

Executive Summary – Enforcement Matter – Case No. 40433
CITGO Refining and Chemicals Company L.P.
RN100238799
Docket No. 2010-1555-AIR-E

Order Type:

Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

7350 Interstate Highway 37, Corpus Christi, Nueces County

Type of Operation:

petroleum refinery

Other Significant Matters:

Additional Pending Enforcement Actions:	2011-1920-AIR-E (RN102555166)
Past-Due Penalties:	None
Past-Due Fees:	None
Other:	None
Interested Third-Parties:	None

Texas Register Publication Date: March 3, 2012

Comments Received: None

Penalty Information

Total Penalty Assessed: \$11,653

Amount Deferred for Financial Inability to Pay: N/A

Total Paid to General Revenue: \$5,827

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$5,826

Name of SEP: Texas A&M University – Corpus Christi Auto Check Program

Compliance History Classifications:

Person/CN – Average

Site/RN – Average

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

Docket No. 2010-1555-AIR-E

Investigation Information

Complaint Date(s): N/A
Date(s) of Investigation: December 30, 2009 through April 1, 2010
Date(s) of NOV(s): May 20, 2010
Date(s) of NOE(s): August 31, 2010

Violation Information

1. Failed to prevent unauthorized emissions (690.2 pounds ("lbs") of carbon monoxide ("CO"), 125 lbs of nitrogen oxide ("NOx"), and 1,149.89 lbs of volatile organic compounds ("VOC"), including 218.7 lbs of hazardous air pollutants ("HAP")) [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b), and 116.115(c), TCEQ Air Permit Nos. 8778A and PSD-TX-408M3, Special Condition (SC) No. 1, and TCEQ Air Permit Nos. 7741A and PSD-TX337M1, SC No. 1].
2. Failed to prevent unauthorized emissions (9,508.22 lbs of VOCs, including 7,281.12 lbs of HAPs, 40.5 lbs of CO, 5 lbs of NOx) [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b), and 116.115(c), TCEQ Air Permit Nos. 8778A and PSD-TX408M3, SC No. 1, and TCEQ Air Permit Nos. 7741A and PSD-TX337M1, SC No. 1].
3. Failed to make a complete record of TCEQ Incident No. 133842 [TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.201(b)(2)(D), 101.201(b)(2)(G), 101.201(b)(2)(H), and 122.143(4), and Federal Operating Permit No. O-01420, Special Term and Condition No. 1A].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

1. Revised CITGO Piping Specification M-200 to account for the effect of forces by June 29, 2010;
2. Added a "Sensitivity Analysis" to the Engineering Standard for design calculations to include insulation density by June 29, 2010;
3. Modified piping spring hanger system for inlet line to account for higher weight values by February 15, 2010;
4. Conducted and engineering review of #4 and #5 Platformer/Reactor piping circuits including flange loading that resulted in the implementing equipment modifications to the piping circuits by July 9, 2010; and
5. Modified #5 Platformer Emergency Shutdown Procedures to reflect immediate lowering of the heat input to the process while preventing flaring from the fuel gas mix drum due to sudden drop in fuel gas demand by March 8, 2010.

Technical Requirements:

1. Within 30 days, implement measures and procedures designed to ensure the proper recording of emission events.
2. Within 45 days, submit written documentation demonstrating compliance.

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RN100238799
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Litigation Information

Date Petition(s) Filed: February 1, 2011
Date Answer(s) Filed: February 24, 2011
SOAH Referral Date: April 26, 2011
Hearing Date(s):
 Preliminary hearing: June 9, 2011
 Evidentiary hearing: October 6, 2011 (scheduled/remanded)
Settlement Date: September 30, 2011

Contact Information

TCEQ Attorneys: Anna M. Treadwell, Litigation Division, (512) 239-3400
 Lena Roberts, Litigation Division, (512) 239-3400
TCEQ SEP Coordinator: Sharon Blue, Litigation Division, (512) 239-2223
TCEQ Enforcement Coordinator: John Muennink, Air Enforcement Section, (713) 422-8970
TCEQ Regional Contact: Rosario Torres, Corpus Christi Regional Office, (361) 825-3115
Respondent: Paul Choucair, Senior Environmental Advisor, CITGO Refining and Chemicals Company, L.P., P.O. Box 9176, Corpus Christi, Texas 78469
Respondent's Attorney: Chris Newcomb, Senior Corporate Counsel, CITGO Refining and Chemicals Company, L.P., 135th Street and New Avenue, Lemont, Illinois 60439

Attachment A
Docket Number: 2010-1555-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	CITGO Refining and Chemicals Company L.P.
Penalty Amount:	Eleven Thousand Six Hundred Fifty-Three Dollars (\$11,653)
SEP Offset Amount:	Five Thousand Eight Hundred Twenty-Six Dollars (\$5,826)
Type of SEP:	Contribution to a Pre-Approved SEP
Third-Party Recipient:	Texas A&M University-Corpus Christi
Project Name:	<i>Texas A&M University-Corpus Christi AutoCheck Program</i>
Location of SEP:	Nueces County

