715(a) and (d), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, SC No. 1
Violation Description
 Failed to make a record of excess emissions emitted as a result of not degassing prior to performing maintenance. Specifically, the Tank 94 inspection record dated September 16, 2006 indicated that the tank was emptied without being degassed, and the Tank 99 inspection record dated September 26, 2006 indicated that the tank was removed from service for unplanned repairs without being degassed.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|-----------|---------|--------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | | Actual | | | |
| Potential | | | | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|--------------|---------------|-------|----------|-------|---------|
| | | | x | | |

The Respondent failed to meet 100% of the rule requirement.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2 Number of violation days 2

mark only one with an x

| | |
|--------------|---|
| daily | |
| weekly | |
| monthly | |
| quarterly | |
| semiannual | |
| annual | |
| single event | x |

Violation Base Penalty \$5,000

Two single events are recommended based on the two instances of noncompliance with the rule.

Good Faith Efforts to Comply 25.0% Reduction \$1,250

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

Notes The Respondent completed corrective measures by January 31, 2008, before the NOE date of September 30, 2009.

Violation Subtotal \$3,750

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

Estimated EB Amount \$0 **Violation Final Penalty Total** \$11,061

This violation Final Assessed Penalty (adjusted for limits) \$11,061

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 9

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|--|--|--|------|-----|-----|-----|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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

Economic Benefit ("EB") for Violation No. 9 included in the EB for Violation No. 8.

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

\$0

TOTAL

\$0

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 10
Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4), 122.145(2)(A), 122.146(5)(D), Tex. Health & Safety Code § 382.085(b) and FOP No. O-01458, General Terms and Conditions and Special Terms and Conditions No. 30
Violation Description Failed to include all instances of deviations in semi-annual deviation reports from August 8, 2004 through August 7, 2008 and failed to include all instances of deviations in the Permit Compliance Certifications ("PCC") for the periods ending in August 7, 2005, August 7, 2007 and August 7, 2008.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|-------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | Actual | | | | 0% |
| | Potential | | | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|--------------------------------------------------------------|---------------|-------|----------|-------|---------|
| | | | | | |
| The Respondent has met at least 70% of the rule requirement. | | | | | |
| Adjustment | | | | | \$9,900 |

\$100

Violation Events

Number of Violation Events 11 11 Number of violation days

| | | |
|--------------------------------|--------------|---|
| <i>mark only one with an x</i> | daily | |
| | weekly | |
| | monthly | |
| | quarterly | |
| | semiannual | |
| | annual | |
| | single event | x |

Violation Base Penalty \$1,100

11 single events are recommended based on the eight incomplete deviation reports and the three incomplete PCCs.

Good Faith Efforts to Comply 10.0% Reduction \$110

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

Notes The Respondent completed corrective measures by October 31, 2009, after the NOE date of September 30, 2009 and before the April 28, 2010 EDSARP.

Violation Subtotal \$990

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

Estimated EB Amount \$131 **Violation Final Penalty Total** \$2,605

This violation Final Assessed Penalty (adjusted for limits) \$2,605

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 10

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|-------|------------|-------------|------|-------|-----|-------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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) | \$500 | 8-Aug-2004 | 31-Oct-2009 | 5.23 | \$131 | n/a | \$131 |

Notes for DELAYED costs

Estimated expense to implement measures to ensure the proper reporting of deviations in semi-annual reports and compliance certifications. The Date Required is the first date of the violation. The Final Date is the date that corrective measures were completed.

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

\$500

TOTAL

\$131

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 11
Rule Cite(s) 30 Tex. Admin. Code § 113.1090, 40 CFR §§ 63.9(b)(2), 63.6645(b), 63.6650(b) and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to comply with reporting requirements for reconstructed stationary reciprocating internal combustion engines. Specifically, the initial notification for Engines P6 and P11 was due by December 13, 2004 but was not submitted until March 16, 2005 and subsequent compliance reports that were required to be submitted during the period when the engines were subject to the rule were not submitted.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|-----------|---------|--------|----------|-------|---------|
| | | Major | Moderate | Minor | |
| | | Actual | | | |
| Potential | | | | | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|----------------------------------------------------------------------|---------------|-------|----------|-------|---------|
| | | | x | | |
| The Respondent failed to meet more than 70% of the rule requirement. | | | | | |
| Adjustment | | | | | \$7,500 |

\$2,500

Violation Events

Number of Violation Events: 6 686 Number of violation days
mark only one with an x
 daily:
 weekly:
 monthly:
 quarterly:
 semiannual:
 annual:
 single event:

Violation Base Penalty \$15,000

Six single events are recommended based on the one late initial notification and the five subsequent compliance reports that were not submitted.

Good Faith Efforts to Comply 25.0% Reduction \$3,750

| | Before NOV | NOV to EDPRP/Settlement Offer |
|------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------|
| Extraordinary | | |
| Ordinary | x | |
| N/A | | (mark with x) |
| Notes | The Respondent completed corrective measures on October 30, 2006, before the NOE date of September 30, 2009. | |
| Violation Subtotal \$11,250 | | |

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

Estimated EB Amount \$987 **Violation Final Penalty Total** \$33,183
This violation Final Assessed Penalty (adjusted for limits) \$33,183

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 11

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|--|--|--|------|-----|-----|-----|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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

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 | \$500 | 13-Dec-2004 | 30-Oct-2006 | 1.88 | \$47 | \$940 | \$987 |
| 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

Estimated expense to ensure the initial notification for Engines P6 and P11 was submitted in a timely manner and to submit subsequent compliance reports. The Date Required is when the initial notification was due. The Final Date is the date that the engines were replaced with smaller engines, making them no longer subject to the rule.

Approx. Cost of Compliance

\$500

TOTAL

\$987

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

V12
Rule Cite(s) 30 Tex. Admin. Code § 113.1090, 40 CFR §§ 63.6610, 63.6620(b), 63.7(a)(2) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to conduct an approved initial performance test on stationary reciprocating internal combustion engines P6, P8 and P11.

Base Penalty

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|----------------------|----------------------|-------------------------------------|----------------------------------|
| | | Major | Moderate | Minor | |
| | Actual | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="10%"/> |
| | Potential | <input type="text"/> | <input type="text"/> | <input checked="" type="checkbox"/> | |

>> Programmatic Matrix

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

Matrix Notes Human health or the environment could be exposed to an insignificant amount of pollutants that would not exceed levels protective of human health or environmental receptors.

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

| | |
|--------------|-------------------------------------|
| daily | <input type="text"/> |
| weekly | <input type="text"/> |
| monthly | <input type="text"/> |
| quarterly | <input type="text"/> |
| semiannual | <input type="text"/> |
| annual | <input type="text"/> |
| single event | <input checked="" type="checkbox"/> |

Violation Base Penalty

Three single events are recommended based on the three tests not conducted.

Good Faith Efforts to Comply

Reduction

| | Before NOV | NOV to EDPRP/Settlement Offer |
|---------------|-------------------------------------|-------------------------------|
| Extraordinary | <input type="text"/> | <input type="text"/> |
| Ordinary | <input checked="" type="checkbox"/> | <input type="text"/> |
| N/A | <input type="text"/> | (mark with x) |

Notes The Respondent completed corrective measures on October 30, 2006, before the NOE date of September 30, 2009.

Violation Subtotal

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 12

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|--|--|--|------|-----|-----|-----|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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

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) | \$6,000 | 10-Feb-2005 | 30-Oct-2006 | 2.64 | \$791 | \$6,000 | \$6,791 |

Notes for AVOIDED costs

Estimated expense to conduct an approved initial performance test on stationary reciprocating internal combustion engines P6, P8 and P11 (one test per engine). The Date Required is when the first performance test was due. The Final Date is the date that the engines were replaced with smaller engines, making them no longer subject to the rule.

