

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.

In the Matter of:

Citgo Petroleum Corporation,
Respondent.

Administrative Settlement
Agreement
AED/MSEB # 8006

This Administrative Settlement Agreement (ASA) is made and entered into by and between the United States Environmental Protection Agency (EPA) and Citgo Petroleum Corporation (Respondent) having an office at 1293 Eldridge Parkway, W3028, Houston, TX 77077.

Purpose:

1. The purpose of this ASA is to resolve Respondent's alleged violations of the Clean Air Act (CAA) and the Renewable Fuel Standards regulations promulgated thereunder at 40 C.F.R. Part 80, Subpart M (RFS2 Regulations).

Statutory and Regulatory Authority:

2. Section 211(o) of the CAA, 42 U.S.C. § 7545(o), as amended by the Energy Independence and Security Act of 2007, Pub. L. No. 110-140, 121 Stat. 1492, required EPA to promulgate regulations designed to increase the amount of renewable fuels used in transportation fuel in the United States, lower greenhouse gas emissions, and reduce the nation's reliance on foreign-sourced petroleum.
3. The RFS2 Regulations require renewable fuel producers and importers to generate and assign Renewable Identification Numbers (RINs) in proportion to the amount

and type of renewable fuel that they produce or import. 40 C.F.R. §§ 80.1425, 80.1426.

4. 40 C.F.R. § 80.1406 defines an obligated party as “any refiner that produces gasoline or diesel fuel within the 48 contiguous states or Hawaii, or any importer that imports gasoline or diesel fuel into the 48 contiguous states or Hawaii during a compliance period.”
5. 40 C.F.R. §§ 80.1427(a) and 80.1430 require each obligated party and each exporter of renewable fuel to demonstrate compliance with its Renewable Volume Obligation (RVO) by obtaining and retiring the number of RINs required by the calculation set forth at 40 C.F.R. §§ 80.1407 or 80.1430.
6. 40 C.F.R. § 80.1431(a)(1)(vi) provides that a RIN that does not represent renewable fuel as defined in 40 C.F.R. § 80.1401 is invalid, and 40 C.F.R. § 80.1431(a)(1)(ix) provides that a RIN that was improperly generated is invalid.
7. 40 C.F.R. § 80.1460(c)(1) states that no person shall fail to acquire sufficient RINs, or use invalid RINs, to meet the person’s RVO under 40 C.F.R. § 80.1427.
8. 40 C.F.R. § 80.1461(a)(1) states that any person who violates a prohibition under 40 C.F.R. § 80.1460(a)–(d) is liable for the violation of that prohibition.
9. 40 C.F.R. § 80.1463(a) provides that any person who is liable for a violation under 40 C.F.R. § 80.1461 is subject to a civil penalty as specified in sections 205 and 211(d) of the CAA, 42 U.S.C. §§ 7524 and 7545(d), for every day of each such violation.

10. 40 C.F.R. § 80.1463(b) provides that any person who is liable under 40 C.F.R. § 80.1461(a) for a violation of 40 C.F.R. § 80.1460(c) for failure to meet its RVO is subject to a separate violation for each day in the compliance period.
11. Sections 205 and 211(d) of the CAA authorize EPA to assess a civil penalty of up to \$37,500 per day for each violation, plus the economic benefit or savings resulting from each violation. 42 U.S.C. §§ 7524, 7545(d).

Background:

12. Respondent used the 7,172,062 RINs identified in Attachment A (the Subject RINs), which were generated by Clean Green Fuels, LLC and Absolute Fuels, LLC, to meet its 2010 RVO.
13. EPA alleges that the Subject RINs are invalid because they do not represent renewable fuel and were improperly generated.
14. Respondent represents that it implemented remedial actions by removing the Subject RINs from its RFS0301: 2010 RFS2 annual compliance report and resubmitted corrected reports to EPA, as required by 40 C.F.R. § 80.1431(b).
15. Respondent represents that it believed that the Subject RINs were valid at the time it acquired the Subject RINs and at the time it used the Subject RINs to meet its RVO.
16. EPA and Respondent (the Parties), desiring to settle and resolve this matter, in consideration of the mutual covenants and agreements contained herein, which consideration is acknowledged by the Parties to be adequate, agree as set forth herein. By agreeing to the terms of this ASA, Respondent makes no admission of law or fact with respect to any of the allegations set forth in this ASA.

