

EXECUTIVE SUMMARY – ENFORCEMENT MATTER – CASE No. 48911
CITGO Refining and Chemicals Company L.P.
RN100238799
Docket No. 2014-0911-AIR-E

Order Type:

Agreed Order

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: None
Past-Due Penalties: None
Past-Due Fees: None
Other: None
Interested Third-Parties: None

Texas Register Publication Date: July 17, 2015

Comments Received: None

Penalty Information

Total Penalty Assessed: \$11,626

Total Paid to General Revenue: \$11,626

Total Due to General Revenue: \$0

**Supplemental Environmental Project
("SEP") Conditional Offset:** N/A

Compliance History Classifications:

Person/CN – Satisfactory
Site/RN – Satisfactory

Major Source: Yes

Statutory Limit Adjustment: None

Applicable Penalty Policy: April 2014

Docket No. 2014-0911-AIR-E

Investigation Information

Complaint Date(s): N/A
Date(s) of Investigation: May 21, 2014
Date(s) of NOV(s): N/A
Date(s) of NOE(s): N/A

Violation Information

1. Failed to prevent unauthorized emissions (Incident No. 169414 - 6,038.49 lbs. of sulfur dioxide ("SO₂"), 48.8 lbs. of volatile organic compounds ("VOC"), 47.7 lbs. of carbon monoxide ("CO"), 6.6 lbs. of nitrogen oxides ("NO_x"), and 1.1 lbs. of hydrogen sulfide ("H₂S") from eleven Emission Point Numbers ("EPNs") during an emissions event that began on June 7, 2012, and lasted ten hours and thirty minutes) [TEX. HEALTH & SAFETY CODE § 382.085(b); 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4); Federal Operating Permit ("FOP") O1420, General Terms and Conditions, Special Terms and Conditions ("STC") No. 13, New Source Review ("NSR") Permit Nos. 8778A and PSDTX408M3, Special Condition ("SC") No. 1; and NSR Permit Nos. 7741A and PSDTX337M1, SC No. 1].
2. Failed to prevent unauthorized emissions (Incident No. 177474 - 2,594.6 lbs. of SO₂, 32.9 lbs. of VOC, 24.2 lbs. of CO, 4.7 lbs. of NO_x, and 6.38 lbs. of H₂S from eleven EPNs during an emissions event that began on December 27, 2012, and lasted ten hours) [TEX. HEALTH & SAFETY CODE § 382.085(b); 30 TEX. ADMIN. CODE §§ 101.20(3); 116.115(b)(2)(F) and (c), and 122.143(4); FOP O1420, General Terms and Conditions, STC No. 13; NSR Permit Nos. 8778A and PSDTX408M2, SC No. 1; and NSR Permit Nos. 7741A and PSDTX337M1, SC No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

1. Regarding the June 7, 2012 event (Incident No. 169414), as of March 31, 2014:
 - a. Replaced the leaking amine regenerator overhead condenser to stop the cooling water leak;
 - b. Cleaned the fuel gas absorber trays that were fouled;
 - c. Added pressure drop instrumentation on the amine filters; and
 - d. After investigation into the matter, upgraded the metallurgy for the regenerator overhead condenser from carbon steel shell and tubes to stainless steel.
2. Regarding the December 27, 2012 event (Incident No. 177474), as of January 31, 2013:
 - a. Removed from service the faulty 480V Power Factor Capacitor bank; and
 - b. Eliminated use of all 480V Capacitor Banks by upgrading to 12kV capacitors.

Technical Requirements:

N/A

Litigation Information

Date Petition(s) Filed: December 16, 2014
Date Answer Filed: January 23, 2015
SOAH Referral Date: February 25, 2015
Hearing Date(s):
Preliminary hearing: April 9, 2015 (waived)
Evidentiary hearing: June 30, 2015 (scheduled)
Settlement Date: June 1, 2015

EXECUTIVE SUMMARY – ENFORCEMENT MATTER – CASE No. 48911
CITGO Refining and Chemicals Company L.P.
RN100238799
Docket No. 2014-0911-AIR-E

Contact Information

TCEQ Attorneys: Jennifer Cook, Litigation Division, (512) 239-3400
Lena Roberts, Litigation Division, (512) 239-3400
Rudy Calderon, Public Interest Counsel, (512) 239-6363

TCEQ Enforcement Coordinator: David Carney, Enforcement Division, (512) 239-2583

TCEQ Regional Contact: Kelly Ruble, Corpus Christi Regional Office, (361) 825-3100

Respondent Contact: Arthur Loudon, Vice President, CITGO Refining and Chemicals Company
L.P., PO Box 9176, Corpus Christi, Texas 78469

Respondent's Attorney: Paul Seals, Guida, Slavich & Flores, P.C., 816 Congress Avenue, Suite
1500, Austin, Texas 78701

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Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	2-Jun-2014	Screening	30-Jun-2014	EPA Due	24-Feb-2015
	PCW	18-May-2015				

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.	48911	No. of Violations	2
Docket No.	2014-0911-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	David Carney
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$7,500
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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	80.0% Enhancement	Subtotals 2, 3, & 7	\$6,000
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Notes: Enhancement for four agreed orders with denial of liability.