Approx. Cost of Compliance \$6,000

TOTAL \$6,791

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 13
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 113.780, 116.715(a) and (d), 40 CFR §§ 63.1570(d), 63.6(e)(1), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, SC Nos. 23 and 24
Violation Description Failed to operate Sulfur Recovery Unit ("SRU") Trains 1, 2 and 3 with their Tail Gas Treater Units ("TGTU") from March 2008 through December 2008 and to route acid gas to a properly operating SRU train. The Respondent was also unable to demonstrate that its SRU/Sulften and SRU/Shell Claus Off-gas Treater met the minimum sulfur recovery efficiency of 99.8% during the periods when the SRU trains were not being operated with their TGTUs.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| | | | | | |
|----|----------------|-------|----------|---------|-------|
| OR | Harm | | | Percent | |
| | Release | Major | Moderate | | Minor |
| | Actual | | | | |
| | Potential | | | x | 10% |

>> Programmatic Matrix

| | | | | | |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|-------|---------|
| | Falsification | Major | Moderate | Minor | Percent |
| | | | | | |
| Matrix Notes | Human health or the environment could be exposed to an insignificant amount of pollutants that would not exceed levels protective of human health or environmental receptors. | | | | |

Adjustment \$9,000
 \$1,000

Violation Events

Number of Violation Events 3 305 Number of violation days
 mark only one with an x
 daily
 weekly
 monthly
 quarterly
 semiannual
 annual
 single event x

Violation Base Penalty \$3,000

Three single events are recommended based on the three SRU trains.

Good Faith Efforts to Comply 25.0% Reduction \$750

Before NOV NOV to EDPRP/Settlement Offer
 Extraordinary
 Ordinary x
 N/A (mark with x)
 Notes: The Respondent completed corrective measures on July 29, 2009, before the NOE date of September 30, 2009.

Violation Subtotal \$2,250

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

Estimated EB Amount \$28 Violation Final Penalty Total \$6,637
This violation Final Assessed Penalty (adjusted for limits) \$6,637

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 13

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|---------|------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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) | \$1,000 | 7-Jan-2009 | 29-Jul-2009 | 0.56 | \$28 | n/a | \$28 |

Notes for DELAYED costs: Estimated expense to operate the SRU and TGTUs as represented in permit applications. The Date Required is the date of the investigation. The Final Date is the date of the report that indicated that operations resumed under permit representations.

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 \$1,000

TOTAL \$28

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number 14
Rule Cite(s) 30 Tex. Admin. Code §§ 113.780, 116.715(a) and (d), 40 CFR §§ 63.1570(d), 63.6(e)(1), 63.6(c)(1), Tex. Health & Safety Code § 382.085(b) and Flexible Permit No. 38754, SC No. 40
Violation Description Failed to demonstrate that the SRU's Tail Gas Incinerators continuous emissions monitoring system ("CEMS") for sulfur dioxide were maintained in accordance with relevant regulatory standards and Flexible Permit No. 38754, SC No. 40. Specifically, the semi-annual report dated January 30, 2009 indicated that CEMS downtime was 100% of the July 1 through December 31, 2008 reporting period.
Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

| | | | | |
|----|-------------|-----------|-------|---------|
| OR | Harm | | | Percent |
| | Major | Moderate | Minor | |
| | Actual | Potential | x | |
| | | | | 25% |

>> Programmatic Matrix

| | | | | | |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|-------|---------|
| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
| | | | | | |
| | Human health or the environment could be exposed to a significant amount of pollutants that would not exceed levels protective of human health or environmental receptors. | | | | |
| | | | | | 0% |
| Adjustment | | | | | \$7,500 |

\$2,500

Violation Events

| | | | |
|--------------------------------|--------------|-----|-------------------------------|
| Number of Violation Events | 2 | 184 | Number of violation days |
| <i>mark only one with an x</i> | daily | | Violation Base Penalty |
| | weekly | | |
| | monthly | | |
| | quarterly | x | |
| | semiannual | | |
| | annual | | |
| | single event | | |
| | | | \$5,000 |

Two quarterly events are recommended based on the reporting period of July 1 through December 31, 2008.

Good Faith Efforts to Comply 25.0% Reduction \$1,250

| | | | |
|---------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------|---------|
| | Before NOV | NOV to EDPRP/Settlement Offer | |
| Extraordinary | | | |
| Ordinary | x | | |
| N/A | | (mark with x) | |
| Notes | The Respondent completed corrective measures on July 29, 2009, before the NOE date of September 30, 2009. | | |
| Violation Subtotal | | | \$3,750 |

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

| | | | |
|--------------------------------------------------------------------|------|--------------------------------------|----------|
| Estimated EB Amount | \$28 | Violation Final Penalty Total | \$11,061 |
| This violation Final Assessed Penalty (adjusted for limits) | | | \$11,061 |

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 14

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|---------|------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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) | \$1,000 | 7-Jan-2009 | 29-Jul-2009 | 0.56 | \$28 | n/a | \$28 |

Notes for DELAYED costs

Estimated expense to operate the CEMS as represented in permit applications. The Date Required is the date of the investigation. The Final Date is the date of the report that indicated that the CEMS is being operated under permit representations.

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

\$1,000

TOTAL

\$28

Screening Date 14-Oct-2009 **Docket No.** 2009-0401-AIR-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 37339 *PCW Revision October 30, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Violation Number
Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1), 113.130, 113.340, 122.143(4), 40 CFR §§ 60.482-7(h)(3), 60.592, 63.168(i)(3), 63.648(a), Tex. Health & Safety Code § 382.085(b), FOP No. O-01458, Special Terms and Conditions No. 1E
Violation Description Failed to monitor DTM valves at least once per calendar year. Specifically, reports dated January 30 and July 30, 2008 and January 28, 2009 indicated that the Respondent failed to monitor DTM valves in three process units at least once during calendar year 2008.
Base Penalty

>> Environmental, Property and Human Health Matrix

| OR | Release | Harm | | | Percent |
|----|-----------|----------------------|----------------------|-------------------------------------|----------------------------------|
| | | Major | Moderate | Minor | |
| | Actual | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="10%"/> |
| | Potential | <input type="text"/> | <input type="text"/> | <input checked="" type="checkbox"/> | |

>> Programmatic Matrix

| Matrix Notes | Falsification | Major | Moderate | Minor | Percent |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------|----------|-------|--------------------------------------|
| | | | | | |
| Human health or the environment could be exposed to an insignificant amount of pollutants that would not exceed levels protective of human health or environmental receptors. | | | | | |
| Adjustment | | | | | <input type="text" value="\$9,000"/> |

Violation Events

Number of Violation Events Number of violation days
mark only one with an x
 daily
 weekly
 monthly
 quarterly
 semiannual
 annual
 single event

Violation Base Penalty

One single event is recommended for the annual monitoring that was not conducted.

Good Faith Efforts to Comply Reduction

| | Before NOV | NOV to EDPRP/Settlement Offer |
|----------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------|
| Extraordinary | <input type="text"/> | <input type="text"/> |
| Ordinary | <input type="text"/> | <input type="text"/> |
| N/A | <input checked="" type="checkbox"/> | (mark with x) |
| Notes | The Respondent does not meet the good faith criteria for this violation. | |
| Violation Subtotal <input type="text" value="\$1,000"/> | | |

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

Estimated EB Amount **Violation Final Penalty Total**
This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 37339
Reg. Ent. Reference No. RN100214386
Media Air
Violation No. 15

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

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

Delayed Costs

| | | | | | | | |
|--------------------------|---------|-------------|-------------|------|-------|-----|-------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| 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) | \$2,000 | 31-Dec-2008 | 30-Apr-2010 | 1.33 | \$133 | n/a | \$133 |

Notes for DELAYED costs

Estimated expense to monitor DTM valves at least once per calendar year. The Date Required is the date monitoring was due to be completed. The Final Date is the date that corrective measures were completed.

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

\$2,000

TOTAL

\$133

Compliance History Report

Customer/Respondent/Owner-Operator:

CN600127468

Valero Refining-Texas, L.P.

