UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

VIA EMAIL to Derek.Speetles@motivaent.com

NOV 07 2011

Motiva Enterprises LLC
Attention: Robert Pease, Responsible Corporate Officer
PO Box 4540
Houston, TX 77210

Re: Notice of Violation of Renewable Fuel Standards
File Number AED/MSEB # 7966

Dear Robert Pease:

The Environmental Protection Agency (EPA or we) has commenced an investigation into Motiva Enterprises LLC (Motiva or you) regarding whether you used invalid Renewable Identification Numbers (RINs) to meet your 2010 Renewable Volume Obligation (RVO) under the Clean Air Act (CAA). Based on the information available to the EPA as a result of this investigation, we have determined that Clean Green Fuels, LLC (Clean Green Fuels) created invalid RINs, and that Motiva used some of the RINs created by Clean Green Fuels in an effort to satisfy your 2010 RVO. Use of invalid RINs to satisfy RVOs is a violation of the EPA's regulations governing RINs and renewable fuels. 40 C.F.R. § 80.1460(c).

Section 211(o) of the CAA originally was enacted as part of the Energy Policy Act of 2005 (EPAct), and was amended by the Energy Information and Security Act of 2007 (EISA). The EPA promulgated the original renewable fuels standards regulations (RFS 1) at 40 C.F.R. Part 80, Subpart K to implement EPAct, and subsequently promulgated the current renewable fuels standards regulations (RFS 2) at 40 C.F.R. Part 80, Subpart M to implement EISA. EPAct set the first national renewable fuel mandate in the United States, and required 7.5 billion gallons of renewable fuel to be blended into gasoline by 2012. EISA required the EPA to make several important changes to the original renewable fuels regulations, including increasing the volume of renewable fuel required to be blended into transportation fuel to 36 billion gallons per year by 2022. EISA and the RFS 2 regulations also established new categories of renewable fuel with separate volume requirements, and set new greenhouse gas (GHG) emission reduction thresholds for each separate category of renewable fuel. The RFS 2 regulations lay the foundation to achieve significant reductions of GHG

emissions from the use of renewable fuels, reduce petroleum importation, and encourage the development and expansion of our nation's renewable fuels sector.

The RFS 2 regulations require petroleum refiners and importers (referred to as "obligated parties"), and exporters of renewable fuel to acquire sufficient RINs to demonstrate compliance with their RVOs. The regulations include a credit trading program to facilitate compliance with the renewable fuel standards. The credit trading program allows obligated parties and exporters of renewable fuel to comply with their RVOs through the purchase of RINs.

The RFS 2 regulations provide that no person shall use invalid RINs to meet their RVO, regardless of that person's good faith belief that the RINs were valid at the time they were acquired. 40 C.F.R. §§ 80.1431(b)(2), 80.1460(c)(1). RINs that do not represent renewable fuel are invalid. 40 C.F.R. § 80.1431(a)(1)(vi).

Based on available information, the EPA has determined that Motiva used the 2,413,500 invalid RINs identified in Attachment A to meet your 2010 RVO. These RINs are invalid because they do not represent renewable fuel. The company that generated these RINs, Clean Green Fuels, neither produced nor imported any biodiesel as necessary to legally generate these RINs. This determination is based upon the EPA's inspection of the purported production facility and subsequent investigation.

As noted above and detailed in 40 C.F.R. § 80.1431(b), invalid RINs cannot be used for compliance. In view of the EPA's determination that Clean Green Fuels RINs are invalid, any RINs generated by Clean Green Fuels must be removed from your 2010 annual compliance report and a corrected report must be resubmitted. The resubmitted report must include only valid RINs. We request that you make these adjustments and resubmit your annual compliance report within 14 business days after your receipt of this Notice of Violation (NOV). You may contact the EPA Fuels Help Line at (202) 343-9755 if you have questions regarding these reports, including how to make adjustments.