Violations:

17. EPA has alleged that Respondent violated section 211(o) of the CAA, 42 U.S.C. § 7545(o), and 40 C.F.R. § 80.1460(c)(1) by using the Subject RINs to meet its 2010 RVO.

Terms of the Agreement and Civil Penalty:

18. In any enforcement or penalty action arising out of this ASA or the subject matter of this ASA:

a. The Parties agree that the settlement of this matter is in the public interest and that this ASA is the most appropriate means of resolving the matter; and

b. The Parties further agree that jurisdiction to settle this matter exists pursuant to sections 205 and 211 of the CAA, 42 U.S.C. §§ 7524 and 7545, 40 C.F.R. Part 80, and other provisions of law.

19. Respondent agrees to pay a civil penalty of \$350,000 to the United States of America within thirty (30) calendar days of the effective date of this ASA (penalty due date), but not before the effective date. Late payment of the penalty is subject to interest and fees as specified in 31 U.S.C. § 3717. Respondent agrees to pay the amount by either:

a. Certified check, cashier's check, or company check payable to the "United States of America," and mailed via the United States Postal Service to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000
ATTN: AED/MSEB # 8006

Simultaneously, a copy of the check shall be emailed to Robert Polin at polin.robert@epa.gov. This check shall be identified with the case number and Respondent's name; or

- b. Making an online payment through the Department of the Treasury by visiting WWW.PAY.GOV. In the "Search Public Forms" field, enter "SFO 1.1", click "EPA Miscellaneous Payments - Cincinnati Finance Center" and complete the "SFO Form Number 1.1." Within twenty-four hours of payment, Respondent shall email a copy of the online payment receipt to Robert Polin at polin.robert@epa.gov.

Stipulated Penalties:

20. Respondent shall pay stipulated penalties of \$1,000 per day for failure to timely pay the penalty, or provide proof thereof, pursuant to Paragraph 19.
21. Stipulated penalties under Paragraph 20 of this ASA shall begin to accrue on the day after performance is due and shall continue to accrue until the day compliance is achieved. Stipulated penalties shall be paid in accordance with Paragraph 19 of this ASA.

General Provisions:

22. This ASA becomes effective upon the date executed by EPA (effective date of the ASA), at which time a copy will be returned to Respondent.
23. Notwithstanding any other provision of this ASA, upon Respondent's failure to perform, or default, or failure to comply with any term of this ASA, EPA may refer this matter to the United States Department of Justice to recover civil penalties pursuant to section 205 of the CAA, 42 U.S.C. § 7524, commence an

action to enforce this ASA, recover the civil penalty pursuant to section 205 of the CAA, or pursue any other remedies available to it. Respondent specifically agrees that in the event of such default or failure to comply, EPA may proceed in an action based on the original claim of violations of the CAA and the regulations promulgated thereunder at 40 C.F.R. Part 80. Respondent expressly waives its right to assert that such action is barred by 28 U.S.C. § 2462, any applicable statute of limitation, or other provisions limiting actions as a result of passage of time. Respondent acknowledges that its tax identification number may be used for collecting or reporting any delinquent monetary obligation arising from this Agreement. *See* 31 U.S.C. § 7701.

24. The Parties represent that the individual or individuals executing this ASA on behalf of Respondent are authorized to do so and that such execution is intended and is sufficient to bind Respondent, its agents, assigns, or successors.
25. Respondent waives its rights, if any, to a hearing, trial or any other proceeding on any issue of fact or law relating to the matters consented to herein.
26. The validity, enforceability, and construction of all matters pertaining to this ASA shall be determined in accordance with applicable federal law.
27. This ASA is contingent upon the truthfulness, accuracy and completeness of Respondent's disclosures and representations to EPA in this ASA.