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	-\$1,874
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$955
 Estimated Cost of Compliance: \$20,000
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$11,626
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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	\$11,626
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$11,626
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DEFERRAL	0.0% 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: Deferral not offered for non-expedited settlement.

PAYABLE PENALTY	\$11,626
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Screening Date 30-Jun-2014

Docket No. 2014-0911-AIR-E

PCW

Respondent CITGO Refining and Chemicals Company L.P.

Policy Revision 4 (April 2014)

Case ID No. 48911

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100238799

Media [Statute] Air

Enf. Coordinator David Carney

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>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	4	80%
	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 judgments 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>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
<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) 80%

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

No

Adjustment Percentage (Subtotal 3) 0%

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

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes

Enhancement for four agreed orders with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 80%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 80%

Screening Date 30-Jun-2014

Docket No. 2014-0911-AIR-E

PCW

Respondent CITGO Refining and Chemicals Company L.P.

Policy Revision 4 (April 2014)

Case ID No. 48911

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100238799

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), Federal Operating Permit ("FOP") O1420, General Terms and Conditions, Special Terms and Conditions ("STC") No. 13, New Source Review ("NSR") Permit Nos. 8778A and PSDTX408M3, Special Condition ("SC") No. 1, NSR Permit Nos. 7741A and PSDTX337M1, SC No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 6,038.49 pounds ("lbs") of sulfur dioxide ("SO2"), 48.8 lbs of volatile organic compounds ("VOC"), 47.7 lbs of carbon monoxide ("CO"), 6.6 lbs of nitrogen oxides ("NOx"), and 1.1 lbs of hydrogen sulfide ("H2S") from eleven Emission Point Numbers ("EPNs") during an emissions event (Incident No. 169414) that began on June 7, 2012 and lasted ten hours and thirty minutes. The emissions event occurred when fouling of the amine system caused an increase in SO2 from the incinerator and an increase in H2S in the fuel gas which in turn caused an increase in SO2 concentration from the Citgo West Plant Heaters. Since this emissions event was not properly reported, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), Percent (15.0%). Includes 'OR' label.

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, Percent (0.0%). Includes Matrix Notes: Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Table for Violation Events with columns: Number of Violation Events (1), Number of violation days (1), and frequency options (daily, weekly, monthly, quarterly, semiannual, annual, single event). Includes 'mark only one with an x' instruction.

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction \$937

Table for Good Faith Efforts to Comply with columns: Before NOE/NOV, NOE/NOV to EDPRP/Settlement Offer, and rows: Extraordinary, Ordinary, N/A.

Notes The Respondent came into compliance on March 31, 2014.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$907 Violation Final Penalty Total \$5,813

This violation Final Assessed Penalty (adjusted for limits) \$5,813

Economic Benefit Worksheet

Respondent CITGO Refining and Chemicals Company L.P.
Case ID No. 48911
Reg. 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				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-Jun-2012	31-Mar-2014	1.81	\$907	n/a	\$907

Notes for DELAYED costs
 Estimated cost to replace and upgrade the heat exchanger tube bundle and shell for the Amine Regenerator Overhead Condenser (555-E-05) in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 169414. The Date Required is the date of the emissions event and the Final Date is the compliance date.

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 \$907

Screening Date 30-Jun-2014

Docket No. 2014-0911-AIR-E

PCW

Respondent CITGO Refining and Chemicals Company L.P.

Policy Revision 4 (April 2014)

Case ID No. 48911

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100238799

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP O1420, General Terms and Conditions, STC No. 13, NSR Permit Nos. 8778A and PSDTX408M2, SC No. 1, NSR Permit Nos. 7741A and PSDTX337M1, SC No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,594.6 lbs of SO2, 32.9 lbs of VOC, 24.2 lbs of CO, 4.7 lbs of NOx, and 6.38 lbs of H2S from eleven EPNs during an emissions event (Incident No. 177474) that began on December 27, 2012 and lasted ten hours. The emissions event occurred when a power outage resulted in a partial shutdown of the Plant's Sulfur Recovery Unit causing an increase in H2S in the fuel gas and an increase in SO2 concentration levels from the unit's heater stacks. Since this emissions event was not properly reported, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual			x	15.0%
	Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 1 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$937

