

**Executive Summary – Enforcement Matter – Case No. 60450**  
**Valero Energy Partners LP**  
**RN109734897**  
**Docket No. 2021-0340-AIR-E**

**Order Type:**

Findings Agreed Order

**Findings Order Justification:**

Unauthorized emissions which are excessive emissions events.

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Valero Corpus Christi Refinery East Plant, 1300 Cantwell Lane, Corpus Christi, Nueces County

**Type of Operation:**

Petroleum refinery

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** July 8, 2022

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$67,500

**Total Paid to General Revenue:** \$33,750

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Supplemental Environmental Project (“SEP”) Conditional Offset:** \$33,750

Name of SEP: Texas Congress of Parents and Teachers dba Texas PTA (Third-Party Pre-Approved)

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - High

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** July 14,2020 through August 4, 2020

**Date(s) of NOE(s):** January 25, 2021

**Executive Summary – Enforcement Matter – Case No. 60450**  
**Valero Energy Partners LP**  
**RN109734897**  
**Docket No. 2021-0340-AIR-E**

***Violation Information***

Failed to prevent unauthorized emissions. The emissions event was determined to be an excessive emissions event [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 135622, Special Conditions No. 1, Federal Operating Permit No. O4012, General Terms and Conditions and Special Terms and Conditions No. 17, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent implemented the following corrective measures to address the excessive emissions event and to prevent the recurrence of emissions events due to the same or similar causes as the excessive emissions event that began on June 3, 2020 (Incident No. 336514):

- a. By revising the checklist for the five-year External Inspection Program to include a specific requirement to review and verify the operability of the roof drains by December 15, 2020;
- b. By revising the checklist for the Annual Seal Gap Inspection Program to include a specific requirement to review and verify the status/operability of the EFR pontoons by December 23, 2020;
- c. By implementing an electronic task tracker that will automatically notify the Environmental Department when an Operator Survey identifies a pontoon issue or water accumulation on an EFR tank by February 10, 2021;
- d. By implementing the use of forward-looking infrared camera visual surveys along with Air Petroleum Institute 653 inspectors during annual EFR inspections by June 1, 2021; and
- e. By conducting refresher training on risk assessment with essential personnel by December 16, 2021.

**Technical Requirements:**

The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).

**Executive Summary – Enforcement Matter – Case No. 60450**  
**Valero Energy Partners LP**  
**RN109734897**  
**Docket No. 2021-0340-AIR-E**

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Yuliya Dunaway, Enforcement Division, Enforcement Team 2, MC R-13, (210) 403-1077; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

**TCEQ SEP Coordinator:** Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

**SEP Third-Party Administrator:** Texas PTA, 408 West 11th Street, Austin, Texas 78701

**Respondent:** Kevin Lassahn, Vice President and General Manager, Valero Energy Partners LP, 1300 Cantwell Lane, Corpus Christi, Texas 78407

**Respondent's Attorney:** N/A



# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

<b>DATES</b>	<b>Assigned</b>	2-Mar-2021	<b>Screening</b>	3-Mar-2021	<b>EPA Due</b>	24-Jul-2021
	<b>PCW</b>	30-Mar-2022				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Valero Energy Partners LP
<b>Reg. Ent. Ref. No.</b>	RN109734897
<b>Facility/Site Region</b>	14-Corpus Christi
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	60450	<b>No. of Violations</b>	1
<b>Docket No.</b>	2021-0340-AIR-E	<b>Order Type</b>	Findings
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Margarita Dennis
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	<b>\$75,000</b>
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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.

<b>Compliance History</b>	<b>0.0%</b> Adjustment	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$0</b>
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Notes: Since the reduction for four notices of intent to conduct an audit is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero.

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

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	<b>-\$7,500</b>
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<b>Economic Benefit</b>	<b>0.0%</b> Enhancement*	<b>Subtotal 6</b>	<b>\$0</b>
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Total EB Amounts	\$3,842
Estimated Cost of Compliance	\$50,000

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	<b>\$67,500</b>
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	<b>0.0%</b> Adjustment	<b>\$0</b>
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

<b>Final Penalty Amount</b>	<b>\$67,500</b>
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	<b>\$67,500</b>
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<b>DEFERRAL</b>	<b>0.0%</b> Reduction	<b>Adjustment</b>	<b>\$0</b>
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

No deferral is recommended for Findings Orders.

<b>PAYABLE PENALTY</b>	<b>\$67,500</b>
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**Screening Date** 3-Mar-2021

**Docket No.** 2021-0340-AIR-E

**PCW**

**Respondent** Valero Energy Partners LP

*Policy Revision 4 (April 2014)*

**Case ID No.** 60450

*PCW Revision March 26, 2014*

**Reg. Ent. Reference No.** RN109734897

**Media** Air

**Enf. Coordinator** Margarita Dennis

### Compliance History Worksheet

**>> Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Number	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> )	0	0%
	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> )	4	-4%
	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%
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)** 0%

**>> 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**

Since the reduction for four notices of intent to conduct an audit is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 0%

**>> Final Compliance History Adjustment**

**Final Adjustment Percentage \*capped at 100%** 0%

**Screening Date** 3-Mar-2021  
**Respondent** Valero Energy Partners LP  
**Case ID No.** 60450  
**Reg. Ent. Reference No.** RN109734897  
**Media** Air  
**Enf. Coordinator** Margarita Dennis

**Docket No.** 2021-0340-AIR-E

**PCW**

*Policy Revision 4 (April 2014)*  
*PCW Revision March 26, 2014*

**Violation Number** 1

**Rule Cite(s)** 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review Permit No. 135622, Special Conditions No. 1, Federal Operating Permit No. O4012, General Terms and Conditions and Special Terms and Conditions No. 17, and Tex. Health & Safety Code § 382.085(b)

**Violation Description** Failed to prevent unauthorized emissions. Specifically, the Respondent released 74,136.80 pounds ("lbs") of volatile organic compounds and 1,112.10 lbs of hydrogen sulfide as fugitive emissions, during an emissions event (Incident No. 336514) that began on June 3, 2020 and lasted 63 hours and 10 minutes. The emissions event occurred when a significant rain event, the accumulation of storm water, and the wind affected the external floating roof ("EFR") buoyancy that caused a portion of the EFR for Tank 205 to become partially submerged, resulting in the release to the atmosphere. The emissions event was determined to be an excessive emissions event.

**Base Penalty** \$25,000

**>> Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	x			100.0%
	Potential				

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
					0.0%

**Matrix Notes** Based on the Air Quality Analysis Audit performed on the air dispersion modeling that was provided by the Respondent, human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

**Adjustment** \$0

\$25,000

**Violation Events**

Number of Violation Events 3 3 Number of violation days

daily	x
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	

**Violation Base Penalty** \$75,000

Three daily events are recommended.

**Good Faith Efforts to Comply**

10.0%

Reduction \$7,500

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

Extraordinary	
Ordinary	x
N/A	

**Notes** The Respondent completed the corrective actions by December 16, 2021, after the Notice of Enforcement dated January 25, 2021.

**Violation Subtotal** \$67,500

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$3,842

**Violation Final Penalty Total** \$67,500

**This violation Final Assessed Penalty (adjusted for limits)** \$67,500

## Economic Benefit Worksheet

**Respondent** Valero Energy Partners LP  
**Case ID No.** 60450  
**Reg. Ent. Reference No.** RN109734897  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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### 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)	\$50,000	3-Jun-2020	16-Dec-2021	1.54	\$3,842	n/a	\$3,842

#### Notes for DELAYED costs

Estimated cost to revise the checklist for the five-year External Inspection Program to include a specific requirement to review and verify the operability of the roof drains, revise the checklist for the Annual Seal Gap Inspection Program to include a specific requirement to review and verify the status/operability of the EFR pontoons, implement an electronic task tracker that will automatically notify the Environmental Department when an Operator Survey identifies a pontoon issue or water accumulation on an EFR tank, implement the use of forward looking infrared camera visual surveys along with Air Petroleum Institute 653 inspectors during annual EFR inspections, and conduct refresher training on risk assessment with essential personnel in order to address the excessive emissions event and to prevent the recurrence of emissions events due to the same or similar causes as the excessive emissions event that began on June 3, 2020 (Incident No. 336514). Date Required is the date the emissions event began. Final Date is the date of compliance.

### Avoided Costs

#### ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

#### Notes for AVOIDED costs

Approx. Cost of Compliance

\$50,000

**TOTAL**

\$3,842



# Compliance History Report

Compliance History Report for CN604780486, RN109734897, Rating Year 2021 which includes Compliance History (CH) components from September 1, 2016, through August 31, 2021.

