



October 10, 2019

SENT VIA CERTIFIED MAIL NO. 7017 0660 0000 0139 2772  
Return Receipt Requested

Holly Edmunds  
Twin Star Energy, LLC  
7671 Shaffer Parkway  
Littleton, CO 80127

Re: Proposed Early Settlement Agreement in the Matter of Twin Star Energy, LLC  
AIRS No.: 031-1330, 005-1131, 013-0431  
Case No.: 2019-130, 2019-131, 2019-132

Dear Holly Edmunds:

Twin Star Energy, LLC ("Twin Star") owns and operates the following public gasoline dispensing facilities (collectively, "Facilities"):

- AIRS 031-1330: TSE #522, located at 8899 Hampden Avenue, Denver, Denver County, Colorado ("Denver Facility"). The Denver Facility is subject to the terms and conditions of the Colorado Construction Permit Number 92DE1136S Modification 3, Final Approval issued to Twin Star on April 16, 2014 ("Permit Number 92DE1136S Modification 3"), Colorado Construction Permit Number 92DE1136S Issuance 6, Initial Approval issued to Twin Star on June 19, 2019 ("Permit Number 92DE1136S Issuance 6"), Colorado Air Quality Control Statutes, and Colorado Air Quality Control Commission ("AQCC") Regulations.
- AIRS 005-1131: TSE #12, located at 1191 South Buckley Road, Aurora, Arapahoe County, Colorado. ("Aurora Facility"). The Aurora Facility is subject to the terms and conditions of the Colorado Construction Permit Number 19AR0410S Issuance 1, Initial Approval issued to Twin Star on June 20, 2019 ("Permit Number 19AR0410S"), Colorado Air Quality Control Statutes, and AQCC Regulations.
- AIRS 013-0431: TSE #536, located at 4742 Table Mesa Drive, Boulder, Boulder County, Colorado ("Boulder Facility"). The Boulder Facility is subject to the terms and conditions of the Colorado Construction Permit Number 92BO1152S Modification 4, Final Approval issued to Twin Star on April 16, 2014 ("Permit Number 92BO1152S Modification 4"), Colorado Construction Permit Number 92BO1152S Issuance 7, Initial Approval issued to Twin Star on June 20, 2019 ("Permit Number 92BO1152S Issuance 7"), Colorado Air Quality Control Statutes, and AQCC Regulations.



On March 29, 2019, Joe Ricchiuto, of the Colorado Air Pollution Control Division ("Division"), inspected the Denver Facility. On April 11, 2019, Joe Ricchiuto inspected the Aurora Facility. On April 19, 2019, Joe Ricchiuto inspected the Boulder Facility. Based on the inspection, and a review of records related to the Facilities, the Division issued a Compliance Advisory to Twin Star on August 15, 2019. On September 19, 2019, the Division and Twin Star met to discuss the issues identified in the Compliance Advisory.

Based upon a review of the inspection, records related to the Facilities, and the information provided by Twin Star, the Division has determined the following:

**Denver Facility/031-1330**

- A. Pursuant to AQCC Regulation 7, § VI.B.3.b, Permit Number 92DE1136S Modification 3, Condition 4, and Permit Number 92DE1136S Issuance 6, Condition 7, Twin Star shall not allow the transfer of petroleum liquid from any delivery vessel into any tank unless the vapors displaced from the storage tank during filling are processed by a vapor control system. During the inspection on March 29, 2019, vapor recovery lines were appropriately connected, but the Division observed vapor emissions from the connection point between the premium vapor recovery riser and coupling as well as from the automatic tank gauge access port. Therefore, Twin Star violated AQCC Regulation 7, § VI.B.3.b, Permit Number 92DE1136S Modification 3, Condition 4, and Permit Number 92DE1136S Issuance 6, Condition 7.

On June 13, 2019, Twin Star replaced a drain valve, and the ATG fill cap and adapter for the premium gasoline tank, at the Denver Facility.

