



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

June 19, 2012

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7008 0150 0003 0411 5245

Mr. Frederec Green
President and Chief Operating Officer
Delek Refining, Ltd.
7102 Commerce Way
Brentwood, TN 37027

Re: Consent Decree, styled United States of America v. Tyler Holding Company and Delek Refining, Ltd., Civil Action No. 6:09cv319 – Response to Acid Gas (AG) Flaring Incident Ending April 24, 2012, at the Tyler, Texas Refinery

Dear Mr. Green:

The U.S. Environmental Protection Agency (EPA) received a report dated May 31, 2012, for an AG flaring incident ending on April 24, 2012, which generated reportable emissions of sulfur dioxide (SO₂) at the Delek Refining, Ltd. (Delek) refinery in Tyler, Texas. Total SO₂ released was 2,647.49 pounds (1.3 tons) over two hours. Delek reported that the AG flaring incident occurred when the Sulfur Recovery Unit No. 2 (SRU2) and the Shell Claus Off-gas Treatment (SCOT) unit unexpectedly shut down three times due to shut down of the SRU2 combustion air blower. The root cause was the failure of an air conditioning unit compressor in the combustion blower's variable frequency drive control cabinet. Delek noted that the high temperature indicator in the cabinet did not alarm. The resulting high ambient temperature in the control cabinet caused the combustion air blower to repeatedly shut down. The facility has taken corrective action to replace the air conditioning unit compressor and the temperature indicator in the control cabinet.

Based on Delek's report, EPA determined that the incident does not meet the criteria of a first time incident under Paragraph 22.a.ii. A similar AG incident with a root cause related to erratic operation of the SRU2 combustion air blower controls occurred on April 11, 2012. An earlier AG incident due to poor maintenance of combustion air blower controls also occurred in September 2010. EPA concludes that this AG incident indicates a failure to implement good engineering practice. Therefore, EPA finds that the AG incident meets the criteria of Paragraph 20.c. of the Consent Decree, and is subject to a stipulated penalty under Paragraph 22.b. EPA assesses a penalty amount of six hundred fifty (\$650.00) dollars (1.3 tons x \$500 per ton). The total penalty amount shall be paid to the United States within sixty (60) days of receipt of this demand, in accordance with Paragraph 79 of the Consent Decree.

To expedite the processing of the payment of stipulated penalties, please clearly identify the incident date and amount of the penalty both on the check, if paying by check, and in the letter accompanying payment by check or wire transfer. Please also send a copy of the letter accompanying the payment to Sharon Braby of EPA by email at braby.sharon@epa.gov.

If you have any questions about this response, please contact Diana L. Lundelius of my staff at (214) 665-7468 or by email at lundelius.diana@epa.gov.

Sincerely,



John Blevins

Director

Compliance Assurance and
Enforcement Division

Enclosure

cc: Kent Thomas, Delek US Holdings, Inc.
Don Whaley, Delek Refining, Ltd.
Andrew Lapayowker, Tyler Holding Company, Inc.
Phillip Brooks, U.S. Environmental Protection Agency, Headquarters

cc (electronic): Rosie Trimble, U.S. Department of Justice
Bruce Gelber, U.S. Department of Justice
Sharon Braby, U.S. Environmental Protection Agency, Region 6
Pamela Elder-Schweers, U.S. Environmental Protection Agency, Region 6
Gregory Fried, U.S. Environmental Protection Agency, Headquarters
Kim White, U.S. Environmental Protection Agency, Cincinnati
Michael De La Cruz, Texas Commission on Environmental Quality
Clare Sullivan, Matrix New World