**Customer, Respondent, or Owner/Operator:** CN604780486, Valero Energy Partners LP **Classification:** SATISFACTORY **Rating:** 3.44

**Regulated Entity:** RN109734897, Valero Corpus Christi Refinery East Plant **Classification:** HIGH **Rating:** 0.00

**Complexity Points:** 10 **Repeat Violator:** NO

**CH Group:** 02 - Oil and Petroleum Refineries

**Location:** 1300 Cantwell Lane, Corpus Christi, Nueces County, Texas 78407-1710

**TCEQ Region:** REGION 14 - CORPUS CHRISTI

**ID Number(s):**

<b>AIR OPERATING PERMITS</b> PERMIT 4012	<b>AIR NEW SOURCE PERMITS</b> AFS NUM 4835501693
<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 164625	<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 99899
<b>AIR NEW SOURCE PERMITS</b> PERMIT 135622	<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 125037
<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 105635	<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 146599
<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 107521	<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 156113
<b>LEAKING PETROLEUM STORAGE TANKS REMEDIATION</b> ID NUMBER 111103	<b>AIR EMISSIONS INVENTORY</b> ACCOUNT NUMBER NEA036J

**Compliance History Period:** September 01, 2016 to August 31, 2021 **Rating Year:** 2021 **Rating Date:** 09/01/2021

**Date Compliance History Report Prepared:** March 29, 2022

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** March 30, 2017 to March 30, 2022

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

**Name:** Margarita Dennis **Phone:** (817) 588-5892

## 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

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

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

N/A

### **B. Criminal convictions:**

N/A

### **C. Chronic excessive emissions events:**

N/A

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

Item 1	October 29, 2018	(1518523)
Item 2	June 24, 2021	(1724467)
Item 3	August 04, 2021	(1746916)

### **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:**

Notice of Intent Date: 05/16/2018 (1486341)  
No DOV Associated

Notice of Intent Date: 12/20/2018 (1541326)  
No DOV Associated

Notice of Intent Date: 01/03/2019 (1541318)  
No DOV Associated

Notice of Intent Date: 07/20/2020 (1670819)  
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

## **Component Appendices**

### **Appendix A**

#### **All NOV's Issued During Component Period 3/30/2017 and 3/30/2022**

1	Date: 08/26/2020 (1658904)		
	Self Report? NO	Classification: Moderate	
	Citation:		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
	30 TAC Chapter 122, SubChapter B 122.145(2)(C)		
	5C THSC Chapter 382 382.085(b)		
	FOP 4012 GTC OP		
	Description: Failure to submit a deviation report no later than 30 days after the end of the 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)		
	FOP No. O-04012 STC No. 17 OP		
	SC 9 PERMIT		
	Description: Failure to maintain monthly emission calculation records.		
	Self Report? NO	Classification: Moderate	
	Citation:		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
	30 TAC Chapter 122, SubChapter B 122.145(2)(A)		
	5C THSC Chapter 382 382.085(b)		
	FOP O-4012 GTC OP		
	Description: Failure to report all instances of deviations.		
	Self Report? NO	Classification: Moderate	
	Citation:		
	30 TAC Chapter 113, SubChapter C 113.120		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
	40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(a)(5)		
	40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(a)(6)		
	5C THSC Chapter 382 382.085(b)		
	STC 1(A) OP		
	STC 1(E) OP		
	Description: Failure to submit notifications required 40 CFR 63, Subpart G.		
	Self Report? NO	Classification: Moderate	
	Citation:		
	30 TAC Chapter 116, SubChapter F 116.615(10)		
	30 TAC Chapter 116, SubChapter F 116.615(2)		
	30 TAC Chapter 116, SubChapter F 116.615(9)		
	30 TAC Chapter 122, SubChapter B 122.143(4)		
	5C THSC Chapter 382 382.085(b)		
	Condition 2(I) PERMIT		
	Condition 5(A) PERMIT		
	GTC OP		
	STC 19 OP		
	Description: Failure to operate as represented.		

\* NOV's applicable for the Compliance History rating period 9/1/2016 to 8/31/2021

### **Appendix B**

#### **All Investigations Conducted During Component Period March 30, 2017 and March 30, 2022**

Item 1*	October 29, 2018**	(1518523)
Item 2	August 26, 2020**	(1658904)
Item 3	January 25, 2021**	(1663575)
Item 4*	June 24, 2021**	(1724467)
Item 5*	August 04, 2021**	(1746916)
Item 6	January 14, 2022	(1707081)

\* No violations documented during this investigation

\*\*Investigation applicable for the Compliance History Rating period between 09/01/2016 and 08/31/2021.

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
VALERO ENERGY PARTNERS LP  
RN109734897

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2021-0340-AIR-E

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Valero Energy Partners LP (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this Order to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that 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. The duties and responsibilities imposed by this Order are binding upon the Respondent.

