



April 8, 2011

ConocoPhillips Company
San Francisco Refinery
1380 San Pablo Avenue
Rodeo, CA 94572

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BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

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Mr. Sanjeev Kamboj
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

**Subject: Comments on Major Facility Review Permit Renewal
Application #18231
ConocoPhillips Company San Francisco Refinery – Plant No. A0016**

Mr. Kamboj:

This letter provides ConocoPhillips' comments on the draft Renewal of the Major Facility Review Permit for the ConocoPhillips Company San Francisco Refinery.

Comment #1: Deletion of Federal and California State Greenhouse Gas Inventory Regulations as Applicable Requirements

The Draft Permit lists 40 C.F.R. Part 98, Subparts A, C, Y, and MM as "Applicable Requirements" (see Section IV, Source Specific Applicable Requirements; Table IV -- All Sources, Facility-Specific Generally Applicable Requirements; Draft Permit Page 54). Pursuant to District Rule 2-6-602, "applicable requirements" are "[a]ir quality requirements with which a facility must comply pursuant to the District's regulations, codes of California statutory law, and the federal Clean Air Act, including applicable requirements as defined in 40 C.F.R. section 70.2." The Federal Part 98 regulations clearly are not the District's regulations or California statutory law. Further, in promulgating its Part 98 Federal regulations, EPA explained that the definition of "applicable requirement" in 40 C.F.R. sections 70.2 and 72.1 does not include the Part 98 regulations (74 Fed. Reg. 56260, 56287-88, Oct. 30, 2009). Therefore, the Federal Part 98 regulations are not "applicable requirements" pursuant to the District's rules and should not be included in the Rodeo Refinery's Title V Permit. ConocoPhillips requests that all references to 40 C.F.R. Part 98 as "Applicable Requirements" be removed from the permit.

Further, the Draft Permit lists California Code of Regulations, Title 17, Subchapter 10, Article 2 as "Applicable Requirements") (see Section IV, Source Specific Applicable Requirements; Table IV -- All Sources, Facility-Specific Generally Applicable Requirements; Draft Permit Page 45). California regulations are not "applicable requirements" pursuant to District Rule 2-6-602, which defines "applicable requirements" as "[a]ir quality requirements with which a facility must comply pursuant to the District's regulations, codes of California statutory law, and the federal Clean Air Act, including applicable requirements as defined in 40 C.F.R. section 70.2" (emphasis supplied). In addition, the regulations at Title 17, Subchapter 10, Article 2 were promulgated pursuant to a stand-alone statute as part of Division 25.5 of the California Health and Safety Code, not the Air Quality

provisions of Division 26, and thus, are not "air quality requirements with which a facility must comply pursuant to ... codes of California statutory law." Lastly, AB32, pursuant to which the Title 17, Subchapter 10, Article 2 regulations were promulgated, vests enforcement authority solely in the California Air Resources Board, not the District, thus rendering the District without authority to enforce such regulations as part of the Title V Permit program (*Cal. H&S Code* sec. 38580(a)). For these reasons, ConocoPhillips requests that all references to California Code of Regulations, Title 17, Subchapter 10, Article 2 as "Applicable Requirements" be removed from the permit.

Comment #2: Inclusion of Application 17465/17466

The Permit to Operate for Application 17465 was received on September 22, 2009. This application modified permit conditions 22121 and 22122. Please include revised Permit Conditions 22121 and 22122 in the Renewal permit.

Comment #3: Revisions to Diesel Engine Permit Conditions and Applicable Requirements

Permit Condition 19488 and Tables IV-A.27, IV-A.28, VII-A.27 and VII-A.28 were modified for Sources S50 – S59 (diesel engines). Please include the modifications included in Attachment A. These changes are meant to clarify the hours of operation and future effective dates of the regulations.

If you have any questions, or require additional information please contact Brent Eastep at (510) 245-4672.

Sincerely,



Philip C. Stern, Manager
Health, Safety and Environment

Attachment

Cc: Ms. Deborah Jordan
Director, Air Management Division
United States Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105

**ATTACHMENT A
ConocoPhillips - TV Renewal
Engine Comments**

CONDITION 19488

CONDITIONS FOR S50, S51 and S52 -TURBINE STARTUP DIESEL ENGINES

1. The owner/operator of turbine startup engines S50, S51 and S52 shall operate these engines no more than 60 hours **combined** total per calendar year. [Basis: "Stationary Diesel Engine ATCM 93115.3(j)"]

Table IV – A.27

No changes

Table IV – A.28

Excerpt of BAAQMD Conditions only. Others are ok.