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 a Supplemental Environmental Project (“SEP”). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to the **Texas A&M University-Corpus Christi** for the *Texas A&M University-Corpus Christi AutoCheck Program* SEP to be used as set forth in an agreement between the Third-Party Recipient and the TCEQ (the “Project”). Specifically, the contribution will be used to implement the AutoCheck Program. The AutoCheck Program is a program that tests vehicle exhaust emissions, including hydrocarbons, carbon monoxide, carbon dioxide, and nitrogen oxides. When a vehicle is found to have high exhaust emissions, the owner is given a voucher to take the vehicle for a checkup at one of the program’s certified auto shops. The vehicle owner may choose the approved auto shop from a list composed by AutoCheck. Mechanics at the auto shop thoroughly check the vehicle and determine the problem. The mechanic reports the problem to AutoCheck personnel who authorize the recommended repairs. Once the vehicle is repaired, a post-repair test is conducted to document the reduction in emissions. These activities are performed at no cost to the owner of the vehicle. The SEP Offset Amount shall be used only to pay for certain direct costs specified in the Agreement between the TCEQ and the Third-Party Recipient.

All dollars contributed will be used solely for the direct cost of the Project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

Respondent’s signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing a direct reduction in air emissions from vehicles in the Corpus Christi Urban Air Shed.

C. Minimum Expenditure

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

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient. Respondent shall make the check payable to **Texas A&M University-Corpus Christi SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas A&M University-Corpus Christi
Pollution Prevention Partnership
Attention: Gretchen Arnold
6300 Ocean Drive, NRC #2200
Corpus Christi, Texas 78412

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the TCEQ Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the 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
PO Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Section 2 and 3 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to complete the project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and shall include on the check the docket number of this Agreed Order and note that it is for reimbursement of a SEP. Respondent shall make the check payable to "Texas Commission on Environmental Quality" and shall mail it to:

Texas Commission on Environmental Quality
Office of Legal Services
Attention: SEP Coordinator, MC 175
PO Box 13087
Austin, Texas 78711-3087

5. Publicity

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

6. Clean Texas Program

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

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP 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

DATES	Assigned	13-Sep-2010	Screening	21-Sep-2010	EPA Due	28-May-2011
	PCW	7-Dec-2011				

RESPONDENT/FACILITY INFORMATION	
Respondent	CITGO Refining and Chemicals Company L.P.
Reg. Ent. Ref. No.	RN100238799
Facility/Site Region	14-Corpus Christi
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	40433	No. of Violations	3
Docket No.	2010-1555-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	John Muennink
		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	\$7,600
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	78.0% Enhancement	Subtotals 2, 3, & 7	\$5,928
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Notes: Enhancement for one NOV with same/similar violations, eight dissimilar violations and three orders with denial. Reduction for one notice of audit letter and one disclosure of violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$1,875
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$482
 Approx. Cost of Compliance: \$11,000
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$11,653
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$11,653
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$11,653
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DEFERRAL		Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

No deferral because this is not an expedited settlement.

PAYABLE PENALTY	\$11,653
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Screening Date 21-Sep-2010

Docket No. 2010-1555-AIR-E

PCW

Respondent CITGO Refining and Chemicals Company L.P.

Policy Revision 2 (September 2002)

Case ID No. 40433

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100238799

Media [Statute] Air

Enf. Coordinator John Muennink

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	8	16%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	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	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	1	-2%
<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) 78%

>> 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 for one NOV with same/similar violations, eight dissimilar violations and three orders with denial. Reduction for one notice of audit letter and one disclosure of violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 78%

Screening Date 21-Sep-2010

Docket No. 2010-1555-AIR-E

PCW

Respondent CITGO Refining and Chemicals Company L.P.

Policy Revision 2 (September 2002)

Case ID No. 40433

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100238799

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3) and 116.115(b) and (c), Tex. Health & Safety Code § 382.085(b), Permit Nos. 8778A and PSD-TX-408M3, Special Conditions No. 1 and Permit Nos. 7741A and PSD-TX-337M1, Special Conditions No. 1

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 690.2 pounds ("lbs") of carbon monoxide ("CO"), 125 lbs of nitrogen oxide ("NOx") and 1,149.89 lbs of volatile organic compounds ("VOC"), including 218.7 lbs of hazardous air pollutants ("HAP"), from the inlet flange on Reactor No. 546V001 at the No. 5 Platformer Unit and the West Plant's Emergency Flare ("EPN 573-ME-1") during an emissions event (Citgo Incident No. 122509-03) that began on December 25, 2009 and lasted for five hours and 39 minutes. The unauthorized release was the result of leaking flanges at the No. 5 Platformer Unit. Since this emissions event could have been avoided by better design, air pollution equipment was not maintained and operated in the proper manner, prompt action was not taken to achieve compliance, the duration of the event was not minimized and the event appears to be part of a frequent or reoccurring pattern, 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

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), Percent (25%). Includes 'OR' label.