- B. Pursuant to AQCC Regulation 3, Part B, § III.D.2, Permit Number 92DE1136S Modification 3, Condition 5 and Permit Number 92DE1136S Issuance 6, Condition 8, this source is located in an ozone non-attainment or attainment-maintenance area and subject to the Reasonably Available Control Technology ("RACT") requirements of Regulation Number 3, Part B, III.D.2. RACT for this source has been determined to be Stage I Vapor Recovery System ("VRS"). During the inspection on March 29, 2019, vapor recovery lines were appropriately connected, but the Division observed vapor emissions from the connection point between the premium vapor recovery riser and coupling as well as from the automatic tank gauge access port, demonstrating the Stage I VRS was not functioning properly. Therefore, Twin Star violated AQCC Regulation 3, Part B, § III.D.2, Permit Number 92DE1136S Modification 3, Condition 5 and Permit Number 92DE1136S Issuance 6, Condition 8.

On June 13, 2019, Twin Star replaced a drain valve, and the ATG fill cap and adapter for the premium gasoline tank, at the Denver Facility.

- C. Pursuant to AQCC Regulation 3, Part A, § II.C.1.e. and Permit Number 92DE1136S Modification 3, Condition 8.e., a revised Air Pollutant Emission Notice ("APEN") must be submitted to the Division no less than 30 days before the current APEN expires. Pursuant to AQCC Regulation 3, Part A, § II.C.3.a, a revised APEN shall be submitted no later than thirty days before the five-year term expires. Twin Star submitted the previous APEN for the Denver Facility on May 30, 2013, and a revised APEN was due no later than April 30, 2018. Twin Star failed to submit a revised APEN until April 16, 2019, in violation of AQCC Regulation 3, Part A, §§ II.C.1.e and II.C.3.a and Permit Number 92DE1136S Modification 3, Condition 8.e.



Aurora Facility/005-1131

- D. Pursuant to AQCC Regulation 3, Part A, § II.A, no person shall allow emission of air pollutants from, or construction, modification or alteration of, any facility, process, or activity which constitutes a stationary source, except residential structures, from which air pollutants are, or are to be, emitted unless and until an APEN and the associated APEN fee has been filed with the Division with respect to such emission. Twin Star failed to file an APEN for the Aurora Facility until April 16, 2019, in violation of AQCC Regulation 3, Part A, § II.A.
- E. Pursuant to AQCC Regulation 3, Part B, § II.A.1, no person shall commence construction of any stationary source or modification of a stationary source without first obtaining or having a valid construction permit from the Division. Twin Star failed to obtain Permit Number 19AR0410S for the Aurora Facility until June 20, 2019, in violation of AQCC Regulation 3, Part B, § II.A.1.

Boulder Facility/013-0431

- F. Pursuant to AQCC Regulation 7, § VI.B.3.b, Permit Number 92BO1152S Modification 4, Condition 4, and Permit Number 92BO1152S Issuance 7, Condition 7, Twin Star shall not allow the transfer of petroleum liquid from any delivery vessel into any tank unless the vapors displaced from the storage tank during filling are processed by a vapor control system. During the inspection on April 19, 2019, vapor recovery lines were appropriately connected, but the Division observed vapor emissions venting from the standpipe associated with the regular gasoline tank. Therefore, Twin Star violated AQCC Regulation 7, § VI.B.3.b, Permit Number 92BO1152S Modification 4, Condition 4, and Permit Number 92BO1152S Issuance 7, Condition 7.

On June 13, 2019, Twin Star replaced three pressure/vacuum vent valves attached to the standpipes at the Boulder Facility, and threaded the pipes. The same day, Twin Star completed leak rate and cracking pressure testing on the valves, which showed passing results.

- G. Pursuant to AQCC Regulation 3, Part B, § III.D.2, Permit Number 92BO1152S Modification 4, Condition 5, and Permit Number 92BO1152S Issuance 7, Condition 8, this source is located in an ozone non-attainment or attainment-maintenance area and subject to the RACT requirements of Regulation Number 3, Part B, III.D.2. RACT for this source has been determined to be Stage I VRS. During the inspection on April 19, 2019, vapor recovery lines were appropriately connected, but the Division observed vapor emissions venting from the standpipe associated with the regular gasoline tank, demonstrating the Stage I VRS was not functioning properly. Therefore, Twin Star violated AQCC Regulation 3, Part B, § III.D.2, Permit Number 92BO1152S Modification 4, Condition 5, and Permit Number 92BO1152S Issuance 7, Condition 8.

