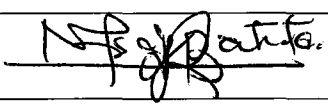
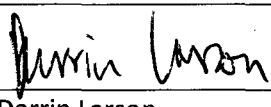




**Region 6 Compliance Assurance and Enforcement Division
INSPECTION REPORT**

Inspection Date(s):	09/14/2017		
Media:	Air/RMP		
Regulatory Program(s)	CAA		
Company Name:	Valero Energy Partners LP		
Facility Name:	Valero Partners Houston, LLC		
Facility Physical Location:	9701 Manchester		
(city, state, zip code)	Houston, Texas 77012		
Mailing address:	9701 Manchester		
(city, state, zip code)	Houston, Texas 77012		
County/Parish:	Harris County		
Facility Contact:	Matt Lindquist	Environmental Engineering Manager	
	Matt.lindquist@valero.com		
FRS Number:	110000460885		
Identification/Permit Number:	O-3784, 129444		
Media Number:			
NAICS:	324110/32411		
SIC:	2911		
Personnel participating in inspection:			
Sherronda Phelps	US EPA – 6EN-ASH	Environmental Engineer	281-983-2122
James Gold	US EPA – 6EN-ASH	Inspector	281-983-2105
Prince Nfodzo	US EPA – 6EN-AA	Environmental Engineer	214-665-7491
James Haynes	US EPA – 6EN-AT	Physical Scientist	214-665-8546
Jeff Hude	Valero Houston Refinery	Environmental Director H&S	713-923-3478
Matt Lindquist	Valero Houston Refinery	Environmental Engineering Mgr.	713-923-3378
EPA Lead Inspectors Signature/Date	 Prince Nfodzo, Sherronda Phelps		11/20/2017 Date
Supervisor Signature/Date	 Darrin Larson		11/21/2017 Date

Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

Four United States Environmental Protection Agency (US EPA) Region 6 Air Enforcement staff (“the team”) conducted an inspection at Valero Partners Houston, LLC (Valero) on September 14, 2017. The Valero facility is located at 9701 Manchester Road in Houston, Texas. We arrived at Valero at 9:30 hours, and completed Valero’s safety orientation requirements. We met with Mr. Matt Lindquist, Environmental Engineering Manager, and Mr. Jeff Hude, Director, Environmental, Health and Safety 10:22 hours for introductions and a briefing on the purpose and overview of the inspection. We presented our credentials, and we informed the Valero representatives that the inspection was a partial compliance evaluation focused on Tank 228, a gasoline tank, and Tank 3, an atmospheric crude tank, to determine Valero’s compliance with the Clean Air Act (CAA) regulations and the facility’s Risk Management Plan (RMP). The sign-in sheet for the inspection is included as **Appendix 2**.

EPA is investigating whether the two tanks were contributing sources of emissions in the adjacent community during and/or in the aftermath of Hurricane Harvey. The scope of the inspection included an evaluation of the facility’s compliance with 40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants (NESHAP) Subpart CC, CAA Section 112(r)(7), and 40 CFR Part 68, Chemical Accident Prevention Provisions. The inspection included an evaluation of compliance with emission limits, installation of emission control equipment, testing, monitoring, recordkeeping, and reporting requirements.

FACILITY DESCRIPTION

The Valero facility is a mid-sized plant with a total throughput capacity of 235,000 barrels per day. The refinery began operations in 1942 and has gone through numerous modifications and expansions including feedstock for a new ultra-low sulfur diesel (ULSD) unit, a fluidized catalytic cracking unit (FCCU). The facility, which covers approximately 250 acres, is located on the Houston ship channel, and primarily outside the Houston city limits. Valero operates a fully integrated refinery with crude distillation, FCCU, alkylation, hydrodesulphurization, sulfur recovery and fuel blending. Valero produces a wide range of petroleum products including gasoline, kerosene, jet fuel, ultra-low-sulfur diesel, liquefied petroleum gases, propylene, No. 6 fuel oil, and sulfur. Crude oil is obtained primarily by pipeline and/or ship/barge and transported to the refinery via pipelines. Products leave the refinery by pipelines, railcars, tanker trucks and marine shipping.

Regulated substances are included in flammable mixtures within the tank farm and throughout the facility in several process units. There are no toxics maintained at greater than threshold quantities in any facility process. Miscellaneous flammable mixtures and pure component streams are maintained in storage tanks and contained within process unit equipment. The facility is subject to the provisions of 40 CFR Part 68. Valero employs about 340 full-time employees, and the facility operates 24 hours, 7 days a week.