>> Programmatic Matrix

Table with columns: 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 1 Number of violation days 1

Table with frequency options: daily, weekly, monthly, quarterly (marked with x), semiannual, annual, single event.

Violation Base Penalty \$2,500

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction \$625

Table for Good Faith Efforts: Extraordinary, Ordinary (marked with x), N/A.

Notes The Respondent completed corrective measures by August 1, 2010, prior to the August 31, 2010 NOE date.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$420 Violation Final Penalty Total \$3,825

This violation Final Assessed Penalty (adjusted for limits) \$3,825

Economic Benefit Worksheet

Respondent CITGO Refining and Chemicals Company L.P.
Case ID No. 40433
Req. Ent. Reference No. RN100238799
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	\$10,000	25-Dec-2009	1-Aug-2010	0.60	\$20	\$400	\$420
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 for additional engineering in order to prevent an emissions event due to leaking flanges. 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

\$10,000

TOTAL

\$420

Screening Date 21-Sep-2010

Docket No. 2010-1555-AIR-E

PCW

Respondent CITGO Refining and Chemicals Company L.P.

Policy Revision 2 (September 2002)

Case ID No. 40433

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100238799

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3) and 116.115(b) and (c), Tex. Health & Safety Code § 382.085(b), Permit Nos. 8778A and PSD-TX-408M3, Special Conditions No. 1 and Permit Nos. 7741A and PSD-TX-337M1, Special Conditions No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, Respondent released 9,508.22 lbs of VOCs, including 7,281.12 lbs of HAPs, 40.5 lbs of CO, 5 lbs of NOx from one flange on each of two heat exchangers (Nos. 546E001A and B), inlet flange on Reactor No. 546V001, and inlet flange on Reactor No. 546V002 at the No. 5 Platformer Unit and EPN 573-ME-1 during an avoidable emissions event (TCEQ Incident Nos. 133840-133842) that began on December 30, 2009 over a 14 hour period. The unauthorized release was the result of leaking flanges at the No. 5 Platformer Unit. Since this emissions event could have been avoided by better design, air pollution equipment was not maintained and operated in the proper manner, prompt action was not taken to achieve compliance, the duration of the event was not minimized, the event appears to be part of a frequent or reoccurring pattern and the event was not properly recorded/reported, 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.

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 August 1, 2010, prior to the August 31, 2010 NOE date.

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$7,650

This violation Final Assessed Penalty (adjusted for limits) \$7,650

Economic Benefit Worksheet

Respondent CITGO Refining and Chemicals Company L.P.
Case ID No. 40433
Req. Ent. Reference No. RN100238799
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

Economic Benefit ("EB") for Violation No. 2 included in the EB 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 21-Sep-2010

Docket No. 2010-1555-AIR-E

PCW

Respondent CITGO Refining and Chemicals Company L.P.

Policy Revision 2 (September 2002)

Case ID No. 40433

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100238799

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(b)(2)(D), (b)(2)(G) and (b)(2)(H) and 122.143(4), Tex. Health & Safety Code § 382.085(b) and Federal Operating Permit No. O-01420, Special Terms and Conditions No. 1A

Violation Description Failed to make a complete record of TCEQ Incident No. 133842. Specifically, the Respondent failed to include the emissions from EPN 573-ME-1 in the non-reportable emissions event record.

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	Harm			Percent
		Major	Moderate	Minor	
				x	1%
The Respondent met at least 70% of the rule requirement.					

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1 Number of violation days 1

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

Violation Base Penalty \$100

One single event is 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 \$100

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$62 Violation Final Penalty Total \$178

This violation Final Assessed Penalty (adjusted for limits) \$178

Economic Benefit Worksheet

Respondent CITGO Refining and Chemicals Company L.P.
Case ID No. 40433
Req. Ent. Reference No. RN100238799
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	\$1,000	30-Dec-2009	31-Mar-2011	1.25	\$62	n/a	\$62
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 include all emissions associated to emissions events in the emission event record. 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

\$1,000

TOTAL

\$62

Compliance History Report

Customer/Respondent/Owner-Operator: CN600127922 CITGO Refining and Chemicals Company L.P. Classification: AVERAGE Rating: 3.39
Regulated Entity: RN100238799 CITGO CORPUS CHRISTI REFINERY - WEST PLANT Classification: AVERAGE Site Rating: 12.94
ID Number(s): AIR OPERATING PERMITS ACCOUNT NUMBER NE0192F
AIR OPERATING PERMITS PERMIT 1420
AIR NEW SOURCE PERMITS PERMIT 7741A
AIR NEW SOURCE PERMITS PERMIT 8778A
AIR NEW SOURCE PERMITS REGISTRATION 36783
AIR NEW SOURCE PERMITS REGISTRATION 46180
AIR NEW SOURCE PERMITS ACCOUNT NUMBER NE0192F
AIR NEW SOURCE PERMITS EPA ID PSDTX408M3
AIR NEW SOURCE PERMITS AFS NUM 4835500115
AIR NEW SOURCE PERMITS REGISTRATION 78499
AIR NEW SOURCE PERMITS PERMIT 80810
AIR NEW SOURCE PERMITS PERMIT 47421
INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD981153711
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 33763
INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50353
IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 33763
AIR EMISSIONS INVENTORY ACCOUNT NUMBER NE0192F