Classification: AVERAGE

Rating: 10.27

Regulated Entity:

RN100214386

VALERO CORPUS CHRISTI REFINERY
WEST PLANT

Classification: AVERAGE

Site Rating: 5.25

ID Number(s):

| | | |
|-------------------------------------------|----------------------------------|--------------|
| AIR OPERATING PERMITS | ACCOUNT NUMBER | NE0112G |
| AIR OPERATING PERMITS | PERMIT | 1458 |
| AIR OPERATING PERMITS | PERMIT | 2601 |
| INDUSTRIAL AND HAZARDOUS WASTE GENERATION | SOLID WASTE REGISTRATION # (SWR) | 30478 |
| INDUSTRIAL AND HAZARDOUS WASTE GENERATION | EPA ID | TXD074604166 |
| AIR NEW SOURCE PERMITS | PERMIT | 38754 |
| AIR NEW SOURCE PERMITS | ACCOUNT NUMBER | NE0112G |
| AIR NEW SOURCE PERMITS | PERMIT | 1507A |
| AIR NEW SOURCE PERMITS | PERMIT | 10157 |
| AIR NEW SOURCE PERMITS | PERMIT | 10496 |
| AIR NEW SOURCE PERMITS | PERMIT | 10642 |
| AIR NEW SOURCE PERMITS | PERMIT | 10777 |
| AIR NEW SOURCE PERMITS | PERMIT | 12722 |
| AIR NEW SOURCE PERMITS | PERMIT | 12844 |
| AIR NEW SOURCE PERMITS | PERMIT | 16552 |
| AIR NEW SOURCE PERMITS | PERMIT | 20740 |
| AIR NEW SOURCE PERMITS | PERMIT | 20992 |
| AIR NEW SOURCE PERMITS | PERMIT | 23633 |
| AIR NEW SOURCE PERMITS | PERMIT | 29272 |
| AIR NEW SOURCE PERMITS | PERMIT | 33323 |
| AIR NEW SOURCE PERMITS | PERMIT | 36004 |
| AIR NEW SOURCE PERMITS | PERMIT | 37375 |
| AIR NEW SOURCE PERMITS | PERMIT | 39505 |
| AIR NEW SOURCE PERMITS | PERMIT | 46918 |
| AIR NEW SOURCE PERMITS | PERMIT | 49888 |
| AIR NEW SOURCE PERMITS | PERMIT | 55362 |
| AIR NEW SOURCE PERMITS | EPA ID | PSDTX324M9 |
| AIR NEW SOURCE PERMITS | EPA ID | PSDTX324M10 |
| AIR NEW SOURCE PERMITS | PERMIT | 55688 |
| AIR NEW SOURCE PERMITS | AFS NUM | 4835500050 |
| AIR NEW SOURCE PERMITS | EPA ID | PSDTX324M11 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 71034 |
| AIR NEW SOURCE PERMITS | EPA ID | PSDTX324M8 |
| AIR NEW SOURCE PERMITS | PERMIT | 55294 |
| AIR NEW SOURCE PERMITS | EPA ID | PSDTX324M12 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 77580 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 77944 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 80027 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 81549 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 84572 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 86443 |
| AIR NEW SOURCE PERMITS | REGISTRATION | 87894 |
| WASTEWATER | PERMIT | WQ0001909000 |
| WASTEWATER | EPA ID | TPDES0063355 |
| WASTEWATER | PERMIT | TX0063355 |
| WASTEWATER LICENSING | LICENSE | WQ0001909000 |
| STORMWATER | PERMIT | TXR05S045 |
| IHW CORRECTIVE ACTION | SOLID WASTE REGISTRATION # (SWR) | 30478 |
| AIR EMISSIONS INVENTORY | ACCOUNT NUMBER | NE0112G |

Location: 5900 UP RIVER RD, CORPUS CHRISTI, TX, 78407
TCEQ Region: REGION 14 - CORPUS CHRISTI
Date Compliance History Prepared: October 13, 2009
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: October 13, 2004 to October 13, 2009
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: John Muennink Phone: (361) 825-3100

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: 9/1/2009 Repeat Violator: NO

Components (Multimedia) for the Site :

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

Effective Date: 11/23/2005

COURTORDER

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

Description: Failed to maintain sulfate emissions from the heavy oil cracker (HOC), emission point number (EPN) 121 at levels at or below 58.3 pounds per hour.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.6(a)(1)

Description: Failure to notify the TNRCC's regional office within 24 hours after the discovery of an upset.

Classification: Moderate

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

Description: Failure to meet exemption requirements for upset emissions, resulting in unauthorized emissions.

Classification: Major

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Emission CAP Limit PERMIT
Special Condition No. 54 PERMIT

Description: Failure to comply with General and Special conditions of Permit Nos. 38754 and PSD-TX-324M10. Specifically, unauthorized emissions of hydrogen sulfide, sulfur dioxide, and ammonia released during four emissions events that occurred on September 1, 2004.

Effective Date: 07/13/2007

ADMINORDER 2007-0028-IWD-E

Classification: Major

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: PC(2)(g) PERMIT

Description: Failure to prevent the unauthorized discharge of slop oil and wastewater to the environment.

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)

Rqmt Prov: RR(7)(a) PERMIT

Description: Failure to provide notification of the unauthorized discharge of slop oil and wastewater to the environment as required by permit WQ0001909-000.

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(19)

Rqmt Prov: PC(1)(a) PERMIT

Description: Failure to submit correct facts and information in its Permit Application (renewal) dated May 25, 2004, and failure to notify the Executive Director of the correct facts and information.

Effective Date: 04/03/2008

ADMINORDER 2007-1483-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: TCEQ Air Flexible Permit No. 38754 PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 35,136.47 lbs of SO₂, 613.1 lbs of VOCs, 257.95 lbs of CO, 381.45 lbs H₂S, 114.11 lbs NO_x, 5.67 lbs of ammonia and 141.37 lbs of hexane from the Acid Gas Flare and the Main Flare during an avoidable emissions event that began February 27, 2007 and lasted 19 hrs and 40 minutes.

See addendum for information regarding federal actions.