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes The Respondent came into compliance on January 31, 2013.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$48

Violation Final Penalty Total \$5,813

This violation Final Assessed Penalty (adjusted for limits) \$5,813

Economic Benefit Worksheet

Respondent CITGO Refining and Chemicals Company L.P.
Case ID No. 48911
Reg. 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)	\$10,000	27-Dec-2012	31-Jan-2013	0.10	\$48	n/a	\$48

Notes for DELAYED costs
 Estimated cost to take all of the 480 Volt Power Factor Capacitor Banks out of service and to upgrade the capacitor banks to 12,000 volts in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 177474. The Date Required is the date of the emissions event and the Final Date is the compliance date.

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 \$48

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



Compliance History Report

PUBLISHED Compliance History Report for CN600127922, RN100238799, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN600127922, CITGO Refining and Chemicals Company L.P. **Classification:** SATISFACTORY **Rating:** 9.05

Regulated Entity: RN100238799, CITGO Corpus Christi Refinery- West Plant **Classification:** SATISFACTORY **Rating:** 14.33

Complexity Points: 17 **Repeat Violator:** NO

CH Group: 02 - Oil and Petroleum Refineries

Location: 7350 Interstate Highway 37, CORPUS CHRISTI, TX 78409-2812, NUECES COUNTY

TCEQ Region: REGION 14 - CORPUS CHRISTI

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 ACCOUNT NUMBER NE0192F

AIR NEW SOURCE PERMITS EPA PERMIT 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

AIR NEW SOURCE PERMITS REGISTRATION 108020

AIR NEW SOURCE PERMITS REGISTRATION 117179

AIR NEW SOURCE PERMITS REGISTRATION 113569

AIR EMISSIONS INVENTORY ACCOUNT NUMBER NE0192F

POLLUTION PREVENTION PLANNING ID NUMBER P00138

INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50353

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 33763

IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 33763

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: June 30, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: June 30, 2009 to June 30, 2014

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: David Carney

Phone: (512) 239-2583

Site and Owner/Operator History:

- 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 for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 **Effective Date:** 08/23/2009 **ADMINORDER** 2002-0290-AIR-E (1660 Order-Agreed Order With Denial)
 - 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 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.

2 Effective Date: 10/04/2009 ADMINORDER 2009-0340-AIR-E (1660 Order-Agreed Order With Denial)

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.

3 Effective Date: 10/25/2010 ADMINORDER 2010-0644-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate
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 B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: NSR 8778A - SC 1 PA
Description: Failed to prevent unauthorized emissions during Incident Nos. 128161 and 128357.

4 Effective Date: 04/23/2012 ADMINORDER 2010-1555-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Condition No. 1 PA
Description: 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 ("VOCs"), including 218.7 lbs of hazardous air pollutants ("HAPs"), 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.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(2)(D)
30 TAC Chapter 101, SubChapter F 101.201(b)(2)(G)
30 TAC Chapter 101, SubChapter F 101.201(b)(2)(H)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Terms & Conditions (ST&C) 1A OP
Description: Failed to make a complete record of Incident No. 133842. Specifically, the Respondent failed to include the emissions from EPN 573-ME-1 in the non-reportable emissions event record.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Permit 7741A/PSD-TX-337M1, Spec Cond 1 PERMIT
Permit 8778A/PSD-TX-408M3, Spec Cond 1 PERMIT
Description: Failed to prevent unauthorized emissions. Specifically, Respondent released 9,500.22 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), the 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 emissions event (TCEQ Incident Nos. 133840-133842) that began on December 30, 2009, over a 14 hour period.

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B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	August 26, 2009	(764516)
Item 2	November 12, 2010	(870030)
Item 3	December 22, 2010	(879488)
Item 4	April 01, 2011	(891800)
Item 5	August 16, 2011	(937009)
Item 6	November 16, 2011	(964144)
Item 7	May 29, 2012	(1007784)
Item 8	August 01, 2012	(1022613)
Item 9	August 09, 2013	(1100647)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



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

**§
§
§
§
§
§**

**BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY**

AGREED ORDER

DOCKET NO. 2014-0911-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, 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 Paul Seals of the law firm Guida, Slavich & Flores, P.C., 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. The Executive Director and Respondent agree that TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, 7.070, and 7.073, and that Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of eleven thousand six hundred twenty-six dollars (\$11,626.00) is assessed by the Commission in settlement of the violations alleged in Section II. Respondent paid eleven thousand six hundred twenty-six dollars (\$11,626.00) of the penalty.
5. The Executive Director and Respondent agree on a settlement of the matters addressed in this Order, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). 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.
6. 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 contained in this Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable, and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.