Location: 7350 IH 37, CORPUS CHRISTI, TX, 78409
TCEQ Region: REGION 14 - CORPUS CHRISTI
Date Compliance History Prepared: September 21, 2010
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: September 21, 2005 to September 21, 2010
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: 9/1/2010 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: 08/15/2008

ADMINORDER 2007-1853-AIR-E

Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: TCEQ NSR Permit 8778A, SC 1 PA
Description: Failure to gain an affirmative defense against penalties for unauthorized emissions released during an emissions event (STEERS 90377) which was discovered on April 26, 2007.

Effective Date: 08/23/2009

ADMINORDER 2002-0290-AIR-E

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
Rqmt Prov: 8778A PERMIT
Description: Failure to demonstrate compliance with the production rate specified for the SRU. During the time-frame of June 1, 2003 through July 31, 2004, the production rate of 151 LTPD was exceeded 97 times, or 22% of the time. A maximum of 307 LTPD was recorded for August 3, 2003.

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 8778A PERMIT
Description: Failure to maintain the Tail Gas Incinerator firebox exit temperature at a minimum of 1475 degrees F.

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 7741A PERMIT
Description: Failure to meet the monitoring requirements as specified in 28MID, since at least June, 2001. Specifically, valves in Benzene service are being monitored at 2000 ppm instead of the required 500 ppm, and pumps in Benzene service are being monitored at 10,000 ppm instead of the required 500 ppm.

Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.485(b)(1)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: 7741A PERMIT
8778A PERMIT
Description: Failure to meet the response time requirements in 40 CFR 60, Appendix A, Method 21.

Classification: Moderate
 Citation: 30 TAC Chapter 113, SubChapter C 113.340
 40 CFR Part 63, Subpart CC 63.654(f)(6)
 5C THSC Chapter 382 382.085(b)

Description: Failure to submit the Notification of Compliance Status Report for the MACT Tanks, Nos. 6011, 6012 and 6015.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 113, SubChapter C 113.340
 40 CFR Part 60, Subpart GGG 60.592(e)
 40 CFR Part 60, Subpart VV 60.487(a)
 40 CFR Part 63, Subpart CC 63.648(a)
 5C THSC Chapter 382 382.085(b)

Description: Failure to submit the MACT-CC VOC semi-annual report for the first half of 2003. On August 26, 2004, CITGO provided this report to the TCEQ Corpus Christi Office.

Effective Date: 10/04/2009 ADMINORDER 2009-0340-AIR-E

Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)
 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
 5C THSC Chapter 382 382.085(b)

Description: Failed to report all the emissions released during Incident No. 106027.

Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)
 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
 5C THSC Chapter 382 382.085(b)

Description: Failed to report all the emissions released during Incident No. 106028.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: [Permit No. 8778A/PSD-TX-408M3] SC 1 PERMIT

Description: Failed to prevent unauthorized emissions during Incident No. 106027.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: [Permit No. 8778A/PSD-TX-408M3] SC 1 PERMIT

Description: Failed to prevent unauthorized emissions during Incident No. 106028.

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	03/08/2006	(535285)	13	07/16/2007	(563337)	25	01/20/2009	(723004)
2	03/09/2006	(535289)	14	08/13/2007	(566603)	26	02/24/2009	(682626)
3	03/23/2006	(449808)	15	08/17/2007	(565598)	27	03/17/2009	(736707)
4	07/12/2006	(486344)	16	08/30/2007	(568343)	28	04/06/2009	(738878)
5	07/21/2006	(486970)	17	09/14/2007	(567805)	29	08/26/2009	(764516)
6	08/24/2006	(489178)	18	10/17/2007	(573032)	30	08/28/2009	(764471)
7	08/31/2006	(509336)	19	10/17/2007	(596345)	31	02/03/2010	(788040)
8	10/12/2006	(513606)	20	01/15/2008	(610077)	32	02/23/2010	(791946)
9	10/12/2006	(514156)	21	02/29/2008	(619140)	33	03/11/2010	(793168)
10	10/16/2006	(467278)	22	02/29/2008	(636571)	34	03/19/2010	(796315)
11	10/18/2006	(515700)	23	06/10/2008	(679944)	35	04/06/2010	(785622)
12	05/25/2007	(561849)	24	01/06/2009	(722680)	36	05/20/2010	(800698)
						37	08/31/2010	(794642)

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

Date: 02/07/2006

(449808)

CN600127922

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(3)
 40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(3)

Description: Failure to label a hazardous waste tank.

Date: 08/24/2006

(489178)

Self Report? NO

Classification: Moderate

Citation: TPDES Permit No. WQ0000467-002 PERMIT
 TWC Chapter 26 26.121(a)(1)

Description: Failure to prevent the discharge of 19,026 gallons (453 barrels) of untreated wastewater to the Corpus Christi Inner Harbor.

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TPDES Permit No. WQ0000467-002 PERMIT

Description: Failure to meet effluent grab limits for Oil and Grease at the West Plant wastewater treatment facility.

Date: 08/31/2006 (509336) CN600127922

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)

Description: Failure to demonstrate that observations of visible emissions from nine heater stacks were conducted at least once during each calendar quarter for the following three quarters: June 16, 2005 to September 15, 2005; September 16, 2005 to December 15, 2005; and December 16, 2005 to March 15, 2006.

Date: 01/15/2008 (610077) CN600127922

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.340

30 TAC Chapter 115, SubChapter D 115.322(4)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)

FOP O-01420 Special Term & Cond. no 4 OP

Description: Failure to properly operate or equip each open-ended line (OELs) with a cap, blind flange, plug or a second valve. A total of 44 open-ended lines for all events combined were found not to have been equipped with a plug, cap, blind flange or second valve. The lines are subject to 30 TAC Chapter 115 - Fugitive Emission Control In Petroleum Refineries.

Date: 03/03/2008 (619140)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.322(4)

30 TAC Chapter 115, SubChapter D 115.322(5)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162

5C THSC Chapter 382 382.085(b)

Description: Failure to tag components in the West Plant. In addition, the audit comparative monitoring lead to the discovery of about 2500 components on Plat 5 that had been tagged, but not documented in the database.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.324

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162

5C THSC Chapter 382 382.085(b)

Description: Prior to 2005 failed to monitor 14,000 components in WPLT service. In addition, monitoring covered only about 4,000 out of about 18,000 components that should have been monitored.

Date: 03/18/2009 (736707) CN600127922

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 113, SubChapter C 113.340

30 TAC Chapter 115, SubChapter D 115.322(4)

30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)

40 CFR Part 60, Subpart VV 60.482-6

5C THSC Chapter 382 382.085(b)

S.T.C. 4 OP

Description: Failure to properly operate or equip each open-ended line (OELs) with a cap, blind flange, plug or a second valve. Specifically, open-ended lines identified in Company Event Nos.: 148-2008-25739, 148-2008-25742, 148-2008-25745, 25438, 20498, 20415, 13097, 14291, and 14720 were not equipped with a cap, blind flange, plug or a second valve as required. A total of 9 open-ended lines for all events combined were found not to have been equipped with a plug, cap, blind flange or second valve.

Self Report? NO Classification: Moderate

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

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

S.C. 3 PERMIT

S.T.C. 4 OP

Description: Failure to comply with the total throughput for the delayed coking unit contained in NSR Air Permit 8778A. Specifically the total throughput for the delayed coking unit (521-H1) exceeded the 46,034 barrels per stream day (BPSD). On May 30, 2008 through May 31, 2008 the calculated coker throughput was 46,058 BPSD.

Self Report? NO Classification: Moderate

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

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

S.C. 19 PERMIT

S.T.C. 4 OP

Description: Failure to comply with the sulfur dioxide concentration in the exhaust gas of the Tail Gas Incinerator limit contained in NSR Air Permit 8778A. Specifically, the sulfur dioxide concentration exceeded the 250 parts per million (ppm) one hour averages for 35 events during the June 16, 2007 through June 15, 2008 reporting period.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
S.C. 1 PERMIT
S.T.C. 4 OP

Description: Failure to comply with the Maximum Allowable Emission Rate Table emission limits contained in NSR Air Permit 8778A. Specifically, the sulfur dioxide (SO2) hourly average exceeded the permit limit of 22.4 lbs/hr for twelve events during the June 16, 2007 through June 15, 2008 reporting period.

Date: 08/31/2009 (764471) CN600127922

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter O 335.431(c)(1)
40 CFR Chapter 266, SubChapter I, PT 266, SubPT O 268.7(a)(1)

Description: Failure to comply with testing, tracking and recordkeeping requirements for Land Disposal Restriction (LDR).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.13(k)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT D 262.42

Description: Failure to comply with manifest recordkeeping and reporting requirements.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125
40 CFR Chapter 264, SubChapter I, PT 264, SubPT C 264.15
PP II.A PP III.D PPIII.D Table PERMIT

Description: Failure to comply with the Standard Permit Conditions under 30 TAC Sec. 305.125 and with 40 CFR 264.15 General Inspections, and with the General Inspection Requirements found under Facility Management, Section III.D and Table III.D of the permit.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125
30 TAC Chapter 335, SubChapter F 335.174
40 CFR Chapter 264, SubChapter I, PT 264, SubPT N 264.310
PP II.A / PP VII.B(2) PERMIT