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 | 10/20/2004 | (357964) | 49 | 03/01/2006 | (450492) | 97 | 08/28/2007 | (562022) |
| 2 | 10/20/2004 | (357967) | 50 | 03/17/2006 | (583159) | 98 | 09/14/2007 | (565956) |
| 3 | 10/22/2004 | (335486) | 51 | 03/27/2006 | (459945) | 99 | 10/02/2007 | (514528) |
| 4 | 11/18/2004 | (357965) | 52 | 04/24/2006 | (583162) | 100 | 10/09/2007 | (595450) |
| 5 | 11/23/2004 | (341603) | 53 | 05/23/2006 | (583165) | 101 | 10/15/2007 | (608382) |
| 6 | 12/06/2004 | (342954) | 54 | 06/18/2006 | (583171) | 102 | 10/19/2007 | (596871) |
| 7 | 12/20/2004 | (357966) | 55 | 06/21/2006 | (583168) | 103 | 10/22/2007 | (608381) |
| 8 | 01/24/2005 | (347892) | 56 | 07/07/2006 | (485450) | 104 | 11/06/2007 | (595861) |
| 9 | 02/16/2005 | (350569) | 57 | 07/12/2006 | (485630) | 105 | 01/23/2008 | (612779) |
| 10 | 02/18/2005 | (385070) | 58 | 08/07/2006 | (481848) | 106 | 02/26/2008 | (612679) |
| 11 | 03/07/2005 | (373370) | 59 | 08/14/2006 | (482853) | 107 | 04/07/2008 | (641587) |
| 12 | 03/15/2005 | (373594) | 60 | 08/16/2006 | (497159) | 108 | 04/08/2008 | (638701) |
| 13 | 03/17/2005 | (385071) | 61 | 08/16/2006 | (497523) | 109 | 04/15/2008 | (646179) |
| 14 | 04/01/2005 | (376012) | 62 | 08/18/2006 | (583174) | 110 | 05/22/2008 | (670929) |
| 15 | 04/18/2005 | (583161) | 63 | 08/23/2006 | (483649) | 111 | 06/13/2008 | (682875) |
| 16 | 05/12/2005 | (380791) | 64 | 08/31/2006 | (450609) | 112 | 08/22/2008 | (646255) |
| 17 | 05/18/2005 | (380544) | 65 | 08/31/2006 | (511046) | 113 | 08/25/2008 | (699662) |
| 18 | 05/19/2005 | (583164) | 66 | 09/18/2006 | (583176) | 114 | 08/28/2008 | (641497) |
| 19 | 05/25/2005 | (393344) | 67 | 10/20/2006 | (483955) | 115 | 10/30/2008 | (706187) |
| 20 | 06/16/2005 | (395612) | 68 | 10/20/2006 | (583178) | 116 | 11/24/2008 | (706186) |
| 21 | 06/20/2005 | (583167) | 69 | 11/02/2006 | (517526) | 117 | 12/18/2008 | (709825) |
| 22 | 06/29/2005 | (397403) | 70 | 11/17/2006 | (583180) | 118 | 12/22/2008 | (721338) |
| 23 | 06/29/2005 | (397984) | 71 | 12/13/2006 | (532743) | 119 | 12/23/2008 | (682877) |
| 24 | 06/30/2005 | (395371) | 72 | 12/18/2006 | (583182) | 120 | 01/09/2009 | (708321) |
| 25 | 07/01/2005 | (395376) | 73 | 12/20/2006 | (482975) | 121 | 01/13/2009 | (722749) |
| 26 | 07/20/2005 | (583170) | 74 | 01/05/2007 | (535816) | 122 | 01/15/2009 | (708931) |
| 27 | 07/22/2005 | (400525) | 75 | 01/11/2007 | (535323) | 123 | 02/26/2009 | (636579) |
| 28 | 07/28/2005 | (402169) | 76 | 01/19/2007 | (583184) | 124 | 02/27/2009 | (701555) |
| 29 | 08/13/2005 | (404652) | 77 | 01/24/2007 | (537029) | 125 | 02/27/2009 | (736312) |
| 30 | 08/13/2005 | (404858) | 78 | 02/01/2007 | (538731) | 126 | 03/06/2009 | (686483) |
| 31 | 08/19/2005 | (404027) | 79 | 02/08/2007 | (539006) | 127 | 03/12/2009 | (736366) |
| 32 | 08/19/2005 | (405534) | 80 | 02/16/2007 | (540900) | 128 | 03/13/2009 | (737725) |
| 33 | 08/19/2005 | (583173) | 81 | 02/16/2007 | (583158) | 129 | 03/26/2009 | (704382) |
| 34 | 08/26/2005 | (406126) | 82 | 03/08/2007 | (540725) | 130 | 04/06/2009 | (740409) |
| 35 | 08/29/2005 | (406253) | 83 | 03/19/2007 | (583160) | 131 | 04/14/2009 | (721022) |
| 36 | 08/31/2005 | (400938) | 84 | 04/20/2007 | (583163) | 132 | 05/01/2009 | (742806) |
| 37 | 08/31/2005 | (406090) | 85 | 05/15/2007 | (557031) | 133 | 05/27/2009 | (747008) |
| 38 | 09/19/2005 | (583175) | 86 | 05/21/2007 | (583166) | 134 | 06/04/2009 | (724878) |
| 39 | 09/21/2005 | (431540) | 87 | 05/22/2007 | (557035) | 135 | 06/10/2009 | (747949) |
| 40 | 09/21/2005 | (432140) | 88 | 06/19/2007 | (583169) | 136 | 06/12/2009 | (748273) |
| 41 | 11/18/2005 | (583179) | 89 | 06/29/2007 | (560992) | 137 | 06/15/2009 | (748749) |
| 42 | 12/15/2005 | (583177) | 90 | 07/03/2007 | (566581) | 138 | 06/15/2009 | (748785) |
| 43 | 12/19/2005 | (439303) | 91 | 07/11/2007 | (557176) | 139 | 08/14/2009 | (737602) |
| 44 | 12/21/2005 | (583181) | 92 | 07/11/2007 | (566079) | 140 | 08/14/2009 | (744261) |
| 45 | 01/20/2006 | (451440) | 93 | 07/18/2007 | (583172) | 141 | 08/29/2009 | (738347) |
| 46 | 01/24/2006 | (583183) | 94 | 07/27/2007 | (567691) | 142 | 10/08/2009 | (763356) |
| 47 | 02/01/2006 | (435482) | 95 | 08/08/2007 | (514284) | | | |
| 48 | 02/21/2006 | (583157) | 96 | 08/08/2007 | (539377) | | | |

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

1 Date: 05/31/2005 (583167) 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

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.195
Description: Failure to comply with cathodic protection inspection and schedule.

9 Date: 09/30/2007 (608381) 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

10 Date: 11/06/2007 (595861) CN600127468

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191

Description: Failure to comply with assessment of existing tank system's integrity.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.195

Description: Failure to comply with cathodic protection inspection and schedule.

11 Date: 02/26/2008 (612679)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(C)
5C THSC Chapter 382 382.085(b)

Description: Failure to submit a deviation report no later than 30 days after the end of the each reporting period. Specifically, the deviation report for the period of August 8, 2006 through February 7, 2007, due no later than March 7, 2007, was submitted late on March 15, 2007.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.646
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.119(b)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct storage vessel inspections according to the frequency stipulated in provisions of applicable regulations.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.113b(a)(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct storage vessel inspections according to the frequency stipulated in provisions of applicable regulations.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.646
5C THSC Chapter 382 382.085(b)

Description: Failure to equip affected openings of storage vessels with devices which close off liquid surface area from atmosphere.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.130
30 TAC Chapter 115, SubChapter D 115.322(2)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)
40 CFR Part 63, Subpart H 63.168
5C THSC Chapter 382 382.085(b)
Flex NSR 38754 SC 32 & 33 PA

Description: Failure to repair leaking components in a timely manner according to applicable requirements.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter D 115.322(4)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
Flex NSR 38754 SC 32(E) PA

Description: Failure to properly equip and operate each open-ended line (OELs) with a cap, blind flange, plug or a second valve.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT QQQ 60.692-2(a)(2)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct monthly inspection of drain water seal controls.

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Date: 11/24/2008 (706186) CN600127468

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Effluent Limitations and Monitoring Req. PERMIT

Description: Failure to meet permit limitations for one or more parameters on five separate Discharge Monitoring Reports (DMRs) between November, 2007, and October, 2008.

13

Date: 09/30/2009 (738347)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(d)
5C THSC Chapter 382 382.085(b)
Permit No. 38754 SC 19 PA

Description: Failure to maintain the NOx and CO emissions limit of the respective heaters below the rate stated in the table of the special condition.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(d)
5C THSC Chapter 382 382.085(b)
Permit No. 38754 SC 25 PA

Description: Failure to maintain the SRU's SCOT tail gas incinerator exit temperature at greater than 1500 degrees Fahrenheit (F).

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(d)
5C THSC Chapter 382 382.085(b)
Permit No. 38754 SC 43 PA

Description: Failure to perform emissions calculations at least once per month for the purpose of verifying compliance with the flexible permit's emissions caps.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 113, SubChapter C 113.780
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.105(a)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UUU 63.1564(b)(1)
5C THSC Chapter 382 382.085(b)
FOP No. O-01458 ST&C 1K OP

Description: Failure to maintain the proper flue gas pressure drop (delta p) across the filtering modules of the Belco scrubber (EPN 121) at greater than 80 percent of the most recent acceptable performance test as directed by the EPA Alternative Monitoring for NSPS Subpart J plan dated August 19, 1999.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.130
30 TAC Chapter 113, SubChapter C 113.340

30 TAC Chapter 115, SubChapter D 115.322(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(f)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.169(c)(1)
5C THSC Chapter 382 382.085(b)
Permit No. 38754 SC 32I & SC 37 PA

Description: Failure to repair hydrocarbon leaks at components (pumps and valves) in a fugitive monitoring program within the time allotted by the applicable rule and permit SC.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 115, SubChapter D 115.322(4)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(d)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.347(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)
5C THSC Chapter 382 382.085(b)
Permit No. 38754 SC 32E and SC 33E PA

Description: Failure to equip each open-ended valve or line with a cap, blind flange, plug, or second valve.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.780
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UUU 63.1567(a)(2)
5C THSC Chapter 382 382.085(b)
FOP No. O-01458 ST&C No. 1K OP

Description: Failure to demonstrate compliance with hydrogen chloride (HCL) emissions and operating limits at the exhaust vent (EPN155) by maintaining a daily average of pH of the scrubbing liquid above the limit established during the respective performance tests of the Catalytic Reformer Unit (CRU) scrubber vent. The company failed on various days from August 8, 2006 to June 29, 2008, to maintain the required daily pH of the scrubber liquid.