The EPA issues this NOV under Sections 205 and 211 of the CAA, 42 U.S.C. §§ 7524 and 7545, for the violations described above. Sections 205 and 211 of the CAA authorize the EPA to assess a civil penalty of up to $37,500 for every day for each violation, plus the economic benefit or savings resulting from each violation. 42 U.S.C. §§ 7524, 7545(d); *see also* 40 C.F.R. §§ 19.4, 80.1461, 80.1463. In determining an appropriate penalty for violations, the EPA considers the gravity of the violation, the economic benefit or savings (if any) resulting from the violation, the size of your business, your history of compliance with the CAA, actions taken by you to remedy the violation and prevent future violations, the effect of the penalty on your ability to continue in business, and other matters as justice may require. 42 U.S.C. § 7524. This NOV does not create any rights or waive any of your obligations under the CAA, but rather is for the purpose of notifying you of the violations.

We are offering you an opportunity to confer with us about the violations alleged in this NOV. The conference will give you an opportunity to present information on the alleged violations, any efforts you have taken to comply, and the steps you will take to prevent future violations.

The EPA attorney assigned to this matter is Evan M. Belser. He can be reached at (202) 564-6850, Belser.Evan@epa.gov, or at the following address:

Evan M. Belser, Attorney Adviser
EPA, Air Enforcement Division
1200 Pennsylvania Avenue, NW
Ariel Rios South Building Room 1111A, Mailcode 2242A
Washington, D.C. 20460 (20004 for non-USPS couriers)

Contact Mr. Belser to request the conference described above. Any conference should be held within 60 calendar days of your receipt of this NOV. By offering the opportunity for a conference, or participating in one, the EPA does not waive or limit its right to any remedy available under the CAA.

We appreciate your attention to this important matter and look forward to working with you to reach a resolution.

Sincerely,

Matthew W. Morrison

for Phillip A. Brooks
Director
Air Enforcement Division

cc: Matthew W. Morrison, Associate Director, Air Enforcement Division
Jacqueline Robles Werner, Chief, Mobile Source Enforcement Branch
Jeffrey A. Kodish, Fuels Team Leader, Mobile Source Enforcement Branch

Attachment A
Notice of Violation of Renewable Fuel Standards, File Number AED/MSEB # 7966

List of Invalid Renewable Identification Numbers Motiva Enterprises LLC
Retired for Compliance Purposes

2201034608400001168152000000100009750
2201034608400001169152000000100007500
2201034608400001170152000000100007500
2201034608400001171152000000100006750
2201034608400001172152000000100006750
2201034608400001173152000000100006000
2201034608400001174152000000100012000
2201034608400001175152000000100012000
2201034608400001176152000000100012000
2201034608400001177152000000100011250
2201034608400001178152000000100011250
2201034608400001179152000000100010500
2201034608400001180152000000100010500
2201034608400001181152000000100007500
2201034608400001182152000000100006000
2201034608400001183152000000100006000
2201034608400001184152000000100012000
2201034608400001185152000000100012000
2201034608400001186152000000100009750
2201034608400001187152000000100006735
2201034608400001146152000399300010500
2201034608400002586152000061500007500
2201034608400002587152000000100006750
2201034608400002588152000000100006750
2201034608400002589152000000100006000
2201034608400002590152000000100012000
2201034608400002591152000000100012000
2201034608400002592152000000100012000
2201034608400002593152000000100011250
2201034608400002594152000000100011250
2201034608400002595152000000100010500
2201034608400002596152000000100010500
2201034608400002597152000000100007500
2201034608400002598152000000100006000
2201034608400002599152000000100006000
2201034608400002600152000000100012000
2201034608400002601152000000100012000
2201034608400002602152000000100009750
2201034608400002603152000000100009750
2201034608400002604152000000100007500
2201034608400002605152000000100007500
2201034608400002606152000000100007500
2201034608400002607152000000100009000
2201034608400002608152000000100009000
2201034608400002609152000000100009750
2201034608400002610152000000100010500
2201034608400002611152000000100010500
2201034608400002612152000000100007500
2201034608400002613152000000100009750
2201034608400002614152000000100009750
2201034608400002615152000000100012000
2201034608400002616152000000100012000
2201034608400002617152000000100009750
2201034608400002618152000000100010500
2201034608400002619152000000100008250
2201034608400002620152000000100007500
2201034608400002621152000000100010500
2201034608400002622152000000100012000
2201034608400002623152000000100006000
2201034608400002624152000000100010500
2201034608400002625152000000100010500
2201034608400002626152000000100010500
2201034608400002627152000000100008250
2201034608400002628152000000100006000
2201034608400002629152000000100006000
2201034608400002630152000000100012000
2201034608400002631152000000100012000
2201034608400002632152000000100009750
2201034608400002633152000000100009750
2201034608400002634152000000100007500
2201034608400002635152000000100007500
2201034608400002636152000000100007500
2201034608400002637152000000100009000
2201034608400002638152000000100009000
2201034608400002639152000000100008614
2201034608400002639152000861500009750
2201034608400002640152000000100010500
2201034608400002641152000000100010500
2201034608400002642152000000100007500
2201034608400002643152000524300006000
2201034608400002644152000000100006000
2201034608400002645152000000100010500
2201034608400002646152000000100010500
2201034608400002647152000000100007500
2201034608400002648152000000100006000
2201034608400002649152000000100006000