Description: Failure to comply with the Standard Permit Conditions under 30 TAC Section 305.125 and with Closure and Post-Closure Care (Landfills) in 40 CFR 264.310 and 30 TAC 335.174 and with the Post-Closure Requirements found under Closure and Post-Closure Requirements, Section VII.B(2) of the permit.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125
30 TAC Chapter 335, SubChapter F 335.174
40 CFR Chapter 264, SubChapter I, PT 264, SubPT N 264.310
PP II.A / PP VII.B(3) PERMIT

Description: Failure to comply with the Standard Permit Conditions under 30 TAC Section 305.125 and with Closure and Post-Closure Care (Landfills) in 40 CFR 264.310 and 30 TAC 335.174 and with the Post-Closure Requirements found under Closure and Post-Closure Requirements, Section VII.B(3) of the permit.

Date: 02/03/2010 (788040)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 319, SubChapter A 319.11(a)
30 TAC Chapter 319, SubChapter A 319.11(b)
Mon. and Rep. Req., 2. PERMIT

Description: Failure to collect oil and grease samples according to the EPA-approved method 5520A.

Date: 05/20/2010 (800698) CN600127922

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 115, SubChapter D 115.322(4)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
40 CFR Part 60, Subpart VV 60.482-6
5C THSC Chapter 382 382.085(b)
Title V Permit No. 1420 S.T.C. 4 OP

Description: Failure to properly operate or equip each open-ended line (OELs) with a cap, blind flange, plug or a second valve. Specifically, open-ended lines identified in Company Event Nos.: LDAR213-2008-12901 (Unit ID 546-U546); LDAR267-2008-22494 (Unit ID 573-U573), LDAR267-2008-22503, LDAR267-2008-22529, LDAR267-2008-22549, LDAR267-2008-22556, LDAR267-2008-22564, LDAR267-2008-22577, LDAR267-2008-22601, LDAR267-2008-22608 were not equipped with a cap, blind flange, plug or a second valve as required.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
NSR Permit No. 8778A PERMIT
Title V Permit No. 1420 S.T.C. 4 OP

Description: Failure to operate with a total throughput for the delayed coking unit (521-H1) of no more than 46,034 barrels per stream day (BPSD). Specifically, on September 27, 2008 through September 28, 2008 the calculated coker throughput was exceeded by 19 bpd. The Regulated Entity did not comply with Special Condition No. 3 contained in NSR Air Permit 8778A.

F. Environmental audits.

Notice of Intent Date: 06/02/2005 (403345) (Out of Range)

Disclosure Date: 12/01/2005

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.322(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167

Description: Failed to control 21 open-ended lines by cap, plug, blind or double block valves.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.326(2)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.181(c)

Description: Failure to maintain records of weekly visual inspections documenting inspection of non-leaking pumps.

Viol. Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.326(2)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.181(d)

Description: Failure to properly complete DOR forms.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.326
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182

Description: Failure to submit monitoring reports on time and reports did not contain all information required by the regulations.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.322
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-10
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168

Description: Failure to tag components in the Plat 5 unit.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.115
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(b)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182(d)

Description: The 5 to 15 day report submitted in July 2005 generated by the fugitive software had inaccurate or not probable dates that reported excessive deviations.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(2)(v)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182(d)(2)(v)

Description: Failure to identify compressor leaks in the semi-annual report of 2004 MACT or HON units

Viol. Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(3)

Description: Failure to include complete downtime information in several MACT reports. January 2005 West Plant report does not include any downtime information.

Viol. Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(2)(vii)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182(d)(2)(xiii)

Description: Failure to include reason for delay of repair on the 2004 HON and MACT semiannual reports

Notice of Intent Date: 08/13/2007 (639334)

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

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CITGO REFINING AND CHEMICALS
COMPANY L.P.;
RN100238799**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER

DOCKET NO. 2010-1555-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda meeting, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties (the "Agreed Order"), resolving an enforcement action regarding CITGO Refining and Chemicals Company L.P. ("Respondent") 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 Respondent, represented by Chris Newcomb, Senior Corporate Counsel, appear before the Commission and together stipulate that:

1. Respondent owns and operates a petroleum refinery located at 7350 Interstate Highway 37 in Corpus Christi, Nueces County, Texas (the "Plant"). The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. The Executive Director and Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that Respondent is subject to the Commission's jurisdiction.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of eleven thousand six hundred fifty-three dollars (\$11,653.00) is assessed by the Commission in settlement of the violations alleged in Section II. Pursuant to TEX. WATER CODE § 7.067, five thousand eight hundred twenty-six dollars (\$5,826.00) of the administrative penalty shall be conditionally offset by Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the SEP Agreement ("Attachment A" - incorporated herein by reference). Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed by this Agreed Order shall be discharged upon full compliance with all the terms and conditions of this Agreed Order, which includes timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

If Respondent fails to timely and satisfactorily comply with any requirement contained in this Agreed Order, including the SEP Agreement and any payment schedule, the Executive Director may, at his option, accelerate the maturity of the remaining installments, in which event the conditionally offset portion of the administrative penalty shall become immediately due and payable without demand or notice. The acceleration of any remaining balance constitutes the failure by Respondent to timely and satisfactorily comply with all the terms of this Agreed Order, and the Executive Director may require Respondent to pay all or part of the conditionally offset administrative penalty.

