



October 22, 2012

Mr. Santos Olivarez
TCEQ Air Quality Division, MC-206
P.O. Box 13087
Austin, Texas 78711-3087
Facsimile: 512-239-5687
e-mail: Santos.Olivarez@tceq.texas.gov

RE: Chapter 115 Stakeholder Group – Stage II

Dear Mr. Olivarez:

Valero Retail Holdings, Inc. (VRHI) owns and operates over 600 Retail PST facilities in Texas. Approximately 300 have Stage II Vapor Recovery. Pursuant to my attendance at the October 11, 2012 Chapter 115 – Stage II Stakeholder meeting, I am providing the following comments concerning the decommissioning of Stage II in Texas:

1. Timeframe

- a) VRHI recommends starting the decommissioning process no later than June 30th, 2013 and establishment of a completion date no later than December 31, 2014. Since the completion of ORVR compatibility upgrades required in 2007, the useful lifespan of existing equipment has been reached or is quickly approaching; therefore, any delay in the decommissioning process would be a financial and operational burden to owners/operators. By providing a decommissioning “window”, owners/operators could determine the opportune time (financially and operationally) to remove equipment from specific facilities.

2. Estimated Costs

- a) VRHI provides the estimated decommissioning costs below per dispenser:
- Cost based on a 4 Dispenser / One hose per side site:
 - 4 Dispensers x \$ 344 per dispenser = \$ 1,376
 - 4 hours labor @ \$ 65 to disconnect Stage II line at Dispenser and install Hanging hardware.
Total cost to do a 4 dispenser site = \$ 1,636.00

 - Cost based on a 6 Dispenser / One hose per side site:
 - 6 Dispensers x \$ 344 per dispenser = \$ 2,064
 - 6 hours labor @ \$ 65 to disconnect Stage II line at dispenser and install Hanging hardware.
Total cost to do a 6 dispenser site = \$ 2,454.00



- b) Additional costs would be encountered if capping of vapor recovery return lines is required at the tank end. Valero does not endorse this practice but doing so where the lines are accessible could be beneficial.
- c) Additional costs (\$250 - \$350) could be encountered if pressure decay testing is required after decommissioning.

3. Decommissioning Process

- a) Owner/Operator to provide 10 day "Pre – decommissioning Notice" required by TCEQ. This would enable the agency an opportunity to witness the activities.
- b) Utilize decommissioning procedure established by TCEQ stakeholders or Industry recognized organization (PEI, etc.).
- c) Pressure decay testing upon completion. This could possibly be eliminated due to the required Triennial (once every three years) NESHAP Stage I VR testing.
- d) Submittal of standardized decommissioning checklist to TCEQ.
- e) Owners/Operators are required to update TCEQ registration. This may not be necessary as the TCEQ Registration & Self-certification form (7-16-2012) no longer has Stage II VR information.

4. Recordkeeping

- a) Owners/Operators are required to maintain decommissioning documentation for 5 years after completion.

5. Equipment/Vendor Availability

- a) VRHI does not anticipate equipment and/or vendor availability if a decommissioning window is allowed as outlined in section 1.

Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "John B. Willrodt".

John B. Willrodt
Director, Retail Environmental
Valero Retail Holdings, Inc.
John.willrodt@valero.com
210-345-4235