Effect of ASA:

28. This ASA resolves the EPA's civil claims for the violations alleged in Paragraph 17. The resolution of claims set forth in this Paragraph shall take effect upon the receipt by the United States of the civil penalty payment required by Paragraph

19. Nothing herein shall limit the right of EPA to proceed against Respondent in the event of default or noncompliance with this ASA, for violations of section 211 of the CAA, 42 U.S.C. § 7545, which are not the subject matter of this ASA, for other violations of law, or with respect to other matters not within the scope of this ASA. This ASA in no way affects or relieves Respondent of responsibility to comply with other state, federal, or local laws or regulations.


21-11-12
Dennis C. ...
EM HSE
187811-07

SIGNATURES ON FOLLOWING PAGES

Administrative Settlement Agreement – In the Matter of:
Citgo Petroleum Corporation
AED/MSEB # 8006

The following agree to the terms of this ASA:

Citgo Petroleum Corporation

By:  Date: 4-17-12

Typed or Printed Name: DENNIS CALHOUN

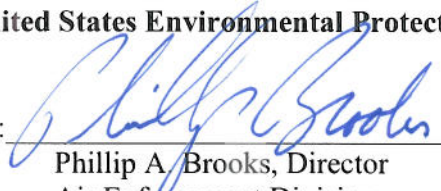
Typed or Printed Title: GM HSSE

Federal Tax Identification Number: 73-1173881

*Administrative Settlement Agreement – In the Matter of:
Citgo Petroleum Corporation
AED/MSEB # 8006*

United States Environmental Protection Agency

By: _____



Phillip A. Brooks, Director
Air Enforcement Division
Office of Civil Enforcement

Date: _____



Attachment A
Administrative Settlement Agreement, AED/MSEB # 8006

List of Invalid Renewable Identification Numbers Citgo Petroleum Corporation Retired for Compliance Purposes

22010346084000023111520000873900009750	22010346084000023531520000000100009000
22010346084000023121520000000100010500	22010346084000023541520000000100009750
22010346084000023131520000000100010500	22010346084000023551520000000100010500
22010346084000023141520000000100007500	22010346084000023561520000000100010500
22010346084000023151520000000100006000	22010346084000023571520000000100007500
22010346084000023161520000000100006000	22010346084000023581520000000100009750
22010346084000023171520000000100007500	22010346084000023591520000000100009750
22010346084000023181520000000100009000	22010346084000023601520000000100012000
22010346084000023191520000000100009000	22010346084000023611520000000100012000
22010346084000023201520000000100009750	22010346084000023621520000000100009750
22010346084000023211520000000100010500	22010346084000023631520000000100010500
22010346084000023221520000000100010500	22010346084000023641520000000100008250
22010346084000023231520000000100007500	22010346084000023651520000000100007500
22010346084000023241520000000100009750	22010346084000023661520000000100010500
22010346084000023251520000000100009750	22010346084000023671520000000100001637
22010346084000023261520000000100012000	22010346084000023671520000163800012000
22010346084000023271520000000100012000	22010346084000023681520000000100006000
22010346084000023281520000000100009750	22010346084000023691520000000100010500
22010346084000023291520000000100009750	22010346084000023701520000000100010500
22010346084000023301520000000100007500	22010346084000023711520000000100010500
22010346084000023311520000000100007500	22010346084000023721520000000100008250
22010346084000023321520000000100006750	22010346084000023731520000000100006000
22010346084000023331520000000100006750	22010346084000023741520000000100006000
22010346084000023341520000000100006000	22010346084000023751520000000100012000
22010346084000023351520000000100012000	22010346084000023761520000000100012000
22010346084000023361520000000100012000	22010346084000023771520000000100009750
22010346084000023371520000000100012000	22010346084000023781520000000100009750
22010346084000023381520000000100011250	22010346084000023791520000000100007500
22010346084000023391520000000100011250	22010346084000023801520000000100007500
22010346084000023401520000000100010500	22010346084000023811520000000100007500
22010346084000023411520000000100010500	22010346084000023821520000000100009000
22010346084000023421520000000100007500	22010346084000023831520000000100009000
22010346084000023431520000000100006000	22010346084000023841520000000100009750
22010346084000023441520000000100006000	22010346084000023851520000000100010500
22010346084000023451520000000100012000	22010346084000023861520000000100010500
22010346084000023461520000000100012000	22010346084000025141520000000100006750
22010346084000023471520000000100009750	22010346084000025151520000000100006750
22010346084000023481520000000100009750	22010346084000025161520000000100006000
22010346084000023491520000000100007500	22010346084000025171520000000100005790
22010346084000023501520000000100007500	22010346084000025191520000000100012000
22010346084000023511520000000100007500	22010346084000025201520000000100011250
22010346084000023521520000000100009000	22010346084000025211520000000100011250

22010346084000026171520000000100009750
22010346084000026181520000000100010500
22010346084000026191520000000100008250
22010346084000026201520000000100007500
22010346084000026211520000000100010500
22010346084000026221520000000100012000
22010346084000026231520000000100006000
22010346084000026241520000000100010500
22010346084000026251520000000100010500
22010346084000026471520000645000007500
22010346084000026481520000000100006000
22010346084000026491520000000100006000
22010346084000026501520000000100012000
22010346084000026511520000000100012000
22010346084000027041520000554700012000
22010346084000027051520000000100012000
22010346084000027061520000000100012000
22010346084000027071520000000100011250
22010346084000027081520000000100011250
22010346084000027091520000000100010500
22010346084000027101520000000100010500
22010346084000027111520000000100007500
22010346084000027121520000000100006000
22010346084000027131520000000100006000
22010346084000027141520000000100012000
22010346084000027151520000000100012000
22010346084000027161520000000100009750
22010346084000027171520000000100009750
22010346084000027181520000000100009750
22010346084000027191520000000100007500
22010346084000027201520000000100007500
22010346084000027211520000000100007500
22010346084000027221520000000100009000
22010346084000027231520000000100009000
22010346084000027241520000000100009750
22010346084000027251520000000100010500
22010346084000027261520000000100010500
22010346084000027271520000000100008250
22010346084000027281520000000100006000
22010346084000027291520000000100006000
22010346084000027301520000000100012000
22010346084000027451520000000100012000
22010346084000027471520000000100000745
22010346084000027471520000074600005546
22010346084000033851520000899000009000
22010346084000033861520000000100009750
22010346084000033871520000000100010500
22010346084000033881520000000100010500

22010346084000033891520000000100007500
22010346084000033901520000000100009750
22010346084000033911520000000100009750
22010346084000033921520000000100012000
22010346084000033931520000000100012000
22010346084000033941520000000100009750
22010346084000033951520000000100009750
22010346084000033961520000000100007500
22010346084000033971520000000100007500
22010346084000033981520000000100006750
22010346084000033991520000000100006750
22010346084000034001520000000100006000
22010346084000034011520000000100011250
22010346084000034021520000000100010500
22010346084000034031520000000100010500
22010346084000034041520000000100007500
22010346084000034051520000000100006000
22010346084000034061520000000100006000
22010346084000034071520000000100012000
22010346084000034081520000000100012000
22010346084000034091520000000100009750
22010346084000034101520000000100009750
22010346084000034111520000000100007500
22010346084000034121520000000100007500
22010346084000034131520000000100007500
22010346084000034141520000000100009000
22010346084000034151520000000100009000
22010346084000034161520000000100009750
22010346084000034171520000000100010500
22010346084000034181520000000100010500
22010346084000034191520000000100007500
22010346084000034201520000000100009750
22010346084000034211520000000100009750
22010346084000034221520000000100012000
22010346084000034231520000000100012000
22010346084000034241520000000100009750
22010346084000034251520000000100009750
22010346084000034261520000000100004321
22010346084000034411520000125100009750
22010346084000034421520000000100007500
22010346084000034431520000000100007500
22010346084000034441520000000100007500
22010346084000034451520000000100009000
22010346084000034461520000000100009000
22010346084000034471520000000100009750
22010346084000034481520000000100010500
22010346084000034491520000000100010500
22010346084000034501520000000100007500