Section II – OBSERVATIONS

1. Incident Response [112(r)(7)]

According to Valero, an incident occurred on August 27, 2017, at 8:30 hours as a result of unprecedented heavy rainfall associated with Hurricane Harvey. The weight of the rain rapidly accumulating on the external floating roof of Tank 3 caused the western side of the roof deck to deform

and breach the roof seal. Crude oil mixed with water on the roof deck was released into secondary containment via tank roof drains until the drain valve was closed. The spill was contained onsite, and no oil was discharged outside the secondary containment area. At the time of the inspection, Valero was in the process of recovering light crude from Tank 3. It was determined that light crude still existed in the pontoons of the floating roof. There are 19 of these pontoons on Tank 3, and Valero is cutting 10" – 12" diameter holes in the tank wall to access and open a cover on each of the pontoons in order to remove remaining crude. Valero was also cutting an 18' x 18' opening into the side of the tank wall in preparation for the demolition of the tank roof. According to the Valero representatives, due to safety concerns, the sludge and solids under the roof will be removed during the demolition operations. Valero expected a plan to be established by September 15, 2017, and to begin the demolition operations on September 16, 2017. We observed puddles of residual material on the roof of the tank. It was also noted that Valero will conduct an inspection evaluation to determine whether Tank 3 can be put back into service or if it will need to be replaced through the construction of a new tank.

A pinhole leak developed in the drain line of Tank 228, and leaked contents of the tank (gasoline and naphtha mix) onto the surrounding area. Valero started degassing operations on Tank 228 and indicated that the tank will be completely emptied and opened up for inspection and cleaning on September 15, 2017.

Photographs of the tanks are included as **Appendix 1**.

2. Risk Management Plan (RMP)

Valero Partners Houston, LLC, has submitted a single RMP that reflects all covered processes. As a facility with a Program 3 process, Valero must develop and implement a management system, conduct a hazard assessment, implement the prevention requirements of 40 CFR §§ 68.65 through 68.87, develop and implement an emergency response program, and submit the data elements from 40 CFR § 68.175 in their RMP. Records were requested from the facility related to the August 27, 2017, incident.

From the information provided, Tank 3 is not covered under the RMP. The substance held in the tank does not meet the criteria of the National Fire Protection Agency (NFPA) -4. Inspection records have been provided and a review of the records is on-going.

Tank 228 is an atmospheric tank currently holding a gasoline/naphtha mix. During the visit, the material from the tank was being pumped out of the tank. During Hurricane Harvey, Valero had to pump naphtha into Tank 228. Naphtha is normally sent to the barges; however, it was pumped into Tank 228 due to barges not being available. This is not a part of daily operations, as explained by Mr. Hude. From the information provided, Tank 228 normally holds gasoline, and is not covered under the RMP. The substance held in the tank does not meet the criteria of the NFPA -4. Valero indicated that the tank will be evaluated for its return to service when all clean up measures have been completed. Inspection records have also been provided and a review of the records is on-going.

Valero uses Guardian for tank seal gap inspections, and either HMT, Mistras, Team Qualspec, or Valero inspectors for the API 653 integrity inspections. Valero provided the two most recent Compliance Audits as required under the RMP. The last audit was conducted March 2015 and previously in June of 2012. A review of the records is on-going.

EPA requested Valero's Emergency Response Plan, Offsite Consequence Analysis documentation, Hurricane Plan, and Spill Prevention Control and Countermeasure Plan, which were provided. A review of the records is on-going.

3. Permits

Both tanks are incorporated in Valero's Title V permit, O3784, which was last issued June 30, 2016. The tanks are subject to the requirements of NESHAP Subpart CC. Tank 3 and Tank 228 are operated under Texas Commission on Environmental Quality (TCEQ) permit by rule (PBR), 30 TAC § 106.261 and New Source Review (NSR) permit number 129444, respectively. Valero indicated that Tank 3 will be incorporated in NSR permit 129444 when due for renewal. Excerpts of the permits are included as **Appendix 3**.

4. EPA Air Monitoring

We conducted air monitoring using a photoionization detector (PID) and forward looking infrared (FLIR) camera.

Tank 228: We conducted monitoring at the top, ground-level, and both upwind and downwind of the tank. We observed readings below 1 ppmv of volatile organic chemicals (VOC) with the PID. We observed very light emissions of VOC with the FLIR camera from the drain.

Tank 3: We conducted monitoring at the top, ground-level, and both upwind and downwind of the tank. We observed readings below 1 ppmv of VOC at the ground level, up to 102 ppmv of VOC at one of the westerly-facing holes to access the pontoon, up to 44 ppmv VOC at the top of the tank, and up to 45 ppmv VOC at a hole cut on the east side of the tank. We observed moderate emissions from the covers to the pontoons with the FLIR camera.

5. Valero Onsite Air Monitoring

We reviewed records of onsite monitoring conducted by Valero staff for the period of August 29, 2017 through September 6, 2017. The records show few isolated instances of elevated emissions of benzene (150 part per billion [ppb] – 1250 ppb).

Section III – AREAS OF CONCERN

Other than the issues that have been mentioned above, we did not observe any areas of concern during the onsite inspection regarding Tank 228 and Tank 3.

