

Procedure: A Method to Confirm that a Grandfathered Source at a Petroleum Refinery is *Altered* rather than *Modified*

Purpose Provide a consistent standardized method to confirm that a grandfathered source is altered, rather than modified, without having to conduct a comprehensive debottlenecking analysis.

Procedure Steps to ensure that a grandfathered source is altered.

Step	Who	Action
1	Owner/Operator	Determine the highest actual consecutive 24-hour throughput or firing rate demonstrated and documented in owner records
2	Owner/Operator	Determine the highest actual consecutive 12-month throughput or firing rate demonstrated and documented in owner records
3	Owner/Operator	Incorporate Step 1 and 2 throughputs or firing rates into proposed permit conditions
4	Owner/Operator	Provide the records and proposed permit conditions in a permit application
5	District	Process the complete permit application as an alteration, and impose permit conditions based upon the demonstrated daily and annual capacity

Principle This procedure is based on the concept that over the operating life of the source there has been at least one period of time where the source has operated at its highest capacity, as limited by upstream or downstream bottlenecks. Limiting future operation to this demonstrated capacity is sufficient to ensure that a grandfathered source is not being debottlenecked, and therefore, is not modified.

- Definitions**
- A **grandfathered source** is an emissions source that was originally in service prior to March 7, 1979, and has not been modified since.
 - A grandfathered source with an emission increase due to debottlenecking is considered to be **modified**.
 - An **altered source** (aka an alteration) is when the owner/operator makes any physical change, or changes the method of operation, which may affect the emissions, but does not result in an emission increase. (If the change results in an increase in emissions, the source is a modified source.)
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Background and Rationale

- This procedure documents the past practice of the Engineering Division to address capacity limits associated with Regulation 2-1-234.3, grandfathered sources that have never been issued a District authority to construct.
 - The alteration of a grandfathered source usually occurs only if the change does not increase the capacity of the source above the 2-1-234.3.2 bottlenecked capacity.
 - The District has not performed a comprehensive review of the Regulation 2-1-234.3.2 bottlenecked capacity of refinery sources.
 - Applicants have proposed several methods to demonstrate that a grandfathered source is altered. Determinations have been inconsistent.
 - This procedure is intended to ensure consistency for determining the capacity of a source as limited by any bottlenecks.
 - This procedure allows the highest historical actual throughput or firing rate to be used as the Regulation 2-1-234.3.2 bottlenecked capacity.
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Exceptions or Special Circumstances

Item	Description
1	Grandfathered sources that were modified (as defined by Regulation 2, Rule 1) after March 7, 1979 are not subject to this policy providing all of the following are true: <ul style="list-style-type: none"> • The modification was approved through a District permit application, • The District permit action included the evaluation of the requirements of Regulation 2, Rule 2, and • The engineering evaluation for the permit application clearly details the following (pursuant to the requirements at the time of the permit application): <ul style="list-style-type: none"> – daily and annual emission impacts of the modification for all criteria pollutants and – hourly and annual emission impacts of the modification for all toxic air contaminants.
2	There may be sources placed in service prior to 3/7/79 that are not grandfathered, and there will be situations where the owner/operator will demonstrate that this is the case Example -- a source was granted an authority to construct by EPA between 1972 and 1979)
3	This policy does not prevent the owner/operator from performing a comprehensive facility operation study that demonstrates the source capacity limited by upstream and downstream bottlenecks.

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