22010346084000034511520000000100009750
 22010346084000034521520000000100009750
 22010346084000034531520000000100012000
 22010346084000034541520000000100012000
 22010346084000034551520000000100009750
 22010346084000034561520000000100009750
 22010346084000034571520000000100007500
 22010346084000034581520000000100007500
 22010346084000034591520000000100006750
 22010346084000034601520000000100006750
 22010346084000034611520000000100006000
 22010346084000034621520000000100012000
 22010346084000034631520000000100009750
 22010346084000034641520000000100009750
 22010346084000034651520000000100007500
 22010346084000034661520000000100007500
 22010346084000034671520000000100006750
 22010346084000034681520000000100006750
 22010346084000034691520000000100006000
 22010346084000034701520000000100006000
 22010346084000034711520000000100011250
 22010346084000034721520000000100010500
 22010346084000034731520000000100010500
 22010346084000034741520000000100007500
 22010346084000034751520000000100006000
 22010346084000034761520000000100006000
 22010346084000034761520000000100006000
 22010346084000039251520000000100003796
 22010346084000027841520000000100004250
 22010346084000027851520000000100007500
 22010346084000027861520000000100007500
 22010346084000027991520000000100007500

22010346084000028001520000000100007500
 22010346084000028011520000000100007500
 22010346084000028071520000000100007500
 22010346084000028081520000000100006000
 22010346084000028091520000000100006000
 22010346084000028141520000000100007500
 22010346084000028151520000000100007500
 22010346084000028161520000000100007500
 22010346084000028221520000000100007500
 22010346084000028291520000000100007500
 22010346084000028301520000000100007500
 22010346084000028311520000000100006750
 22010346084000028321520000000100006750
 22010346084000028331520000000100006000
 22010346084000031981520000000100007500
 22010346084000031991520000000100007500
 22010346084000032001520000000100006750
 22010346084000032011520000000100006750
 22010346084000032021520000000100006000
 22010346084000032081520000000100007500
 22010346084000032151520000000100007500
 22010346084000032161520000000100007500
 22010346084000032171520000000100006750
 22010346084000032181520000000100006750
 22010346084000032191520000000100006000
 22010346084000032271520000000100007500
 22010346084000032281520000000100006000
 22010346084000032291520000000100006000
 22010346084000021931520000000100010500
 22010346084000021961520000000100010500

Company: 3498, Absolute Fuels Facility: 80028, Absolute Fuels-Anton Fuel: 4 Assignment: 2 Equivalence Value: 1.5			
RIN Batch ID	Batch Number	RIN Quantity	RIN Year
806984	83127	289035	2010
823258	83128	210965	2010
2466698	83132	94935	2010
2466701	83132	7439	2010
2466700	83132	1053	2010
1846874	83133	104576	2010
1880155	83134	36	2010
1291752	83141	51321	2010
1344613	83141	21035	2010
1352607	83142	698679	2010
1445697	83143	82646	2010
1506292	83144	896319	2010

1476817	83144	87661	2010
1560032	83145	412339	2010
2543828	83146	43	2010
2543830	83146	43	2010
2543822	83146	188	2010
2543824	83146	332	2010
2543826	83146	491	2010
2543774	83146	557	2010
2543814	83146	855	2010
2543804	83146	904	2010
2543768	83146	1053	2010
2543810	83146	1761	2010
2543808	83146	1990	2010
2543818	83146	2082	2010
2543782	83146	2231	2010
2543772	83146	3313	2010
2543792	83146	3847	2010
2543806	83146	4836	2010
2543833	83146	6084	2010
2543802	83146	6162	2010
2543788	83146	6200	2010
2543786	83146	6209	2010
2543784	83146	6224	2010
2543790	83146	6320	2010
2543798	83146	6348	2010
2543794	83146	6479	2010
2543776	83146	6480	2010
2543780	83146	6495	2010
2543796	83146	6498	2010
2543800	83146	6515	2010
2543778	83146	6521	2010
2543812	83146	6787	2010
2543832	83146	7056	2010
2543770	83146	7439	2010
2543820	83146	8060	2010
2543766	83146	10638	2010
2543816	83146	27364	2010
2543764	83146	76138	2010
1718737	83148	1000000	2010