Section IV – FOLLOW UP

No additional information was requested from Valero. EPA will conduct an offsite detailed and comprehensive review of the documents received from Valero during the inspection as a follow-up to the onsite inspection.

Section V – LIST OF APPENDICES

Appendix 1 – Photograph log

Appendix 2 – Inspection sign-in sheet

Appendix 3 – Pages from permits

Appendix 1

Photograph Log



Photo File Name: DSCN0193.JPG
Date of Photo: 09/14/2017
Time of Photo: 1:06 pm
Photographer: Sherronda Phelps
Description: Tank 228 (from ground level)



Photo File Name: DSCN0194.JPG
Date of Photo: 09/14/2017
Time of Photo: 1:12 pm
Photographer: Sherronda Phelps
Description: Tank 228 Roof (from top of tank)



Photo File Name:	DSCN0198.JPG
Date of Photo:	09/14/2017
Time of Photo:	1:13 pm
Photographer:	Sherronda Phelps
Description:	Tank 228 Roof (from top of tank)



Photo File Name: DSCN0199.JPG
Date of Photo: 09/14/2017
Time of Photo: 2:37 pm
Photographer: Sherronda Phelps
Description: Tank 3 (from ground level)



Photo File Name: DSCN0201.JPG
Date of Photo: 09/14/2017
Time of Photo: 2:37 pm
Photographer: Sherronda Phelps
Description: Tank 3 (from ground level)



Photo File Name: DSCN0205.JPG
Date of Photo: 09/14/2017
Time of Photo: 2:42 pm
Photographer: Sherronda Phelps
Description: Tank 3 (from ground level)



Photo File Name: DSCN0205.JPG
Date of Photo: 09/14/2017
Time of Photo: 2:45 pm
Photographer: Sherronda Phelps
Description: Tank 3 Monitoring from cut out hole



Photo File Name: DSCN0207.JPG
Date of Photo: 09/14/2017
Time of Photo: 2:45 pm
Photographer: Sherronda Phelps
Description: Tank 3 roof (from top of tank)



Photo File Name: DSCN0208.JPG
Date of Photo: 09/14/2017
Time of Photo: 2:46 pm
Photographer: Sherronda Phelps
Description: Tank 3 Monitoring from cut out hole



Photo File Name: DSCN0207.JPG
Date of Photo: 09/14/2017
Time of Photo: 2:45 pm
Photographer: Sherronda Phelps
Description: Tank 3 roof (from top of tank)



Photo File Name: DSCN0216.JPG
Date of Photo: 09/14/2017
Time of Photo: 2:50 pm
Photographer: Sherronda Phelps
Description: Tank 3 roof (from top of tank)



Photo File Name: DSCN0219.JPG
Date of Photo: 09/14/2017
Time of Photo: 2:51 pm
Photographer: Sherronda Phelps
Description: Tank 3 roof (from cut out hole)

Appendix 2

Inspection sign-in sheet



For: _____ Date: 9/14/17
 Subject: EPA Site Visit By: _____

Sign-In Sheet

<u>Name</u>	<u>EPA Region/site</u>	<u>Phone Number</u>	<u>E-mail address</u>
MATT LINDQUIST	Valero Houston	713-923-3378	matt.lindquist@valero.com
Jim Gold	US EPA	281-983-2153	Gold.Jim@EPA.gov
PRINCE NFODZO	US EPA	214-665-7491	nfodzo.prince@epa.gov
James Haynes	US EPA	214-665-8546	haynes.james@epa.gov
Jeff Hude	Valero Houston	713-923-3478	jeff.hude@valero.com
SHERRONDA PHELPS	USEPA	281-983-2122	p Phelps.sherronda@epa.gov
CHRIS HARRIX	VLO HOUSTON	-3359	CHRIS.HARRIX@VALERO

Appendix 3

Pages from Permits

FEDERAL OPERATING PERMIT

A FEDERAL OPERATING PERMIT IS HEREBY ISSUED TO
Valero Energy Partners LP

AUTHORIZING THE OPERATION OF
Valero Partners Houston
Petroleum Refining

LOCATED AT
Harris County, Texas
Latitude 29° 43' 20" Longitude 95° 15' 18"
Regulated Entity Number: RN100219310

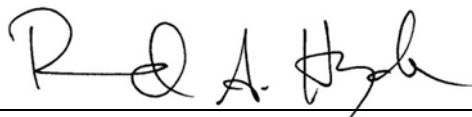
This permit is issued in accordance with and subject to the Texas Clean Air Act (TCAA), Chapter 382 of the Texas Health and Safety Code and Title 30 Texas Administrative Code Chapter 122 (30 TAC Chapter 122), Federal Operating Permits. Under 30 TAC Chapter 122, this permit constitutes the permit holder's authority to operate the site and emission units listed in this permit. Operations of the site and emission units listed in this permit are subject to all additional rules or amended rules and orders of the Commission pursuant to the TCAA.

