



January 30, 2020

Mr. Wayne Nastri
Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Dear Mr. Nastri,

In response to your November 15, 2019 request for quarterly updates regarding implementation of the enhanced mitigation measures described in my August 30, 2019 letter to the Hon. Larry McCallon, Chair of the Refinery Committee of the Board of the South Coast Air Quality Management District, Ultramar Inc. (hereafter "Valero") provides the following information.

Valero is actively progressing all aspects of the commitments detailed in our August 30, 2019 Proffer letter and is on track to complete all projects based on the milestones outlined in our letter. These include:

- *Item 1 - Installation of Open Path Perimeter HF Sensors.* Valero committed to install open path detection monitors around the perimeter of the alkylation unit within one year of adoption of the Board's resolution in this matter, i.e., by September 6, 2020. This project has been fully funded and is in the final phase of engineering and construction. All sensors and related electronics have been purchased. Associated construction drawings have been issued and installation is underway. Installation of the associated structures is awaiting permit approval from the City of Los Angeles. The project is on schedule for completion by or before the September 6, 2020 commitment date.
- *Item 2 - Installation of Flange Guards.* Valero committed to install flange guards on each flange in the alkylation unit in main acid service greater than 2 inches in diameter by the completion of the next scheduled turnaround. To date, we have purchased several flange guards for trial use to confirm they meet the objectives. We are on schedule to have all committed flange guards in place by completion of the next scheduled Alky ReVAP turnaround.
- *Item 3 - Automation of Water Curtain System.* Valero committed to automation of the water curtain system upon completion of the next scheduled Alky ReVAP turnaround. Engineering funding was approved in September 2019 for this project. Preliminary engineering design is currently underway. We are on schedule to have this project implemented by completion of the next scheduled Alky ReVAP turnaround.
- *Item 4 - Installation of Additional Point Source Detectors.* In conjunction with the water curtain automation project described above, Valero committed to install additional point source detectors by completion of the next scheduled Alky ReVAP turnaround. As noted above, engineering funding was approved in September 2019, and preliminary engineering design is underway. We are on schedule to have this project implemented by completion of the next scheduled Alky ReVAP turnaround.



- Item 5 - *Acid Settler Debris Grid*. Valero committed to develop a preliminary engineering design for a debris grid as described in Valero's August 30, 2019 letter within 180 days of the District's acceptance of Valero's proffer; based on the Board's adoption of Resolution No. 19-19 on September 6, 2019, the debris grid preliminary design is to be completed by March 4, 2020. At this time, preliminary design engineering is underway and is expected to be completed prior to the March 4, 2020 commitment date. No issues have been identified to date in the preliminary design work that would prevent implementation of this project by completion of the next scheduled Alky ReVAP turnaround.
- Item 6 - *Acid Settler Riser/Leg Rain Out Barrier/Shroud*. Valero committed to develop a preliminary engineering design for barrier/shroud systems for the acid settler risers and legs and the depropanizer acid boot, as described in Valero's August 30, 2019 letter, within 180 days of the District's acceptance of Valero's proffer. Based on the Board's adoption of Resolution No. 19-19 on September 6, 2019, the barrier/shroud preliminary engineering designs are to be completed by March 4, 2020. At this time, preliminary design engineering is underway and is expected to be completed prior to the March 4, 2020 commitment date. No issues have been identified to date in the preliminary design work that would prevent implementation of this project by completion of the next scheduled Alky ReVAP turnaround.

In your letter requesting quarterly updates on the status of the enhanced mitigation projects described in our proffer letter, you also asked us to "clarify how Ultramar plans to explore the feasibility of inherent safety measures of alternative alkylation catalyst technology (e.g. third party evaluation and publicly available report) also mentioned in the proffer letter." We think you may have confused our proffer letter with the proffer made by Torrance Refining Company, as our August 30, 2019 letter does not address this topic.

We hope this information is helpful to you. We will provide another update on or before April 30, 2020.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Mark Phair', with a small flourish at the end.

Mark Phair
Vice President and General Manager

CC (e-mail): Hon. Dr. William A. Burke, SCAQMD Governing Board Chair
Hon. Mayor Larry McCallon, SCAQMD Governing Board Member/Refinery Committee Chair