F. Environmental audits.

Notice of Intent Date: 03/05/2008 (640797)

No DOV Associated

Notice of Intent Date: 05/12/2008 (682226)

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

Addendum to Compliance History Federal Enforcement Actions

Reg Entity Name: VALERO REFINING TEXAS

Reg Entity Add: 5900 UPRIVER ROAD **Reg Entity No:**

Reg Entity City: CORPUS CHRISTI **RN100214386**

Customer Name: Valero Refining Texas **Customer No:** CN600127468

EPA Case No: 06-2007-4883 **Order Issue Date (yyyymmdd):** 20080807

Case Result: Final Order with Penalty **Statute:** CWA **Sect of Statute:** 311B

Classification: Moderate **Program:** Spills **Citation:** 40 CFR

Violation Type: Oil Spill Violation Under
CWA/OPA **Cite Sect:** 311b **Cite Part:** 22

Enforcement Action: Consent Decree/Court Order

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
VALERO REFINING-TEXAS, L.P.;
RN100214386**

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§

**BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2009-0401-AIR-E**

At its _____ agenda, the Texas Commission on Environmental Quality (“Commission” or “TCEQ”) considered this agreement of the parties, resolving an enforcement action regarding Valero Refining-Texas, L.P. (“Valero”) under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and Valero, represented by Lisa Hodges, presented this agreement to the Commission.

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

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

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

FINDINGS OF FACT

1. Valero owns and operates a refinery located at 5900 Up River Road, Corpus Christi, Nueces County, Texas (the “Plant”).
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During record reviews conducted on June 18, 2008 through February 18, 2009 and February 18 through February 27, 2009, TCEQ Corpus Christi Regional Office investigators documented that Valero:

- a. Failed to prevent unauthorized emissions. Specifically, Valero released 36,745.44 pounds ("lbs") of sulfur dioxide ("SO₂"), 398.89 lbs of hydrogen sulfide ("H₂S"), 121.66 lbs of carbon monoxide ("CO"), 260.10 lbs of volatile organic compounds ("VOC"), 21.96 lbs of nitrogen oxide ("NO_x") and 20.32 lbs of ammonia from the Sulfur Recovery Unit ("SRU") during an emissions event (Incident No. 107936) that began May 20, 2008, and lasted two hours and 20 minutes. The TCEQ determined that the event could have been avoided by better operational practices and the final report was submitted late;
 - b. Failed to prevent unauthorized emissions. Specifically, Valero released 15,304.13 lbs of SO₂, 166.29 lbs of H₂S, 17.60 lbs of CO, 0.55 lbs of VOC, and 3.79 lbs of NO_x from the SRU during an emissions event (Incident No. 111400) that began July 22, 2008, and lasted 30 minutes. The TCEQ determined that the event could have been avoided by better operational practices;
 - c. Failed to submit the final report for Incident No. 107936 in a timely manner. Specifically, the report was due June 3, 2008, and was not submitted until June 9, 2008;
 - d. Failed to prevent unauthorized emissions. Specifically, Valero released 8,020.19 lbs of SO₂, 87.06 lbs of H₂S, 130.10 lbs of CO, 326.93 lbs of VOC, 18.34 lbs of NO_x, and 25.57 lbs of ammonia from the SRU during an emissions event (Incident No. 117784) that began December 15, 2008, and lasted 25 minutes. The TCEQ determined that the event could have been avoided by better operational practices; and
 - e. Failed to prevent unauthorized emissions. Specifically, Valero released 119,108.72 lbs of SO₂, 1,292.97 lbs of H₂S, 8,286.61 lbs of CO, 12,575.64 lbs of VOC, 1,255.15 lbs of NO_x, and 219.13 lbs of ammonia from four flares, three heaters and a wastewater combustor during an emissions event (Incident No. 117903) that began December 18, 2008, and lasted 86 hours and 25 minutes. The TCEQ determined that the event could have been avoided by better operational practices.
4. Valero received notice of the violations in Findings of Fact Nos. 3.a. through 3.e. on or about March 11, 2009 and/or June 9, 2009.
 5. During a record review conducted on April 29, 2009 through July 17, 2009, a TCEQ Corpus Christi Regional Office investigator documented that Valero failed to prevent unauthorized emissions. Specifically, Valero released 977.33 lbs of VOC from Tank 70-TK-93 during an emissions event (Incident No. 120744) that began on February 28, 2009 and lasted 48 hours and 35 minutes. The unauthorized release was the result of not giving notification prior to the shutdown of Tank 70-TK-93 for maintenance. The TCEQ determined that the event was the result of an activity that was not reported prior to its commencement and the event could have been foreseen.

6. Valero received notice of the violation in Finding of Fact No. 5 on or about August 22, 2009.

7. During an investigation conducted on January 7, 2009 through April 22, 2009, a TCEQ Corpus Christi Regional investigator documented that Valero:
 - a. Failed to determine and document visible emissions for stationary vents by utilizing Test Method 9 at least once during a 12 month period in order to demonstrate compliance with visible emissions requirements for the August 8, 2007 through August 7, 2008, and August 8, 2008 through August 7, 2009 certification periods;

 - b. Failed to demonstrate compliance with a removal efficiency of 98% for VOC from the Steam Methane Reformer (“SMR”) condenser vent stream. Specifically, Valero conducted stack tests on August 30, 2005, and September 7, 2006, and verified a removal efficiency for VOCs of 90.4% and 96.7%, respectively. A re-test has yet to be conducted to demonstrate compliance with the required rate of 98%. Additionally, Valero failed to request an adequate monitoring parameter and make reference to the stack test failures in the periodic reports required by 40 CODE OF FEDERAL REGULATIONS § 63.654(g)(6);

 - c. Failed to maintain the SMR stripper exhaust fan temperature below the temperature maintained during the most recent stack sample following the initial stack test. Specifically, Valero exceeded 127.7 degrees Fahrenheit, the temperature maintained during the applicable stack test on the SMR Unit’s condenser stripper vent. The temperatures ranged from 127.972 to 242.718 degrees Fahrenheit on 54 occasions between February 13, 2007, and December 18, 2008;

 - d. Failed to visually inspect a storage vessel’s internal floating roof and seal at least once every 12 months. Specifically, the visual inspection of Tank 94 was due on September 16, 2007, and was not conducted until March 25, 2008;

 - e. Failed to report all information pertaining to compliance exceptions with the requirements of maximum allowable control technology standards in inspection records and periodic reports at the end of a six month period. Specifically, internal floating roof malfunctions pertaining to Tank 94 were not included in the inspection record dated September 16, 2006. Malfunctions for Tanks 103 and 99 that occurred on January 23 and September 26, 2006, respectively, were not reported in the periodic reports dated July 21, 2006, and January 24, 2007. The failure to degas Tank 94 prior to the tank being emptied was also not included in the periodic report dated January 24, 2007;

 - f. Failed to maintain less than three percent of the total number of valves in a process unit as difficult-to-monitor (“DTM”). Specifically, based on the semi-annual report

for the period of July 1, 2007 through December 31, 2008, 15 process units listed more than three percent of the total number of valves as DTM.