This permit does not relieve the permit holder from the responsibility of obtaining New Source Review authorization for new, modified, or existing facilities in accordance with 30 TAC Chapter 116, Control of Air Pollution by Permits for New Construction or Modification.

The site and emission units authorized by this permit shall be operated in accordance with 30 TAC Chapter 122, the general terms and conditions, special terms and conditions, and attachments contained herein.

This permit shall expire five years from the date of issuance. The renewal requirements specified in 30 TAC § 122.241 must be satisfied in order to renew the authorization to operate the site and emission units.

Permit No: 03784 Issuance Date: June 30, 2016



For the Commission

- (xiv) Title 30 TAC § 115.546(a)(2) and (a)(2)(A) - (J) (relating to Recordkeeping and Notification Requirements), for recordkeeping (as appropriate to the control device)
 - (xv) Title 30 TAC § 115.546(a)(4) (relating to Recordkeeping and Notification Requirements), for recordkeeping of testing of control devices used to comply with 30 TAC § 115.542(a)(1)
 - (xvi) Title 30 TAC § 115.546(b) (relating to Recordkeeping and Notification Requirements), for notification
 - (xvii) Title 30 TAC § 115.547(4) (relating to Exemptions)
- 7. The permit holder shall comply with the following requirements for units subject to any subpart of 40 CFR Part 60, unless otherwise stated in the applicable subpart:
 - A. Title 40 CFR § 60.7 (relating to Notification and Recordkeeping)
 - B. Title 40 CFR § 60.8 (relating to Performance Tests)
 - C. Title 40 CFR § 60.11 (relating to Compliance with Standards and Maintenance Requirements)
 - D. Title 40 CFR § 60.12 (relating to Circumvention)
 - E. Title 40 CFR § 60.13 (relating to Monitoring Requirements)
 - F. Title 40 CFR § 60.14 (relating to Modification)
 - G. Title 40 CFR § 60.15 (relating to Reconstruction)
 - H. Title 40 CFR § 60.19 (relating to General Notification and Reporting Requirements)
- 8. The permit holder shall comply with the requirements of 30 TAC Chapter 113, Subchapter C, § 113.100 for units subject to any subpart of 40 CFR Part 63, unless otherwise stated in the applicable subpart.
- 9. For sources subject to emission standards in 40 CFR Part 63, Subpart CC, the permit holder shall comply with the following requirements (Title 30 TAC Chapter 113, Subchapter C, § 113.340 incorporated by reference):
 - A. Title 40 CFR § 63.640(l)(3) - (4) (relating to Applicability and Designation of Affected Source), for units and equipment added to an existing source
 - B. Title 40 CFR § 63.640(m)(1) - (2) (relating to Applicability and Designation of Affected Source), for units and emission points changing from Group 2 to Group 1 status

Attachments

Applicable Requirements Summary

Permit Shield

New Source Review Authorization References

Applicable Requirements Summary

Unit Summary 14

Applicable Requirements Summary 22

Note: A “none” entry may be noted for some emission sources in this permit’s “Applicable Requirements Summary” under the heading of “Monitoring and Testing Requirements” and/or “Recordkeeping Requirements” and/or “Reporting Requirements.” Such a notation indicates that there are no requirements for the indicated emission source as identified under the respective column heading(s) for the stated portion of the regulation when the emission source is operating under the conditions of the specified SOP Index Number. However, other relevant requirements pursuant to 30 TAC Chapter 122 including Recordkeeping Terms and Conditions (30 TAC § 122.144), Reporting Terms and Conditions (30 TAC § 122.145), and Compliance Certification Terms and Conditions (30 TAC § 122.146) continue to apply.

Unit Summary

Unit/Group/ Process ID No.	Unit Type	Group/Inclusive Units	SOP Index No.	Regulation	Requirement Driver
90FB001	STORAGE TANKS/ VESSELS	N/A	R5112-5	30 TAC Chapter 115, Storage of VOCs	No changing attributes.
90FB001	STORAGE TANKS/ VESSELS	N/A	60Kb-5	40 CFR Part 60, Subpart Kb	No changing attributes.
90FB001	STORAGE TANKS/ VESSELS	N/A	63CC-2	40 CFR Part 63, Subpart CC	No changing attributes.
90FB002	STORAGE TANKS/ VESSELS	N/A	R5112-4	30 TAC Chapter 115, Storage of VOCs	No changing attributes.
90FB002	STORAGE TANKS/ VESSELS	N/A	60Kb-4	40 CFR Part 60, Subpart Kb	No changing attributes.
90FB002	STORAGE TANKS/ VESSELS	N/A	63CC-1	40 CFR Part 63, Subpart CC	No changing attributes.
90FB003	STORAGE TANKS/ VESSELS	N/A	R5112-2	30 TAC Chapter 115, Storage of VOCs	No changing attributes.
90FB003	STORAGE TANKS/ VESSELS	N/A	63CC-1	40 CFR Part 63, Subpart CC	No changing attributes.
90FB004	STORAGE TANKS/ VESSELS	N/A	R5112-4	30 TAC Chapter 115, Storage of VOCs	No changing attributes.
90FB004	STORAGE TANKS/ VESSELS	N/A	60Kb-4	40 CFR Part 60, Subpart Kb	No changing attributes.
90FB004	STORAGE TANKS/ VESSELS	N/A	63CC-1	40 CFR Part 63, Subpart CC	No changing attributes.
90FB005	STORAGE TANKS/ VESSELS	N/A	R5112-2	30 TAC Chapter 115, Storage of VOCs	No changing attributes.