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

### I. FINDINGS OF FACT

1. The Respondent owns and operates a petroleum refinery located at 1300 Cantwell Lane in Corpus Christi, Nueces County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. During a record review conducted from July 14, 2020 through August 4, 2020, an investigator documented that the Respondent released 74,136.80 pounds ("lbs") of volatile organic compounds and 1,112.10 lbs of hydrogen sulfide as fugitive emissions, during an emissions event (Incident No. 336514) that began on June 3, 2020 and lasted 63 hours and 10 minutes. The emissions event occurred when a significant rain event, the accumulation of storm water, and the wind affected the external floating roof ("EFR") buoyancy that caused a portion of the EFR for Tank 205 to become partially submerged, resulting in the release to the atmosphere. TCEQ staff determined that the emissions event was an excessive emissions event.
3. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant in order to address the excessive emissions event and to prevent the recurrence of emissions events due to the same or similar causes as the excessive emissions event that began on June 3, 2020 (Incident No. 336514):

- a. By revising the checklist for the five-year External Inspection Program to include a specific requirement to review and verify the operability of the roof drains by December 15, 2020;
- b. By revising the checklist for the Annual Seal Gap Inspection Program to include a specific requirement to review and verify the status/operability of the EFR pontoons by December 23, 2020;
- c. By implementing an electronic task tracker that will automatically notify the Environmental Department when an Operator Survey identifies a pontoon issue or water accumulation on an EFR tank by February 10, 2021;
- d. By implementing the use of forward-looking infrared camera visual surveys along with Air Petroleum Institute 653 inspectors during annual EFR inspections by June 1, 2021; and
- e. By conducting refresher training on risk assessment with essential personnel by December 16, 2021.

## II. CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact No. 1, the Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
2. As evidenced by Finding of Fact No. 2, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 135622, Special Conditions No. 1, Federal Operating Permit No. O4012, General Terms and Conditions and Special Terms and Conditions No. 17, and TEX. HEALTH & SAFETY CODE § 382.085(b). The emissions event was determined to be an excessive emissions event.
3. Pursuant to TEX. WATER CODE § 7.051, the TCEQ has the authority to assess an administrative penalty against the Respondent for violations of state statutes within the TCEQ's jurisdiction, for violations of rules adopted under such statutes, or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of \$67,500 is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent paid \$33,750 of the penalty. Pursuant to TEX. WATER CODE § 7.067, \$33,750 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

### III. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Conclusion of Law No. 4 for violations of state statutes and rules of the TCEQ. The payment of this penalty and the Respondent's compliance with all the requirements set forth in this Order resolve only the matters set forth by this Order in this action. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations that are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Valero Energy Partners LP, Docket No. 2021-0340-AIR-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The Respondent shall implement and complete an SEP as set forth in Section II, Conclusions of Law No. 4. The amount of \$33,750 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. 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. All relief not expressly granted in this Order is denied.
4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The 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.
5. If the 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, the Respondent's failure to comply is not a violation of this Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this 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 the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement

proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms in this Order.

8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
10. This 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.
11. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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For the Commission

-----  
Date



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9/28/2022

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For the Executive Director

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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, if any, in this Order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the OAG 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 OAG of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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

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Signature

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Date



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June 18, 2022

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Kevin M. Lassahn  
Name (Printed or typed)  
Authorized Representative of  
Valero Energy Partners LP

-----  
Vice President  
Title

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

**Instructions:** Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Ordering Provision 1 of this Order.

**Attachment A**  
**Docket Number: 2021-0340-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Valero Energy Partners LP</b>
<b>Payable Penalty Amount:</b>	<b>\$67,500</b>
<b>SEP Offset Amount:</b>	<b>\$33,750</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Texas Congress of Parents and Teachers dba Texas PTA</b>
<b>Project Name:</b>	<b><i>Texas PTA Clean School Bus Replacement Program</i></b>
<b>Location of SEP:</b>	<b>Texas Air Quality Control Region 214: Corpus Christi-Victoria - Preference for Nueces County</b>

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The 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

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Texas Congress of Parents and Teachers dba Texas PTA** for the *Texas PTA Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use the SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

The 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 to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate many respiratory diseases,



including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

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

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Texas Congress of Parents and Teachers SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas PTA  
408 West 11th Street  
Austin, Texas 78701

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality"; and shall mail it to:

Valero Energy Partners LP  
Docket No. 2021-0340-AIR-E  
Agreed Order - Attachment A

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

**5. Publicity**

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

**6. Recognition**

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

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