- g. Failed to monitor components in VOC service. Specifically, a new gasoline filter system was installed in October 2008 and was not included in fugitive monitoring activities until March 2009;
- h. Failed to identify all emission points involved in emissions events and their associated emissions and quantities. Specifically, the emissions event reports for Incident Nos. 82095 and 84726 that occurred on October 17 and December 8, 2006, respectively, did not identify emissions from the SMR Heater. The emissions event reports for Incident Nos. 88439 and 88484 that occurred on March 14 and 19, 2007, respectively, did not identify emissions from the Catalytic Reforming Unit Heater;
- i. Failed to make a record of excess emissions emitted as a result of not degassing prior to performing maintenance. Specifically, the Tank 94 inspection record dated September 16, 2006 indicated that the tank was emptied without being degassed, and the Tank 99 inspection record dated September 26, 2006 indicated that the tank was removed from service for unplanned repairs without being degassed;
- j. Failed to include all instances of deviations in semi-annual deviation reports from August 8, 2004 through August 7, 2008, and failed to include all instances of deviations in the Permit Compliance Certifications (“PCC”) for the periods ending August 7, 2005, August 7, 2007, and August 7, 2008;
- k. Failed to comply with reporting requirements for reconstructed stationary reciprocating internal combustion engines. Specifically, the initial notification for internal combustion engines P6 and P11 was due by December 13, 2004, but was not submitted until March 16, 2005, and subsequent compliance reports that were required to be submitted during the period when the engines were subject to the rule were not submitted;
- l. Failed to conduct an approved initial performance test on stationary reciprocating internal combustion engines P6, P8, and P11;
- m. Failed to operate SRU Trains 1, 2, and 3 with their Tail Gas Treater Units (“TGTU”) from March 2008 through December 2008 and to route acid gas to a properly operating SRU train. Valero was also unable to demonstrate that its SRU/Sulften and SRU/Shell Claus Off-gas Treater met the minimum sulfur recovery efficiency of 99.8% during the periods when the SRU trains were not being operated with the TGTUs;
- n. Failed to demonstrate that the SRU’s Tail Gas Incinerator’s continuous emissions monitoring system (“CEMS”) for SO₂ were maintained in accordance with relevant

- i. Included the new gasoline filter system in fugitive monitoring activities, in accordance with 40 CODE OF FEDERAL REGULATIONS § 63.640(1)(4) by March 2009;
- j. Implemented measures designed to ensure the proper reporting of emissions events and maintenance activities, in accordance with 30 TEX. ADMIN. CODE §§ 101.201 and 101.211 (Incident No. 82095, 84726, 88439, and 88484) by September 2008;
- k. Implemented measures to ensure proper tank emptying and repair procedures are followed in accordance with Flexible Permit No. 39754, Special Condition No. 1 by January 2008;
- l. Implemented measures to ensure the proper reporting of deviations in semi-annual reports and compliance certifications, in accordance with 30 TEX. ADMIN. CODE §§ 122.145 and 122.146 by October 2009;
- m. Replaced engines P6, P8 and P11 with smaller engines, making them no longer subject to the rule on October 30, 2006;
- n. Resumed operations in the SRU on January 1, 2009 in accordance with permit representations, as detailed in the semi-annual report dated July 29, 2009; and
- o. Began to operate the SRU's Tail Gas Incinerators' CEMS in accordance with permit representations on July 29, 2009, as detailed in the semi-annual report dated July 29, 2009.

CONCLUSIONS OF LAW

- 1. As evidenced by Findings of Fact Nos. 1 and 2, Valero is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382.
- 2. As evidenced by Finding of Fact No. 3.a., Valero failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), TEX. HEALTH & SAFETY CODE § 382.085(b), and Flexible Permit No. 38754, Special Condition Nos. 1 and 24. Since this emissions event could have been avoided by better operational practices and the final report was submitted late, Valero is prevented from asserting any affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
- 3. As evidenced by Finding of Fact No. 3.b., Valero failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), TEX. HEALTH & SAFETY CODE § 382.085(b), and Flexible Permit No. 38754, Special Condition Nos. 1 and 24. Since this emissions event could have been avoided by better operational practices, Valero is prevented from asserting any affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

4. As evidenced by Finding of Fact No. 3.c., Valero failed to submit the final report for Incident No. 107936 in a timely manner, in violation of 30 TEX. ADMIN. CODE § 101.201(c) and TEX. HEALTH & SAFETY CODE § 382.085(b).
5. As evidenced by Finding of Fact No. 3.d., Valero failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), TEX. HEALTH & SAFETY CODE § 382.085(b), and Flexible Permit No. 38754, Special Condition Nos. 1 and 24. Since this emissions event could have been avoided by better operational practices, Valero is prevented from asserting any affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
6. As evidenced by Finding of Fact No. 3.e., Valero failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 111.111(a)(4)(A), 116.715(a) and (c)(7), TEX. HEALTH & SAFETY CODE § 382.085(b), and Flexible Permit No. 38754, Special Condition Nos. 1 and 15. Since this emissions event could have been avoided by better operational practices, Valero is prevented from asserting any affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
7. As evidenced by Finding of Fact No. 5, Valero failed to prevent unauthorized emissions, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 116.715(a) and 101.20(3), and Flexible Permit No. 38754, Special Condition No. 1. Since the emissions were the result of an activity that was not reported prior to its commencement and the emissions could have been foreseen, Valero is prevented from asserting any affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
8. As evidenced by Finding of Fact No. 7.a, Valero failed to determine and document visible emissions for stationary vents by utilizing Test Method 9 at least once during a 12 month period in order to demonstrate compliance with visible emissions requirements for the August 8, 2007 through August 7, 2008, and August 8, 2008 through August 7, 2009 certification periods, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE § 122.143(4), and Federal Operating Permit (“FOP”) No. O-01458, Special Terms and Conditions No. 3.
9. As evidenced by Finding of Fact No. 7.b, Valero failed to demonstrate compliance with a removal efficiency of 98% for VOC from the SMR condenser vent stream and failed to request an adequate monitoring parameter and make reference to the stack test failures in the periodic reports required by 40 CODE OF FEDERAL REGULATIONS § 63.654(g)(6), in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 113.340, and 116.715(a) and (d), 40 CODE OF FEDERAL REGULATIONS §§ 63.643(a)(2), 63.644(b), and 63.654(g)(6), and Flexible Permit No. 38754, Special Condition Nos. 39 and 48.
10. As evidenced by Finding of Fact No. 7.c, Valero failed to maintain the SMR stripper exhaust fan temperature below the temperature maintained during the most recent stack sample following the initial stack test, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30

TEX. ADMIN. CODE §§ 101.20(3) and 116.715(a) and (d), and Flexible Permit No. 38754, Special Condition No. 48.

11. As evidenced by Finding of Fact No. 7.d, Valero failed to visually inspect a storage vessel's internal floating roof and seal at least once every 12 months, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 113.120, 113.340, and 116.715(a) and (d), 40 CODE OF FEDERAL REGULATIONS §§ 63.119(b)(1)(ii), 63.120(a)(2)(i), and 63.646(a), and Flexible Permit No. 38754, Special Condition No. 29.
12. As evidenced by Finding of Fact No. 7.e, Valero failed to report all information pertaining to compliance exceptions with the requirements of maximum allowable control technology standards in inspection records and periodic reports at the end of a six month period, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 113.120, 113.340, 115.114(b), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS §§ 63.120(a), 63.123(c), and 63.654(g)(2), and FOP No. O-01458, Special Terms and Conditions No. 1E.
13. As evidenced by Finding of Fact No. 7.f, Valero failed to maintain less than three percent of the total number of valves in a process unit as DTM, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(1), 113.130, 113.340, and 122.143(4), 40 CODE OF FEDERAL REGULATIONS §§ 60.482-7(h)(2), 60.592, 63.168(i)(2), and 63.648(a), and FOP No. O-01458, Special Terms and Conditions No. 1E.
14. As evidenced by Finding of Fact No. 7.g, Valero failed to monitor components in VOC service, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 113.340, 115.324, and 116.715(a) and (d), 40 CODE OF FEDERAL REGULATIONS §§ 63.640(l)(4) and 63.648(a), and Flexible Permit No. 38754, Special Condition Nos. 32F and 37.
15. As evidenced by Finding of Fact No. 7.h, Valero failed to identify all emission points involved in emissions events and their associated emissions and quantities, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.201(b)(1) and 122.143(4), and FOP No. O-01458, Special Terms and Conditions No. 2F.
16. As evidenced by Finding of Fact No. 7.i, Valero failed to make a record of excess emissions emitted as a result of not degassing prior to performing maintenance, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 101.201, 101.211, and 116.715(a) and (d), Flexible Permit No. 38754, Special Condition No. 1.
17. As evidenced by Finding of Fact No. 7.j, Valero failed to include all instances of deviations in semi-annual deviation reports from August 8, 2004 through August 7, 2008, and failed to include all instances of deviations in the PCC for the periods ending August 7, 2005, August 7, 2007, and August 7, 2008, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 122.143(4), 122.145(2)(A), and 122.146(5)(D), FOP No. O-01458, General Terms and Conditions, and Special Terms and Conditions No. 30.