Unit Summary

Unit/Group/ Process ID No.	Unit Type	Group/Inclusive Units	SOP Index No.	Regulation	Requirement Driver
90FB226	STORAGE TANKS/ VESSELS	N/A	63CC-1	40 CFR Part 63, Subpart CC	No changing attributes.
90FB227	STORAGE TANKS/ VESSELS	N/A	R5112-5	30 TAC Chapter 115, Storage of VOCs	No changing attributes.
90FB227	STORAGE TANKS/ VESSELS	N/A	60Kb-6	40 CFR Part 60, Subpart Kb	No changing attributes.
90FB227	STORAGE TANKS/ VESSELS	N/A	63CC-1	40 CFR Part 63, Subpart CC	No changing attributes.
90FB228	STORAGE TANKS/ VESSELS	N/A	R5112-2	30 TAC Chapter 115, Storage of VOCs	No changing attributes.
90FB228	STORAGE TANKS/ VESSELS	N/A	63CC-1	40 CFR Part 63, Subpart CC	No changing attributes.
90FB230	STORAGE TANKS/ VESSELS	N/A	R5112-2	30 TAC Chapter 115, Storage of VOCs	No changing attributes.
90FB230	STORAGE TANKS/ VESSELS	N/A	60Kb-3	40 CFR Part 60, Subpart Kb	No changing attributes.
90FB230	STORAGE TANKS/ VESSELS	N/A	63CC-1	40 CFR Part 63, Subpart CC	No changing attributes.
90FB231	STORAGE TANKS/ VESSELS	N/A	R5112-1	30 TAC Chapter 115, Storage of VOCs	No changing attributes.
90FB232	STORAGE TANKS/ VESSELS	N/A	R5117-1	30 TAC Chapter 115, Storage of VOCs	No changing attributes.
90FB233	STORAGE TANKS/ VESSELS	N/A	R5117-1	30 TAC Chapter 115, Storage of VOCs	No changing attributes.

Applicable Requirements Summary

Unit Group Process ID No.	Unit Group Process Type	SOP Index No.	Pollutant	State Rule or Federal Regulation Name	Emission Limitation, Standard or Equipment Specification Citation	Textual Description (See Special Term and Condition 1.B.)	Monitoring And Testing Requirements	Recordkeeping Requirements (30 TAC § 122.144)	Reporting Requirements (30 TAC § 122.145)
90FB003	EU	R5112-2	VOC	30 TAC Chapter 115, Storage of VOCs	§ 115.112(e)(1) § 115.112(e)(2) § 115.112(e)(2)(A) § 115.112(e)(2)(B) § 115.112(e)(2)(C) § 115.112(e)(2)(E) § 115.112(e)(2)(F) § 115.112(e)(2)(G) [G]§ 115.112(e)(2)(H) [G]§ 115.112(e)(2)(I) § 115.114(a)(2)(A) § 115.114(a)(4)(A)	No person shall place, store, or hold VOC in any storage tank unless the storage tank is capable of maintaining working pressure sufficient at all times to prevent any vapor or gas loss to the atmosphere or is in compliance with the control requirements specified in Table 1 of this paragraph for VOC other than crude oil and condensate or Table 2 of subsection (a)(1) of this paragraph for crude oil and condensate.	§ 115.114(a)(2) § 115.114(a)(4) § 115.114(a)(4)(A) [G]§ 115.117	§ 115.118(a)(3) § 115.118(a)(5) § 115.118(a)(6)(C) § 115.118(a)(7)	§ 115.114(a)(2)(B) § 115.114(a)(4)(B) § 115.118(a)(3)
90FB003	EU	63CC-1	112(B) HAPS	40 CFR Part 63, Subpart CC	§ 63.646(a) § 63.119(a)(1) § 63.119(c)(1) § 63.119(c)(1)(i) § 63.119(c)(1)(ii) § 63.119(c)(1)(iii) [G]§ 63.119(c)(3) § 63.119(c)(4) § 63.120(b)(10)(i) § 63.120(b)(5)(i) § 63.120(b)(5)(ii) § 63.120(b)(6)(i) § 63.120(b)(6)(ii) [G]§ 63.120(b)(7) § 63.120(b)(8) [G]§ 63.646(f) § 63.646(g)	Each owner or operator of a Group 1 storage vessel subject to this subpart shall comply with the requirements of §63.119 - §63.121 except as provided in §63.646(b)-(l).	§ 63.120(b)(1)(i) § 63.120(b)(1)(iii) § 63.120(b)(1)(iv) § 63.120(b)(10) § 63.120(b)(2)(i) § 63.120(b)(2)(ii) § 63.120(b)(2)(iii) § 63.120(b)(3) § 63.120(b)(4) § 63.646(b)(1) § 63.646(e)	[G]§ 63.120(b)(7) § 63.120(b)(8) § 63.642(e) § 63.646(b)(1) § 63.655(h)(1) [G]§ 63.655(i)(1) § 63.655(i)(5)	§ 63.120(b)(10)(ii) § 63.120(b)(10)(iii) § 63.120(b)(9) § 63.642(f) § 63.655(f) [G]§ 63.655(f)(1)(i)(B) § 63.655(f)(6) § 63.655(g) [G]§ 63.655(g)(3) § 63.655(h) § 63.655(h)(1) § 63.655(h)(2)(i) § 63.655(h)(2)(i)(A) § 63.655(h)(2)(i)(B) § 63.655(h)(2)(i)(C) § 63.655(h)(2)(ii) [G]§ 63.655(h)(6)

