Valero

January 29, 2021

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 update for the fourth quarter of 2020.

Valero continues to actively progress 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 notwithstanding the COVID-19 pandemic that continues to impact society. While it is possible that the continuing fallout of the pandemic could lead to material, labor and / or agency approval delays, we are not aware of any specific potential delays at this time. The projects outlined in our letter 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 completed and was fully commissioned by August 28, 2020, as noted in our September 2, 2020 letter.
- *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 installed several flange guards for trial use to confirm they meet the objectives. The number and locations of these flange guards has been finalized. Orders for these guards will be completed after full funding of the project, but well before the end of this year. We remain 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 was completed in May. The refinement engineering phase has been funded and this work is over 80% complete with associated sensor electronics and PLC orders placed in early November, 2020. 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, preliminary engineering was completed in May, with refinement engineering over 80% complete. There will be 13 additional point source detectors installed. It should be noted that we will also be installing an additional 24 open path detectors as part of the

water automation scope. 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. Preliminary design engineering has been completed, with the results sent to you on March 3, 2020. The refinement phase of engineering was funded and is over 80% complete. The associated structural steel package was submitted to City of LA for plan check on January 18, 2021. 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. Preliminary design engineering has been completed, with the results sent to you on March 3, 2020. The refinement phase of engineering was funded and is over 80% complete. The associated structural steel package was submitted to City of LA for plan check on January 18, 2021. 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.

We hope this information is helpful to you. We will provide another update on or before April 30, 2021.

Very truly yours,

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