18. As evidenced by Finding of Fact No. 7.k, Valero failed to comply with reporting requirements for reconstructed stationary reciprocating internal combustion engines, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE § 113.1090, and 40 CODE OF FEDERAL REGULATIONS §§ 63.9(b)(2), 63.6645(b), and 63.6650(b).
19. As evidenced by Finding of Fact No. 7.l, Valero failed to conduct an approved initial performance test on stationary reciprocating internal combustion engines P6, P8, and P11, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE § 113.1090, and 40 CODE OF FEDERAL REGULATIONS §§ 63.7(a)(2), 63.6610, and 63.6620(b).
20. As evidenced by Finding of Fact No. 7.m, Valero failed to operate SRU Trains 1, 2, and 3 with their TGTU from March 2008 through December 2008. Valero was also unable to demonstrate that its SRU/Sulften and SRU/Shell Claus Off-gas Treaters met the minimum sulfur recovery efficiency of 99.8% during the periods when the SRU trains were not being operated with the TGTUs, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 113.780, and 116.715(a) and (d), 40 CODE OF FEDERAL REGULATIONS §§ 63.1570(d) and 63.6(e)(1), and Flexible Permit No. 38754, Special Condition Nos. 23 and 24.
21. As evidenced by Finding of Fact No. 7.n, Valero failed to demonstrate that the SRU's Tail Gas Incinerators' CEMS for SO₂ were maintained in accordance with relevant regulatory standards and Flexible Permit No. 38754, Special Condition No. 40, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 113.780 and 116.715(a) and (d), 40 CODE OF FEDERAL REGULATIONS §§ 63.1570(d) and 63.6(c)(1) and (e)(1), and Flexible Permit No. 38754, Special Condition No. 40.
22. As evidenced by Finding of Fact No. 7.o, Valero failed to monitor DTM valves at least once per calendar year, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(1), 113.130, 113.340, and 122.143(4), 40 CODE OF FEDERAL REGULATIONS §§ 60.482-7(h)(3), 60.592, 63.168(i)(3), and 63.648(a), and FOP No. O-01458, Special Terms and Conditions No. 1E.
23. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Valero for violations of state statutes within the Commission's jurisdiction, for violations of rules adopted under such statutes, or for violations of orders or permits issued under such statutes.
24. An administrative penalty in the amount of two hundred ninety-one thousand six hundred forty-nine dollars (\$291,649.00) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. Pursuant to TEX. WATER CODE § 7.067, one hundred forty-five thousand eight hundred twenty-four dollars (\$145,824.00) of the administrative penalty shall be conditionally offset by Valero's completion of a Supplemental Environmental Project (SEP) as defined in Attachment A,

incorporated herein by reference. Valero's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement. Valero paid one hundred forty-five thousand eight hundred twenty-five dollars (\$145,825.00) of the administrative penalty.

ORDERING PROVISIONS

1. Valero is assessed an administrative penalty in the amount of two hundred ninety-one thousand six hundred forty-nine dollars (\$291,649.00) as set forth in Conclusion of Law No. 24. The payment of this administrative penalty and Valero's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here.
2. Valero shall implement and complete a SEP as set forth in Conclusion of Law No. 24, above. The amount of one hundred forty-five thousand eight hundred twenty-four dollars (\$145,824.00) of the assessed administrative penalty is conditionally offset based on the condition that Valero implement and complete a SEP pursuant to the terms and conditions contained in the SEP Agreement, as defined in Attachment A. Valero's obligation to pay the conditionally offset portion of the assessed administrative penalty shall be discharged upon full, final, and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director. Administrative penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment. Checks shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: Valero Refining-Texas, L.P., Docket No. 2009-0401-AIR-E" to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

3. Valero shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, Valero shall provide notice of intent to conduct compliance testing for different operating scenarios in order to identify the operating scenarios in which a 98% removal efficiency can be achieved so that Valero can demonstrate compliance with a removal efficiency of 98% for VOC from the SMR condenser vent stream, in accordance with 40 CODE OF FEDERAL REGULATIONS §§ 63.643(a)(2) and Flexible Permit No. 38754, Special Condition No. 48;

- b. Within 60 days after the effective date of this Agreed Order, Valero shall complete the compliance testing for the SMR condenser vent stream as described in Ordering Provision No. 3.a., above;
- c. Within 90 days after the effective date of this Agreed Order, Valero shall implement operational measures to maintain the SMR stripper exhaust fan temperature below the temperature maintained during the most recent stack sample following the initial stack test, in accordance with Flexible Permit No. 38754, SC No. 48 and demonstrate compliance with a removal efficiency of 98% for VOC from the SMR condenser vent stream; and
- d. Within 105 days after the effective date of this Agreed Order, Valero shall submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 3.a. through 3.c., above.

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.”

Valero shall submit copies of documentation necessary to demonstrate compliance with these Ordering Provisions 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
Texas Commission on Environmental Quality
Corpus Christi Regional Office
6300 Ocean Drive, Suite 1200
Corpus Christi, Texas 78412-5503

4. The provisions of this Agreed Order shall apply to and be binding upon Valero. Valero 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 Valero 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, Valero's failure to comply is not a violation of this Agreed Order. Valero shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Valero shall notify the Executive Director within seven days after Valero 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 Valero shall be made in writing to the Executive Director. Extensions are not effective until Valero receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may, 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 Valero has not complied with one or more of the terms or conditions in this Agreed Order.
8. This Agreed Order shall terminate five years from its effective date or upon compliance with all terms and conditions set forth in this Agreed Order, whichever is later.
9. This Agreed Order, issued by the Commission, shall not be admissible against Valero in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
10. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf") or otherwise reproduced, and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signature is attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process that the Executive Director deems acceptable. In

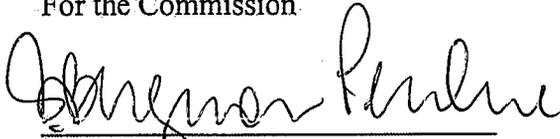
this paragraph exclusively, the terms “electronic transmission” “owner” “person” “writing” and “written” shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

11. Under 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of this Agreed Order to Valero, or three days after the date on which the Commission mails notice of this Agreed Order to Valero, 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



For the Executive Director

9/15/2010

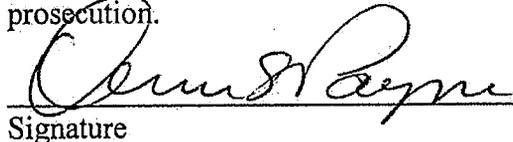
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that I am authorized to agree to the attached Agreed Order on behalf of Valero-Texas Refining, L.P., 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 my failure to comply with the Ordering Provisions in this order and/or my failure to timely pay the penalty amount, may result in:

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

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



Signature

8/27/10

Date

Dennis Payne
Name (Printed or typed)

V-P

Title

Authorized representative of Valero Refining-Texas, L.P.

Attachment A
Docket Number: 2009-0401-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Valero Refining-Texas, L.P.