Applicable Requirements Summary

Unit Group Process ID No.	Unit Group Process Type	SOP Index No.	Pollutant	State Rule or Federal Regulation Name	Emission Limitation, Standard or Equipment Specification Citation	Textual Description (See Special Term and Condition 1.B.)	Monitoring And Testing Requirements	Recordkeeping Requirements (30 TAC § 122.144)	Reporting Requirements (30 TAC § 122.145)
90FB228	EU	63CC-1	112(B) HAPS	40 CFR Part 63, Subpart CC	§ 63.646(a) § 63.119(a)(1) § 63.119(c)(1) § 63.119(c)(1)(i) § 63.119(c)(1)(ii) § 63.119(c)(1)(iii) [G]§ 63.119(c)(3) § 63.119(c)(4) § 63.120(b)(10)(i) § 63.120(b)(5)(i) § 63.120(b)(5)(ii) § 63.120(b)(6)(i) § 63.120(b)(6)(ii) [G]§ 63.120(b)(7) § 63.120(b)(8) [G]§ 63.646(f) § 63.646(g)	Each owner or operator of a Group 1 storage vessel subject to this subpart shall comply with the requirements of §63.119 - §63.121 except as provided in §63.646(b)-(l).	§ 63.120(b)(1)(i) § 63.120(b)(1)(iii) § 63.120(b)(1)(iv) § 63.120(b)(10) § 63.120(b)(2)(i) § 63.120(b)(2)(ii) § 63.120(b)(2)(iii) § 63.120(b)(3) § 63.120(b)(4) § 63.646(b)(1) § 63.646(e)	[G]§ 63.120(b)(7) § 63.120(b)(8) § 63.642(e) § 63.646(b)(1) § 63.655(h)(1) [G]§ 63.655(i)(1) § 63.655(i)(5)	§ 63.120(b)(10)(ii) § 63.120(b)(10)(iii) § 63.120(b)(9) § 63.642(f) § 63.655(f) [G]§ 63.655(f)(1)(i)(B) § 63.655(f)(6) § 63.655(g) [G]§ 63.655(g)(3) § 63.655(h) § 63.655(h)(1) § 63.655(h)(2)(i) § 63.655(h)(2)(i)(A) § 63.655(h)(2)(i)(B) § 63.655(h)(2)(i)(C) § 63.655(h)(2)(ii) [G]§ 63.655(h)(6)
90FB230	EU	R5112-2	VOC	30 TAC Chapter 115, Storage of VOCs	§ 115.112(e)(1) § 115.112(e)(2) § 115.112(e)(2)(A) § 115.112(e)(2)(B) § 115.112(e)(2)(C) § 115.112(e)(2)(E) § 115.112(e)(2)(F) § 115.112(e)(2)(G) [G]§ 115.112(e)(2)(H) [G]§ 115.112(e)(2)(I) § 115.114(a)(2)(A) § 115.114(a)(4)(A)	No person shall place, store, or hold VOC in any storage tank unless the storage tank is capable of maintaining working pressure sufficient at all times to prevent any vapor or gas loss to the atmosphere or is in compliance with the control requirements specified in Table 1 of this paragraph for VOC other than crude oil and condensate or Table 2 of subsection (a)(1) of this paragraph for crude oil and condensate.	§ 115.114(a)(2) § 115.114(a)(3) § 115.114(a)(4) § 115.114(a)(4)(A) [G]§ 115.117	§ 115.118(a)(3) § 115.118(a)(5) § 115.118(a)(6)(C) § 115.118(a)(7)	§ 115.114(a)(2)(B) § 115.114(a)(4)(B) § 115.118(a)(3)

Permit Shield

The Executive Director of the TCEQ has determined that the permit holder is not required to comply with the specific regulation(s) identified for each emission unit, group, or process in this table.