2201034608400002820152000000100010500
2201034608400002839152000000100010500
2201034608400002840152000000100010500
2201034608400003206152000000100010500
2201034608400003226152000000100010500
2201034608400002821152000000100010500
2201034608400003225152000000100010500
2201034608400002805152000000100010500
2201034608400003223152000000100011250
2201034608400002838152000000100011250
2201034608400002837152000000100011250
2201034608400003224152000000100011250
2201034608400002810152000000100012000
2201034608400002795152000000100012000
2201034608400002796152000000100012000
2201034608400003212152000000100012000
2201034608400002834152000000100012000
2201034608400003211152000000100012000
2201034608400002835152000000100012000
2201034608400002836152000000100012000
2201034608400002811152000000100012000
2201034608400003194152000000100012000
2201034608400002826152000000100012000
2201034608400003195152000000100012000
2201034608400003230152000000100012000
2201034608400002825152000000100012000
2201034608400003222152000000100012000
2201034608400003231152000000100012000
2201034608400003220152000000100012000
2201034608400003221152000000100012000
2201034608400003279152000049000009750
2201034608400003280152000000100009750
2201034608400003281152000000100007500
2201034608400003282152000000100007500
2201034608400003283152000000100006750
2201034608400003284152000000100006750
2201034608400003285152000000100006000
2201034608400003286152000000100012000
2201034608400003287152000000100012000
2201034608400003288152000000100012000
2201034608400003289152000000100011250
2201034608400003290152000000100011250
2201034608400003291152000000100010500
2201034608400003292152000000100010500
2201034608400003293152000000100007500
2201034608400003294152000000100006000
2201034608400003295152000000100006000
2201034608400003296152000000100012000
2201034608400003297152000000100012000
2201034608400003298152000000100009750
2201034608400003299152000000100006750
2201034608400003300152000000100006000
2201034608400003301152000000100012000
2201034608400003302152000000100012000
2201034608400003303152000000100012000
2201034608400003304152000000100011250
2201034608400003305152000000100003739
2201034608400002581152000491100012000
2201034608400002582152000000100003827
2201034608400001516152000309900010500
2201034608400001517152000000100008250
2201034608400001518152000000100006000
2201034608400001519152000000100006000
2201034608400001520152000000100012000
2201034608400001521152000000100004700
2201034608400002626152000000100010500
2201034608400002627152000000100008250
2201034608400002628152000000100006000
2201034608400002629152000000100006000
2201034608400002630152000000100012000
2201034608400002631152000000100012000
2201034608400002632152000000100009750
2201034608400002633152000000100009750
2201034608400002634152000000100007500
2201034608400002635152000000100007500
2201034608400002636152000000100007500
2201034608400002637152000000100009000
2201034608400002638152000000100009000
2201034608400002639152000000100009750
2201034608400002640152000000100010500
2201034608400002641152000000100010500
2201034608400002642152000000100007500
2201034608400002643152000000100006000
2201034608400002644152000000100006000
2201034608400002645152000000100010500
2201034608400002646152000000100010500
2201034608400002647152000000100006449