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VALERO REFINERY AGREES TO HEFTY PENALTY FOR AIR-POLLUTION VIOLATIONS, MUST IMPLEMENT COMMUNITY BENEFIT PROJECTS

(08/21) TRENTON - Neighbors of a South Jersey oil refinery will benefit from a \$1.8-million settlement agreement that requires the company to pay a stiff penalty for a host of air-pollution violations and to fund special community projects that include emergency alert systems, Department of Environmental Protection Commissioner Lisa P. Jackson announced today.

"The Valero refinery has had problems that have had direct impacts on its neighbors, including equipment malfunctions that resulted in the spraying of oil on hundreds of properties and strong odors that forced the evacuation of Paulsboro High School," Commissioner Jackson said. "This settlement reaches into the surrounding communities by requiring the company to take proactive steps to protect the people who live and work near the refinery."

Valero is required to provide funding for emergency sirens in Paulsboro and Greenwich Township, improve Paulsboro High School's heating and ventilation system to block the flow of outside air into the building when the refinery releases excessive pollution, and acquire properties to improve public access to an adjacent park.

The settlement agreement resolves dozens of pollution violations that occurred at the refinery, located in Greenwich Township along the Paulsboro border, during 2005, 2006 and early 2007.

In a series of administrative notices and other enforcement actions, the DEP cited Valero for exceeding overall emissions limits, violating stack-emission testing requirements, exceeding emission standards for pollutants during stack tests, failing to maintain records for monitoring of an air scrubber, and deviating from various other leak detection and repair requirements.

The list of violations includes the accidental release of a misty cloud of oil droplets that sprayed hundreds of vehicles and properties in Paulsboro on June 17, 2006. The violations also include the release of highly odorous hydrogen sulfide and sulfur oxide gases that forced an evacuation and early dismissal at Paulsboro High School on Feb. 6, 2007.

Valero Refining has agreed to correct the violations and will pay a penalty of \$905,796 to the DEP. The company must also modify its operating permit to include the electronic submission of reports of excessive emissions, a process that streamlines DEP review and analysis.

Valero must also tackle fugitive emissions, pollutants released by equipment leaks and evaporative processes that cannot be captured by pollution-control equipment. The company will use an infrared camera to pinpoint sources of this pollution. Valero is required to report the leaks to the DEP and take steps to fix them.

Meanwhile, the value of the projects to benefit the surrounding communities is placed at \$977,808.

The siren systems will allow authorities to quickly alert residents about any situations that may require an emergency response such as evacuation or taking shelter. The ventilation improvements will avert situations such as the February 2007 incident, during which some students and teachers became ill as a result of foul odors that wafted into the school when refinery equipment malfunctioned.

In addition, Valero will purchase and enhance four properties immediately adjacent to the refinery to improve public access to Fort Billings Park, along the Delaware River in Paulsboro. Upon completion of restoration projects, property deeds will be offered to the borough.

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