Unit/Group/Process		Regulation	Basis of Determination
ID No.	Group/Inclusive Units		
90FB003	N/A	40 CFR Part 60, Subpart K	Capacity > 65,000 gallons and constructed prior to 6/11/73.
90FB006	N/A	40 CFR Part 60, Subpart Kb	Vessel stores a VOL with a maximum true vapor pressure less than 0.5 psia.
90FB211	N/A	40 CFR Part 60, Subpart Kb	Tank stores a VOL with a maximum true vapor pressure less than 0.5 psia.
90FB212	N/A	40 CFR Part 60, Subpart Kb	Tank stores a VOL with a maximum true vapor pressure less than 0.5 psia.
90FB216	N/A	40 CFR Part 60, Subpart K	Capacity > 65,000 gallons and constructed prior to 6/11/73.
90FB224	N/A	40 CFR Part 60, Subpart K	Capacity > 65,000 gallons and constructed prior to 6/11/73.
90FB225	N/A	40 CFR Part 60, Subpart K	Capacity > 65,000 gallons and constructed prior to 6/11/73.
90FB226	N/A	40 CFR Part 60, Subpart K	Capacity > 65,000 gallons and constructed prior to 6/11/73.
90FB228	N/A	40 CFR Part 60, Subpart K	MACT CC supersedes NSPS K for Group 1 tanks.
90FB231	N/A	40 CFR Part 60, Subpart Kb	Vessel stores a VOL with a maximum true vapor pressure less than 0.5 psia.
90FB232	N/A	40 CFR Part 60, Subpart Kb	Vessel stores a VOL with a maximum true vapor pressure less than 0.5 psia.
90FB233	N/A	40 CFR Part 60, Subpart Kb	Vessel stores a VOL with a maximum true vapor pressure less than 0.5 psia.

New Source Review Authorization References by Emissions Unit

The following is a list of New Source Review (NSR) authorizations for emission units listed elsewhere in this operating permit. The NSR authorizations are applicable requirements under 30 TAC Chapter 122 and enforceable under this operating permit.

Unit/Group/Process ID No.	Emission Unit Name/Description	New Source Review Authorization
90FB001	STORAGE TANK 90FB001	129444, 86142, 106.261/11/01/2003
90FB002	STORAGE TANK 90FB002	106.261/11/01/2003, 106.263/11/01/2001, 106.478/09/04/2000
90FB003	STORAGE TANK 90FB003	106.261/11/01/2003, 106.261/12/24/1998
90FB004	STORAGE TANK 90FB004	106.261/11/01/2003, 106.478/09/04/2000
90FB005	STORAGE TANK 90FB005	129444
90FB006	STORAGE TANK 90FB006	129444
90FB204	STORAGE TANK 90FB204	106.478/09/04/2000
90FB205	STORAGE TANK 90FB205	106.478/09/04/2000
90FB210	STORAGE TANK 90FB210	129444
90FB211	STORAGE TANK 90FB211	129444
90FB212	STORAGE TANK 90FB212	129444
90FB215	STORAGE TANK 90FB215	129444
90FB216	STORAGE TANK 90FB216	129444
90FB224	STORAGE TANK 90FB224	129444
90FB225	STORAGE TANK 90FB225	102/01/08/1980
90FB226	STORAGE TANK 90FB226	129444
90FB227	STORAGE TANK 90FB227	106.478/09/04/2000
90FB228	STORAGE TANK 90FB228	129444

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 19, 2016

MR ROBERT E MOORE
VICE PRESIDENT AND GENERAL MANAGER
VALERO REFINING TEXAS LP
9701 MANCHESTER ST
HOUSTON TX 77012-2408

Re: Permit Alteration
Permit Number: 129444
Expiration Date: February 17, 2020
Valero Energy Partners LP
Valero Houston Refinery
Houston, Harris County
Regulated Entity Number: RN109290692
Customer Reference Number: CN604780486

Dear Mr. Moore:

This is in response to a letter from Mr. Matthew Lindquist, received September 12, 2016, requesting alteration of the conditions and Maximum Allowable Emission Rates Table (MAERT) of the above-referenced permit. We understand that you are requesting to administratively transfer fugitive components and associated emissions from New Source Review (NSR) Permit No. 2501A to NSR Permit No. 129444.

In accordance with Title 30 Texas Administrative Code §116.116(c) and based on our review, Permit Number 129444 is altered. Enclosed are the new general conditions (permit face), altered special conditions, and altered MAERT. Please attach these to your permit.

You are reminded that these facilities must be in compliance with all rules and regulations of the Texas Commission on Environmental Quality (TCEQ) and of the U.S. Environmental Protection Agency at all times.