BAAQMD Regulation 9, Rule 8	Nitrogen Oxides And Carbon Monoxide From Stationary Internal Combustion Engines (7/25/07)		
9-8-110.5	Exemptions: Emergency Standby Engines	N	
9-8-330	Emergency Standby Engines, Hours of Operation	N	
9-8-330.1	Emergency Standby Engines, Emergency Operation	N	
9-8-330.2	Emergency Standby Engines, Reliability-Related Activities ≤100 hours/yr until 1/1/12	N	
9-8-330.3	Emergency Standby Engines, Reliability-Related Activities ≤50 hours/yr effective 1/1/12.	N	1/1/2012
9-8-502.1	Monthly records of usage	N	

**Table VII – A.27
Applicable Limits and Compliance Monitoring Requirements
S50, S51, S52 – TURBINE STARTUP ENGINES**

Type of Limit	Citation of Limit	FE Y/N	Future Effective Date	Limit	Monitoring Requirement Citation	Monitoring Frequency (P/C/N)	Monitoring Type
Opacity	BAAQMD 6-1-303.1	N		Ringelmann No. 2 for no more than 3 minutes in any hour	None	N	N/A
Opacity	SIP 6-303.1	Y		Ringelmann No. 2 for no more than 3 minutes in any hour	None	N	N/A
FP	BAAQMD 6-1-305	N		Prohibition of nuisance	None	N	None
FP	SIP 6-305	Y		Prohibition of nuisance	None	N	None
FP	BAAQMD 6-1-310	N		0.15 gr/dscf	None	N	N/A
FP	SIP 6-310	Y		0.15 gr/dscf	None	N	N/A
Hours of operation	9-8-111.1	Y		Exemptions: Engines rated at or below 1000 brake horsepower which operate less than 200 hours in any 12-consecutive month period <u>Until 1/1/12</u>	BAAQMD 9-8-502	P/M	records
Hours of operation	9-8-111.3	Y		Exemptions: Engines that operate less than 100 hours, exclusive of any emergency use, in any 12-consecutive-month period <u>Effective 1/1/12</u>	BAAQMD 9-8-502	P/M	records
Hours of operation	CCR, Title 17, Section 93115.3(j)	N		Exemptions: Engine operates number of hours per APCO approval – 60 hours/year (combined S50, 51, & 52)	93115.10(f)	P/E	records
SO2	BAAQMD 9-1-304	Y		Fuel Sulfur Limit 0.5% by weight	None	P/E	fuel certification

**Table VII – A.28
Applicable Limits and Compliance Monitoring Requirements
S53, S54, S55, S56, S57, S58, S59 – EMERGENCY DIESEL ENGINES**

Type of Limit	Citation of Limit	FE Y/N	Future Effective Date	Limit	Monitoring Requirement Citation	Monitoring Frequency (P/C/N)	Monitoring Type
Opacity	BAAQMD 6-1-303.1	N		Ringelmann No. 2 for no more than 3 minutes in any hour	None	N	N/A
Opacity	SIP 6-303.1	Y		Ringelmann No. 2 for no more than 3 minutes in any hour	None	N	N/A
FP	BAAQMD 6-1-305	N		Prohibition of nuisance	None	N	None
FP	SIP 6-305	Y		Prohibition of nuisance	None	N	None
FP	BAAQMD 6-1-310	N		0.15 gr/dscf	None	N	N/A
FP	SIP 6-310	Y		0.15 gr/dscf	None	N	N/A
Hours of Operation	<u>BAAQMD 9-8-330</u>	N		<u>Up to 100 hours for reliability testing Until 1/1/12</u>	<u>BAAQMD 9-8-530</u>	C	<u>Totalizing Meter</u>
Hours of Operation	<u>BAAQMD 9-8-330</u>	N		<u>Up to 50 hours for reliability testing Effective 1/1/12</u>	<u>BAAQMD 9-8-530</u>	C	<u>Totalizing Meter</u>
SO2	<u>BAAQMD 9-1-304</u>	Y		<u>Fuel Sulfur Limit 0.5% by weight</u>	None	P/E	<u>fuel certification</u>
SO2	<u>CCR, Title 17, Section 93115.5</u>	N		<u>CARB Diesel or other specified</u>	<u>CCR, Title 17, Section 93115.10(e)(1)(G)</u>	P/E	<u>fuel records</u>
(S53 – Emergency Electricity Generator)							
Hours of Operation	<u>CCR, Title 17, Section 93115.6(b)(3)(A)(1)(a)</u>	N		<u>20 hours/yr for maintenance and testing</u>	<u>CCR, Title 17, Section 93115.10(e)(1)</u>	C	<u>Totalizing Counter</u>

**Table VII – A.28
Applicable Limits and Compliance Monitoring Requirements
S53, S54, S55, S56, S57, S58, S59 – EMERGENCY DIESEL ENGINES**

Type of Limit	Citation of Limit	FE Y/N	Future Effective Date	Limit	Monitoring Requirement Citation	Monitoring Frequency (P/C/N)	Monitoring Type
Hours of Operation	CCR, Title 17, Section 93115.6(b)(3)(A)(1)(a)	N		20 hours/yr for maintenance and testing	CCR, Title 17, Section 93115.10(g)	M	records
(S54, S55, S56, S57, S58, S59 – Firewater Pump Engines)							
Hours of Operation	CCR, Title 17, Section 93115.3(n)	N		50 hours/yr per engine for S54, S55, S56, S57, S58 and S59 for maintenance and testing (NFPA 25)	CCR, Title 17, Section 93115.10(g)	M	records
SO2	BAAQMD 9-1-304	Y		Fuel Sulfur Limit 0.5% by weight	None	P/B	fuel certification