Respondent paid five thousand eight hundred twenty-seven dollars (\$5,827.00) of the administrative penalty.

6. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.
7. The Executive Director of the TCEQ and Respondent agree on a settlement of the matters addressed in this Agreed Order, subject to the approval of the Commission.
8. The Executive Director recognizes that Respondent implemented the following corrective measures at the Plant:
 - a. Revised CITGO Piping Specification M-200 to account for the effect of forces by June 29, 2010;
 - b. Added a "Sensitivity Analysis" to the Engineering Standard for design calculations to include insulation density by June 29, 2010;
 - c. Modified piping spring hanger system for inlet line to account for higher weight values by February 15, 2010;
 - d. Conducted an engineering review of #4 and #5 Platformer/Reactor piping circuits including flange loading that resulted in the implementing equipment modifications to the piping circuits by July 9, 2010; and
 - e. Modified #5 Platformer Emergency Shutdown Procedures to reflect immediate lowering of the heat input to the process while preventing flaring from the fuel gas mix drum due to sudden drop in fuel gas demand by March 8, 2010.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable, and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

1. During an investigation conducted on December 30, 2009 through April 1, 2010, a TCEQ Corpus Christi Regional Office investigator documented that Respondent:
 - a. Failed to prevent unauthorized emissions. Specifically, Respondent released 690.2 pounds ("lbs") of carbon monoxide ("CO"), 125 lbs of nitrogen oxide ("NOx"), and 1,149.89 lbs of volatile organic compounds ("VOC"), including 218.7 lbs of hazardous air pollutants ("HAP"), from the inlet flange on Reactor No. 546V001 at the No. 5 Platformer Unit and the West Plant's Emergency Flare ("EPN 573-ME-1") during an emissions event (Citgo Incident No. 122509-03) that began on December 25, 2009, and lasted for five hours and 39 minutes. The unauthorized release was the result of leaking flanges at the No. 5 Platformer Unit, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b), and 116.115(c), TCEQ Air Permit Nos. 8778A and PSD-TX-408M3, Special Condition ("SC") No. 1, and TCEQ Air Permit Nos. 7741A and PSD-TX-337M1, SC No. 1. The TCEQ determined that this emissions event could have been avoided by better design, air pollution equipment was not maintained and operated in the proper manner, prompt action was not taken to achieve compliance, the duration of the event was not minimized and the event appears to be part of a frequent or reoccurring pattern.
 - b. Failed to prevent unauthorized emissions. Specifically, Respondent released 9,508.22 lbs of VOCs, including 7,281.12 lbs of HAPs, 40.5 lbs of CO, 5 lbs of NOx from one flange on each of two heat exchangers (Nos. 546E001A and B), inlet flange on Reactor No. 546V001, and the inlet flange on Reactor No. 546V002 at the No. 5 Platformer Unit and EPN 573-ME-1 during an avoidable emissions event (TCEQ Incident Nos. 133840-133842) that began on December 30, 2009, over a 14 hour period. The unauthorized release was the result of leaking flanges at the No. 5 Platformer Unit, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b), and 116.115(c), TCEQ Air Permit Nos. 8778A and PSD-TX-408M3, SC No. 1, and TCEQ Air Permit Nos. 7741A and PSD-TX-337M1, SC No.1. The TCEQ determined that this emissions event could have been avoided by better design, air pollution equipment was not maintained and operated in the proper manner, prompt action was not taken to achieve compliance, the duration of the event was not minimized, the event appears to be part of a frequent or reoccurring pattern and the event was not properly recorded/reported; and
 - c. Failed to make a complete record of TCEQ Incident No. 133842. Specifically, Respondent failed to include the emissions from EPN 573-ME-1 in the non-reportable emissions event record, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b), 30 TEX. ADMIN. CODE §§ 101.201(b)(2)(D), 101.201(b)(2)(G), 101.201(b)(2)(H), and 122.143(4), and Federal Operating Permit No. O-01420, Special Term and Conditions No. 1A.
2. Respondent received notice of the violations on or about September 5, 2010.

III. DENIALS

Respondent generally denies each Allegation in Section II.