If you need further information or have any questions, please contact Mr. Kevin Oram at (512) 239-0158 or write to the Texas Commission on Environmental Quality, Office of Air, Air Permits Division, MC-163, P.O. Box 13087, Austin, Texas 78711-3087.

Mr. Robert E Moore
Page 2
December 19, 2016

Re: Permit Number: 129444

This action is taken under authority delegated by the Executive Director of TCEQ.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Wilson", is written over a horizontal line.

Michael Wilson, P.E., Director
Air Permits Division
Office of Air
Texas Commission on Environmental Quality

Enclosure

cc: Senior Project Manager, Houston Department of Health and Human Services, Bureau of
Pollution Control & Prevention, Houston
Director, Harris County, Pollution Control Services, Pasadena
Air Section Manager, Region 12 - Houston

Project Numbers: 258387

SPECIAL CONDITIONS

Permit Number 129444

1. This permit covers only those sources of emissions listed in the attached table entitled "Emission Sources - Maximum Allowable Emission Rates" (MAERT), and those sources are limited to the emission limits and other conditions specified in that table.
2. This permit authorizes Planned Maintenance, Startup, and Shutdown emissions from the activities listed in attachment A and only from those points listed in the attached table entitled "Emission Sources - Maximum Allowable Emission Rates." The facilities covered by this permit are authorized to emit subject to the emission rate limits on that table and other operating conditions specified in this permit.

Federal Applicability

3. These facilities shall comply with all applicable requirements of the U.S. Environmental Protection Agency (EPA) regulations on Standards of Performance for New Stationary Sources promulgated in Title 40 Code of Federal Regulations Part 60 (40 CFR Part 60):
 - A. Subpart A, General Provisions.
 - B. Subpart Kb, Volatile Organic Liquid Storage Vessels.
4. These facilities shall comply with all applicable requirements of the U.S. Environmental Protection Agency (EPA) regulations on National Emission Standards for Hazardous Air Pollutants for Source Categories in 40 CFR Part 63:
 - A. Subpart A, General Provisions.
 - B. Subpart CC, Petroleum Refineries, Catalytic Cracking Units, Catalytic Reforming Units, and Sulfur Recovery Units.

Emission Standards and Operational Specifications

5. Storage tanks are limited to the following services:

<u>Tank Number</u>	<u>Service(s)</u>
90FB001	Catfeed/Crude
90FB005	Crude oil
90FB006	Catfeed
90FB205	Gasoline components and cat gasoline
90FB211	Kerosene/Jet Fuel/Diesel
90FB212	Kerosene/Jet Fuel/Diesel
<u>Tank Number</u>	<u>Service(s)</u>
90FB215	(Diesel/Kerosene) No. 2 fuel oil
90FB216	(Coker Distillate) No. 2 fuel oil
90FB224	Slurry oil
90FB226	Gasoline components and cat gasoline
90FB228	Gasoline components and cat gasoline
90FB230	Alkylate
90FB232	No. 2 fuel oil and kerosene

Emission Sources - Maximum Allowable Emission Rates

Permit Number 129444

This table lists the maximum allowable emission rates and all sources of air contaminants on the applicant's property covered by this permit. The emission rates shown are those derived from information submitted as part of the application for permit and are the maximum rates allowed for these facilities, sources, and related activities. Any proposed increase in emission rates may require an application for a modification of the facilities covered by this permit.

Air Contaminants Data

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates	
			lbs/hour	TPY (4)
90FB005	Storage Tank 90FB005	VOC	4.71	3.82
90FB001	Storage Tank 90FB001	VOC	0.80	---
90FB006	Storage Tank 90FB006	VOC	0.80	---
90FB001, 90FB006	Storage Tank Cap	VOC	---	0.63
91FB917	Storage Tank 91FB917	VOC	1.80	2.22
90FB230	Storage Tank 90FB230	VOC	3.10	9.41
90FB205	Storage Tank 90FB205	VOC	3.50	---
		Benzene	0.20	---
90FB226	Storage Tank 90FB226	VOC	3.50	---
		Benzene	0.20	---
90FB228	Storage Tank 90FB228	VOC	3.50	---
		Benzene	0.20	---
90FB505	Storage Tank 90FB505	VOC	3.50	---
		Benzene	0.20	---
90FB506	Storage Tank 90FB506	VOC	3.50	---
		Benzene	0.20	---
90FB507	Storage Tank 90FB507	VOC	2.27	---
		Benzene	0.03	---
90FB205, 90FB226, 90FB228, 90FB505, 90FB506, 90FB507,	Storage Tank Cap	VOC	---	60.78
		Benzene	---	3.37
91FB918	Storage Tank 91FB918	VOC	0.50	---
91FB920	Storage Tank 91FB920	VOC	0.40	---
91FB921	Storage Tank 91FB921	VOC	0.40	---