Penalty Amount: Two Hundred Ninety-One Thousand Six Hundred Forty-Nine Dollars (\$291,649)

Total SEP Offset Amount: One Hundred Forty-Five Thousand Eight Hundred Twenty-Four Dollars (\$145,824)

- **Project 1:**
 - SEP Offset Amount:*** Forty-Five Thousand Eight Hundred Twenty-Four Dollars (\$45,824)
 - Third Party Recipient:*** ***Texas A&M University Kingsville Corpus Christi Airshed Quality Monitoring***
 - Type of SEP:*** Pre-approved contribution
 - Location of SEP:*** Nueces County

- **Project 2:**
 - SEP Offset Amount:*** One Hundred Thousand Dollars (\$100,000)
 - Third Party Recipient:*** ***Texas Association of Resource Conservation & Development Water or Wastewater Assistance or Abandoned Tire Cleanup***
 - Type of SEP:*** Pre-approved contribution
 - Location of SEP:*** Nueces and Nueces-Rio Grande River Basins

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to two (2) Supplemental Environmental Projects (“SEP”). The total offset amount is equal to the two SEP offset amounts described above, and offset is conditioned upon completion of each SEP in accordance with the terms of this Attachment A.

1. Project Descriptions

A. **Project Information**

Project 1 – Texas A&M University Kingsville Corpus Christi Airshed Quality Monitoring

Respondent shall contribute the SEP offset amount to the Third-Party Recipient named in Project 1 above. The contribution will be made to ***Texas A&M University Kingsville*** to be used for the ***Corpus Christi Airshed Quality Monitoring*** program. Specifically, the contribution will be used to establish three air quality monitoring stations within four facilities of the San Patricio Municipal Water District. The stations will consist of ambient air quality monitoring instruments, meteorological instruments, and ancillary equipment. The primary objective of these new monitoring stations is to provide continuous information on air quality. This includes generating data on background concentrations, pollutant transport from outside the air shed, and pollutant transport from the industrial district during the periods of predominant southeast to northwest wind patterns. The monitoring sites will be located at the Odem Raw Water Station, the Taft Texana Blending Station, and the San Patricio Country Municipal Water District Main Office. These new sites will be in addition to the already existing site located at

Valero Refining—Texas, L.P.
Docket No. 2009-0401-AIR-E
Attachment A

the Aransas Pass Treatment Plant, for a total of four sites. The SEP Offset Amount will be used to pay for the instruments, installation, and maintenance and/or operation of the instruments, data validation, software license, and web server costs related solely to this project.

Instrumentation: Third Party Recipient shall provide each site with one ozone monitor and one weather station capable of measuring wind direction and speed as well as ambient temperature. One of the sites must also have a monitor for oxides of nitrogen. Third Party Recipient has a memorandum of understanding with the San Patricio Municipal Water District in which the water district agrees to provide: 1) external areas for installing the weather stations and instruments' enclosures; 2) locations for the air sampling intakes in the external walls or roofs at the sites; and 3) small areas in each sites' building for the monitoring instrument racks when necessary. Third Party Recipient has already developed the site at the Aransas Pass Treatment Plant.

Operation and Maintenance: Third Party Recipient shall manage the project with two faculty members, one research associate, and environmental engineering graduate students, which will compose the core team associated with the air quality monitoring effort. Instruments will be calibrated before deployment, and on the frequency established in the TCEQ-approved Quality Assurance Project Plan (QAPP). Third Party Recipient shall submit a detailed work plan and QAPP in EPA QA-R5 format to the TCEQ for approval prior to any sample collection, but no later than sixty days after the Effective Date of this Agreement. Any environmental laboratory data submitted to TCEQ must be produced by a laboratory accredited by TCEQ according to Title 30 Texas Administrative Code, Chapter 25 (relating to Environmental Testing Laboratory Accreditation and Certification), Subchapters A and B, as amended.

Data Management: Third Party Recipient's sites are intended for continuous air quality monitoring. Third Party Recipient shall bring data obtained from the monitors directly into the TCEQ air monitoring site information system using wireless modems at Third Party Recipient's cost and such data must be made available to the public via the TCEQ website as soon as possible upon availability. Third Party Recipient shall coordinate these tasks with TCEQ. The data displayed on the TCEQ website will be subject to change pending final validation by Third Party Recipient. Third Party Recipient shall provide contact information to the TCEQ to be posted on the TCEQ website - the contact person must be able to answer questions (during normal business hours) regarding data quality from the measurements obtained from Third Party Recipient's air quality monitoring sites.

Environmental Benefits: The SEP will provide a discernible environmental benefit by providing the community with more knowledge of pollutant concentrations and potential sources of air pollutants entering or exiting the Corpus Christi area airshed. This data can also be used by other parties interested in the air quality in the Corpus Christi area. The formation and transport of ozone is complex, and a better understanding of the sources of precursors and long-range transport are necessary to generate good scientific information for decision-making purposes. Well-located monitoring stations provide valuable information for these purposes.

Project Period: Third Party Recipient shall conduct monitoring for a minimum of 2 years.

Project 1 will be administered in accordance with federal, state, and local environmental laws and regulations. Respondent certifies that there is no prior commitment to perform the project and that it is being performed solely in an effort to settle this enforcement action.

Project 2 – Water or Wastewater Assistance or Abandoned Tire Cleanup

Respondent shall contribute the SEP offset amount to the Third-Party Recipient named in Project 2 above. The contribution will be made to **RC&D** for the *Water or Wastewater Assistance or Abandoned Tire Cleanup* program. Specifically, the SEP Offset Amount will pay for the labor and disposal costs associated with assistance to low-income residents with shallow, improperly designed or contaminated drinking water wells or failing wastewater systems, or plugging of abandoned wells. If RC&D is unable to spend the total SEP Offset Amount on this project, the remaining SEP Offset Amount may be applied to RC&D Abandoned Tire Cleanup project. The project will be administered in accordance with federal, state, and local environmental laws and regulations.

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

B. Environmental Benefit

Project 1 will provide a discernible environmental benefit by providing the community with more knowledge of pollutant concentrations and potential sources of air pollutants entering or exiting the Corpus Christi area airshed. This data can also be used by other parties interested in the air quality in the Corpus Christi area. The formation and transport of ozone is complex, and a better understanding of the sources of precursors and long-range transport are necessary to generate good scientific information for decision-making purposes. Well-located monitoring stations provide valuable information for these purposes.

Project 2 will provide a discernible environmental benefit by preventing the release of sewage into the environment. Raw sewage can carry bacteria, viruses, protozoa (parasitic organisms), helminthes (intestinal worms), and bioaerosols (inhalable molds and fungi). The diseases they may cause range in the severity from mild gastroenteritis (causing stomach cramps and diarrhea) to life-threatening ailments such as cholera, dysentery, infectious hepatitis, and severe gastroenteritis. People can be exposed through:

- Sewage in drinking water sources;
- Direct contact in areas of public access such as in lawns or streets, or waters used for recreation;
- Shellfish harvested from areas contaminated by raw sewage; and
- Inhalation and skin absorption

Sewage overflows may cause damage to the environment. A key concern with sewage overflows is the effect on rivers, lakes, streams, or aquifer systems. In addition to potential spread of disease, sewage in the environment contributes excess nutrients, metals, and toxic pollutants that contaminate water quality, cause excess algae blooms, and kill fish and other organisms in aquatic habitats.

The drinking water portion of this project will protect water sources for drinking, recreating and wildlife from contamination from the failing treatment systems, and protect public health from contaminated drinking water supplies.

In addition, this SEP will provide a discernible environmental benefit by providing for the proper disposal of tires and by reducing health threats associated with illegally dumped tires. Illegal tire dumpsites can become breeding

grounds for mosquitoes and rodents which carry disease. The potential for tire fires is also reduced by removing illegally dumped tires. Tire fires can result in the contamination of surface water, ground water, and soil.

C. Minimum Expenditure

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

2. Performance Schedule

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

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

3. Records and Reporting

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

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent fails to perform its obligations under this SEP in any way, including full payment of the Total SEP Offset Amount and submittal of the required reporting as described in paragraph 3 above, the Executive Director may require immediate payment of all or part of the Total SEP Offset Amount.

In the event of incomplete performance, Respondent shall submit a check for any remaining amount due, made payable to "Texas Commission on Environmental Quality," with the notation "SEP Refund," and the docket number of the case, and shall send it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning these SEPs made by or on behalf of Respondent must include a clear statement that the projects were 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

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

7. Other SEPs by TCEQ or Other Agencies

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