



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

May 21, 2010

Mr. Wesley Waida
Environmental Manager
Valero Wilmington Asphalt Plant
2402 E. Anaheim St.
Wilmington, CA 90744

Dear Mr. Waida:

SUBJECT: Title V Permit, ID No. 800393

Please find enclosed a revised Title Page, Table of Contents, and Section B of your Title V Permit for your facility located at 1651 Alameda St., Wilmington, CA 90744. The revised Section B reflects the deductions made to your NO_x Allocations based on the audited NO_x Allocation exceedance for Compliance Year 2005. This reduction was previously explained to you in our April 30, 2010 letter (copy enclosed).

Please review the enclosed sections carefully, and discard the previous versions. The operation of your facility is still bound by the conditions and/or requirements stated in the facility Permit to Operate. Questions concerning the changes to your permit may be directed to Mr. Don Nguyen at 909/396-2352.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jay Chen", is written over a faint, larger version of the same signature.

Jay Chen
Senior Air Quality Engineering Manager
Engineering and Compliance Division

JC:DN

Enclosures

cc: RECLAIM Administration
Geraldo Rios, USEPA (via Electronic Submittal)



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April 30, 2010

Mr. Wesley Waida
Environmental Manager
Valero Wilmington Asphalt Plant (Facility ID #800393)
2402 E. Anaheim St.
Wilmington, CA 90744

Dear Mr. Waida:

The South Coast Air Quality Management District (AQMD) adopted the RECLAIM program on October 15, 1993 to provide industry clear emission reduction goals without prescribing the method to achieve these goals. One of the requirements of RECLAIM is that participating facilities monitor and report their RECLAIM emissions on an ongoing basis and quarterly reconcile their year-to-date emissions with RECLAIM Trading Credits (RTCs).

In a letter dated February 18, 2010, AQMD informed you that our audit of your facility's records for Compliance Year 2005 showed that NOx emissions from your facility exceeded your Allocations. Also, you were offered an opportunity to provide additional information for consideration by AQMD staff for final assessment of your audit results. We have not received any additional information in response to that letter. Based on all information available to us, staff's final assessment concluded that NOx emissions from your facility for the period of January 1, 2005 through December 31, 2005 exceeded your Allocations in the last quarter as follows:

Quarter	Year-to-Date NOx Emissions (lbs)	Available NOx RTCs (lbs) as of the end of the Quarterly Reconciliation Period			Exceed/ Comply	Amount Exceeded By Quarter (lbs)
		NOx RTCs exp. Jun-05	NOx RTCs exp. Dec-05	NOx RTCs exp. Jun-06		
First (1/05 - 3/05)	3,291	0	16,500	(0) Not Available For This Quarter	Comply	None
Second (4/05 - 6/05)	7,675	0	16,500	(0) Not Available For This Quarter	Comply	None
Third (7/05 - 9/05)	12,895	0	16,500	0	Comply	None
Last (10/05 - 12/05)	17,446	0	16,500	0	Exceed	946

The main reasons for the exceedance were the company's failure to accurately monitor refinery gas, the use of an incorrect emission factor for calculating emissions from large sources, and the use of an incorrect methodology for determining the volume of natural gas consumed by large sources. As a result, your facility is in violation of Rule 2004(b)(4), which requires a facility to have acquired and have credited to the facility sufficient RTCs to reconcile its quarterly emissions, in the last quarter, as well as Rule 2004(d)(1), which prohibits a facility's emissions from exceeding its annual Allocations from the beginning of a compliance year through the end of any quarter, in the last quarter. A Notice of Violation is enclosed.

Mr. Waida

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April 30, 2010

Rule 2010(b)(1)(A) requires the exceedance amount to be deducted from the facility's Allocation for the compliance year subsequent to determination of Rule 2004(d)(1) violation. Therefore, the above total exceedance amount of 946 pounds is hereby deducted from your facility's Compliance Year 2011 NOx Allocation (Coastal RTCs with expiration date of December 31, 2011). The deducted amounts should be taken into account when you reconcile your emissions with your Allocation for the 2011 compliance year.

Finally, you paid emissions fees based on NOx emissions reported in your Compliance Year 2005 APEP report. Fees for emissions, as determined above in excess of the amount reported in your APEP report, will be charged pursuant to AQMD Rule 301(k)(10)(C). Please recalculate and submit, if any, the amount of fees due based on your Compliance Year 2005 excess emissions, pursuant to Rule 301. Furthermore, resubmit the revised Annual Emissions Report (AER) forms for the affected fiscal year(s) within 60 days from the date of this letter. Both the recalculated fees and the resubmitted AER forms should be sent to:

South Coast Air Quality Management District
Annual Emissions Reporting Program
21865 Copley Drive
Diamond Bar, CA 91765

If you have any emissions-related questions regarding the audit, please contact Mr. Melesio Hernandez at (909) 396-2421. Otherwise, if you have any questions regarding the fee payment, the fee schedule, or any late payment penalties, please contact the Annual Emissions Reporting group at (909) 396-3660.

Sincerely,



Edwin L. Pupka
Senior Compliance Manager
Toxics & Refinery/Energy
Engineering & Compliance

EP:MH:DN

Enclosure
Certified Mail Return Receipt Requested
Cc: RECLAIM Administration Team