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Respondent pay an administrative penalty as set forth in Section I, Paragraph 5. The payment of this administrative penalty and Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the Allegations in Section II. The Commission shall not be constrained in any manner from considering or requiring corrective actions or penalties for violations which are not raised here.
2. Respondent shall implement and complete a SEP as set forth in Section I, Paragraph 5. The amount of five thousand eight hundred twenty-six dollars (\$5,826.00) of the assessed administrative penalty is conditionally offset based on the condition that Respondent implement and complete a SEP pursuant to the terms and conditions contained in the SEP Agreement, as defined in Attachment A. Respondent'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
3. Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, Respondent shall implement measures and procedures designed to ensure the proper recording of emissions events.
 - b. Within 45 days after the effective date of this Agreed Order, Respondent shall submit written certification and detailed supporting documentation, in accordance with Ordering Provision No. 3.c, below, to demonstrate compliance with Ordering Provision No. 3.a.
 - c. The certification required by these Ordering Provisions shall be accompanied by detailed supporting documentation, including photographs, receipts, and/or other records, shall be notarized by a State of Texas Notary Public, and shall 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."

Respondent shall submit the written certification and supporting documentation necessary to demonstrate compliance with these Ordering Provisions to:

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

and:

Rosario Torres, Acting Air Section Manager
Texas Commission on Environmental Quality
Corpus Christi Regional Office
6300 Ocean Drive, Suite 1200, Unit 5839
Corpus Christi, Texas 78412-5839

4. All relief not expressly granted in this Agreed Order is denied.
5. The duties and provisions imposed by this Agreed Order shall apply to and be binding upon Respondent. Respondent is ordered to give notice of this Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
6. If Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Respondent's failure to comply is not a violation of this Agreed Order. Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Respondent shall notify the Executive Director within seven days after Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
7. 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 Respondent shall be made in writing to the Executive Director. Extensions are not effective until Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
8. This Agreed Order, issued by the Commission, shall not be admissible against Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
9. 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.

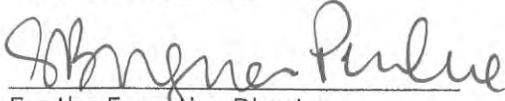
Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are 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 which 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.

10. Pursuant to 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 Respondent, or three days after the date on which the Commission mails notice of this Agreed Order to Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

3/8/2012

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 CITGO Refining and Chemicals Company 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 failure to comply with the Ordering Provisions in this order and/or failure to timely pay the penalty amount may result in:

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

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



Signature

7/20/11

Date

ARTHUR G. LONDON

Name (Printed or typed)

Authorized representative of

CITGO Refining and Chemicals Company L.P.

VP & GM Corpus Christi Refinery

Title

Attachment A
Docket Number: 2010-1555-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	CITGO Refining and Chemicals Company L.P.
Penalty Amount:	Eleven Thousand Six Hundred Fifty-Three Dollars (\$11,653)
SEP Offset Amount:	Five Thousand Eight Hundred Twenty-Six Dollars (\$5,826)
Type of SEP:	Contribution to a Pre-Approved SEP
Third-Party Recipient:	Texas A&M University-Corpus Christi
Project Name:	<i>Texas A&M University-Corpus Christi AutoCheck Program</i>
Location of SEP:	Nueces County

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 a Supplemental Environmental Project (“SEP”). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to the **Texas A&M University-Corpus Christi** for the *Texas A&M University-Corpus Christi AutoCheck Program* SEP to be used as set forth in an agreement between the Third-Party Recipient and the TCEQ (the “Project”). Specifically, the contribution will be used to implement the AutoCheck Program. The AutoCheck Program is a program that tests vehicle exhaust emissions, including hydrocarbons, carbon monoxide, carbon dioxide, and nitrogen oxides. When a vehicle is found to have high exhaust emissions, the owner is given a voucher to take the vehicle for a checkup at one of the program’s certified auto shops. The vehicle owner may choose the approved auto shop from a list composed by AutoCheck. Mechanics at the auto shop thoroughly check the vehicle and determine the problem. The mechanic reports the problem to AutoCheck personnel who authorize the recommended repairs. Once the vehicle is repaired, a post-repair test is conducted to document the reduction in emissions. These activities are performed at no cost to the owner of the vehicle. The SEP Offset Amount shall be used only to pay for certain direct costs specified in the Agreement between the TCEQ and the Third-Party Recipient.

All dollars contributed will be used solely for the direct cost of the Project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

Respondent’s signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by providing a direct reduction in air emissions from vehicles in the Corpus Christi Urban Air Shed.

C. Minimum Expenditure

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

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient. Respondent shall make the check payable to **Texas A&M University-Corpus Christi SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas A&M University-Corpus Christi
Pollution Prevention Partnership
Attention: Gretchen Arnold
6300 Ocean Drive, NRC #2200
Corpus Christi, Texas 78412

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the TCEQ Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the 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
PO Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Section 2 and 3 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to complete the project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and shall include on the check the docket number of this Agreed Order and note that it is for reimbursement of a SEP. Respondent shall make the check payable to "Texas Commission on Environmental Quality" and shall mail it to:

Texas Commission on Environmental Quality
Office of Legal Services
Attention: SEP Coordinator, MC 175
PO Box 13087
Austin, Texas 78711-3087

5. Publicity

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

6. Clean Texas Program

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

7. Other SEPs by TCEQ or Other Agencies

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