On June 13, 2019, Twin Star replaced three pressure/vacuum vent valves attached to the standpipes at the Boulder Facility, and threaded the pipes. The same day, Twin Star completed leak rate and cracking pressure testing on the valves, which showed passing results.

The Colorado Air Pollution Prevention and Control Act, at § 25-7-122(1)(b), C.R.S., specifies that the penalty for such violations may be up to Fifteen Thousand Dollars (\$15,000.00) per day for each violation. The monetary amount of the Division's settlement offer specified below is derived from a pre-established schedule of penalties, which takes into account, among other factors, the magnitude and severity of the violation, cooperation of the company, as well as the prior history of



violations of air quality requirements associated with any of the company's facilities/operations in the State of Colorado (including a company's parent or subsidiary relations, if applicable). Settlement offers are based on the evaluation of the same factors and criteria in all cases. Based upon Twin Star's cooperation, and its efforts to bring its operations into compliance with the regulations and permit conditions identified above, the Division acknowledges that Twin Star has appropriately and adequately addressed all compliance issues identified above. In the interest of settling the matters cited herein, the Division therefore offers the following settlement in accordance with the Division's settlement policy.

1. Payment of a reduced penalty in the sum of Twelve Thousand Two Hundred Fifty Dollars (\$12,250.00). Payment of the penalty precludes further enforcement by the Division for the above-described violation against Twin Star. The Division retains its authority to take enforcement actions based on any and all violations not specifically described above.
2. Entering into this settlement shall not constitute an admission of violation of the air quality laws, or the alleged facts relating thereto, nor shall any third party infer it to be such an admission in any administrative or judicial proceeding. However, Twin Star agrees not to challenge the factual or legal determinations herein, the Division's authority to bring, or the court's jurisdiction to hear, any action, insofar as it pertains to the matters contained herein, to enforce the terms of this settlement agreement. The described violation will constitute part of Twin Star's compliance history for any purpose for which such history is relevant.

This letter constitutes an offer of settlement and is not a demand for payment. Please contact me if you wish to discuss this offer of settlement. We remain willing to consider any information you wish to submit related to the violation. Please be advised, however, that the offer of settlement contained in this letter is predicated on resolving this matter within fifteen (15) days of the date of this settlement proposal letter. If you elect to continue the negotiation of this matter beyond that date, this offer shall be deemed withdrawn, and any penalty mitigation built into this settlement proposal may be revoked. If you require additional time to evaluate this settlement proposal or discuss remaining issues with the Division, however, please contact me regarding your request for an extension of the offer. Any extension of the offer, if agreed to by the Division, must be confirmed, in writing, by the Division.

If the above terms are acceptable to you, please have the appropriate person sign and return this letter and send a check in the sum of \$12,250.00, made payable to the Colorado Department of Public Health and Environment, to

**Air Pollution Control Division  
Attn: Heather Wuollet  
4300 Cherry Creek Drive South  
APCD-SS-B1  
Denver, Colorado 80246-1530**

This offer of settlement, upon being fully endorsed by both the Division and Twin Star, shall constitute full and final resolution of the noncompliance issues identified herein and in the Compliance Advisory issued to Twin Star.

You may write or call to request a settlement conference if you wish to discuss the matter with representatives of the Division's compliance staff. If we do not receive a response from you within fifteen (15) days of the date of this letter, we will assume that you are not interested in resolving this matter as outlined above. Please call Heather Wuollet, at 303-692-3198, if you have any further questions regarding this matter.



Sincerely,



Shannon McMillan  
Compliance and Enforcement Program Manager

I certify that I am authorized by Twin Star to execute this settlement agreement and bind Twin Star, and any affiliated entities, to the terms and conditions of this agreement. I have read the above settlement and agree to the terms and conditions of this offer.

Name: Holly Edmonds

Title: ENV. COMPLIANCE MGR.

  
Signature

(720)693-1323  
Telephone Number

10/25/2019  
Date

cc: Shannon McMillan, APCD                      Joe Ricchiuto, APCD  
Paul Carr, APCD                                      Beth Pilson, APCD  
Heather Wuollet, APCD                              Tom Lovell, APCD  
Tom Roan, Attorney General's Office              Michael Stovern, EPA (Region VIII)  
File