8. This Order shall terminate five years from its effective date or upon full compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that Respondent implemented the following corrective measures at the Plant:
 - a. Regarding the June 7, 2012 event (Incident No. 169414), as of March 31, 2014:
 - i. Replaced the leaking amine regenerator overhead condenser to stop the cooling water leak;
 - ii. Cleaned the fuel gas absorber trays that were fouled;
 - iii. Added pressure drop instrumentation on the amine filters; and
 - iv. After investigation into the matter, upgraded the metallurgy for the regenerator overhead condenser from carbon steel shell and tubes to stainless steel.
 - b. Regarding the December 27, 2012 event (Incident No. 177474), as of January 31, 2013:
 - i. Removed from service the faulty 480V Power Factor Capacitor bank; and
 - ii. Eliminated use of all 480V Capacitor Banks by upgrading to 12kV capacitors.

II. ALLEGATIONS

1. During a record review conducted on May 21, 2014, an investigator documented that Respondent:
 - a. Failed to prevent unauthorized emissions, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b); 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4); Federal Operating Permit ("FOP") O1420, General Terms and Conditions, Special Terms and Conditions ("STC") No. 13, New Source Review ("NSR") Permit Nos. 8778A and PSDTX408M3, SC No. 1; and NSR Permit Nos. 7741A and PSDTX337M1, Special Condition ("SC") No. 1. Specifically, Respondent released 6,038.49 pounds ("lbs.") of sulfur dioxide ("SO₂"), 48.8 lbs. of volatile organic compounds ("VOC"), 47.7 lbs. of carbon monoxide ("CO"), 6.6 lbs. of nitrogen oxides ("NOx"), and 1.1 lbs. of hydrogen sulfide ("H₂S") from eleven Emission Point Numbers ("EPNs") during an emissions event (Incident No. 169414) that began on June 7, 2012 and lasted ten hours and thirty minutes. The emissions event occurred when fouling of the amine system caused an increase in SO₂ from the incinerator and an increase in H₂S in the fuel gas, which in turn caused an increase in SO₂ concentration from the Citgo West Plant Heaters; and
 - b. Failed to prevent unauthorized emissions, in violation of TEX. HEALTH & SAFETY CODE § 382.085(b); 30 TEX. ADMIN. CODE §§ 101.20(3); 116.115(b)(2)(F) and (c), and 122.143(4); FOP O1420, General Terms and Conditions, STC No. 13; NSR Permit Nos. 8778A and PSDTX408M2, SC No. 1; and NSR Permit Nos. 7741A and PSDTX337M1, SC No. 1. Specifically, Respondent released 2,594.6 lbs. of SO₂, 32.9 lbs. of VOC, 24.2 lbs. of CO, 4.7 lbs. of NOx, and 6.38 lbs. of H₂S from eleven EPNs during an emissions event (Incident No. 177474) that began on December 27, 2012 and lasted ten hours. The emissions event occurred when a power outage resulted in a partial shutdown of the Plant's Sulfur Recovery Unit, causing an increase in H₂S in the fuel gas and an increase in SO₂ concentration levels from the unit's heater stacks.

III. DENIALS

Respondent generally denies each Allegation in Section II.

IV. ORDERING PROVISIONS

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

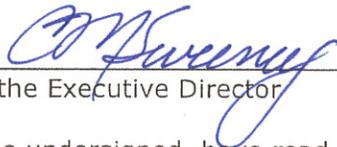
1. Respondent is assessed an administrative penalty as set forth in Section I, Paragraph 4. The payment of this penalty and Respondent's compliance with all of the requirements set forth in this Order resolve only the Allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations which are not raised here.
2. All relief not expressly granted in this Order is denied.
3. The duties and provisions imposed by this Order shall apply to and be binding upon Respondent. Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.
4. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this 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.
5. If Respondent fails to comply with any of the Ordering Provisions in this 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 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.
6. This 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 Order, or (2) pursue violations of a statute within TCEQ's jurisdiction or of a rule adopted or an order or permit issued by the TCEQ under such a statute.
7. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this 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 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.

8. Pursuant to 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Order is the date of hand delivery of the fully executed Order to Respondent, or three days after the date on which the Commission mails a copy of the fully executed Order to Respondent, whichever is earlier. The Chief Clerk shall provide a copy of the fully executed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

July 20, 2015
Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, 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 - Doyle P. Dommert, Vice President
CITGO Refining and Chemicals Company L.P.
P.O. Box 9176
Corpus Christi, Texas 78469

6-1-2015
Date

If mailing address has changed, please check this box and provide the new address below:
