

# Recent Settlements

## Valero

June 2005

- 14 refineries in California, Colorado, Louisiana, New Jersey, Oklahoma and Texas
- \$700 million in injunctive relief
  - Includes 7 new scrubbers (1 existing), catalyst additives and other NO<sub>x</sub> and SO<sub>2</sub> reducing controls at all refineries
- Annual Reductions
  - 4,000 tons of NO<sub>x</sub>
  - 16,000 tons of SO<sub>2</sub>
- Penalty: \$5.5 million
- SEPs: \$5.5 million
- Co-Plaintiffs: Colorado, Louisiana, New Jersey, Texas and Oklahoma

# Recent Settlements

## Sunoco

June 2005

- 4 refineries in Pennsylvania, Ohio and Oklahoma
- \$350 million in injunctive relief
  - Includes 3 new scrubbers and selective catalytic reduction controls
- Annual Reductions
  - 4,500 tons of NO<sub>x</sub>
  - 19,500 tons of SO<sub>2</sub>
- Penalty: \$3 million
- SEPs: \$3.9 million
- Co-Plaintiffs: Pennsylvania, Ohio and Oklahoma

# Recent Settlements

## ExxonMobil

October 2005

- 7 refineries in California, Illinois, Montana, Texas and Louisiana
- \$570 million in injunctive relief
  - Includes 5 new or upgraded scrubbers, catalyst additives and other NO<sub>x</sub> and SO<sub>2</sub> reducing controls at all refineries
- Annual Reductions
  - 11,000 tons of NO<sub>x</sub>
  - 42,000 tons of SO<sub>2</sub>
- Penalty: \$8.7 million
- SEPs: \$9.7 million
- Co-Plaintiffs: Illinois, Montana and Louisiana

# Recent Settlements

Lucite International, Inc.

October 2005

- Settlement resolves violations of
  - New Source Performance Standards (NSPS)
  - NESHAPs good air pollution control requirements and failure to comply with the required SSM plan.
  - Ozone protection standards of CAA Title VI
  - permitting requirements of CAA Title V
- \$16.3 million to install dual absorption control
- \$1.3 million SEP
- \$1.8 million civil penalty
- Emission Reductions:
  - 6,500 tons per year of sulfur dioxide
  - 21 tons per year of sulfuric acid mist



# Fuels Waivers/ Enforcement Discretion

- Address fuel supply emergencies (e.g., hurricane, pipeline break)
- Energy Act of 2005 authorizes fuels waivers
  - **Extreme and unusual circumstance** prevents distribution of adequate fuel supply
  - The result of a natural disaster, Act of God, or pipeline or refinery failure
  - **Could not have been foreseen** or prevented by prudent planning
  - Waiver must be in the **public interest**
  - **Smallest geographic area & shortest time** (maximum 20 days duration)
  - To address temporary shortfalls of supply (not to address fuel price)

# Fuel Waiver Process

- New statutory waiver authority effectively codifies prior practice
  - Procedure and Framework for Reviewing Requests for No Action Assurance to Address a Temporary Fuel Supply Shortage  
[www.epa.gov/compliance/resources/policies/civil/caa/mobile/noactionpolicy.pdf](http://www.epa.gov/compliance/resources/policies/civil/caa/mobile/noactionpolicy.pdf)
- State should verify that actual shortage exists
  - Independent marketers often seek relief because of high prices
  - Calls to terminals, pipelines and major oil companies
- Identify alternative fuel that is available
  - Caveat: A waiver may create shortage of the alternative fuel
  - Fuel waiver request should be in writing
- Call EPA if you think you may have a supply problem, we will help you through the process