

December 1, 2003

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

Dear Ms. Jordan:

The requirements for public and EPA review of the following Major Facility Review Permit have been completed:

ALAMEDA COUNTY

Roberta Cooper
Scott Haggerty
(Chairperson)
Nate Miley
Shelia Young

Facility #	Facility Name	Application #
B3193	Valero Benicia Asphalt Plant	17468

CONTRA COSTA COUNTY

Mark DeSaulnier
Mark Ross
Gayle Uilkema
(Secretary)

Comments were received from EPA, the facility, and the following parties: Good Neighbor Steering Committee, Our Children's Earth, Sierra Club, Western States Petroleum Association. The District has prepared responses to comments, has amended the permit where necessary, and has decided to issue the permit.

MARIN COUNTY
Harold C. Brown, Jr.

The District has agreed to make some changes in response to the facility's comments. The detail of the District's response to the comments is in the letter to the facility, attached.

NAPA COUNTY
Brad Wagenknecht

The District has also made some changes in response to EPA's comments. The comments and the detailed response to comments are attached. Information requested by EPA was included in the response to comments instead of amending the statement of basis. This is appropriate since this letter is part of the official record.

SAN FRANCISCO COUNTY

Willie Brown, Jr.
Chris Daly
Jake McGoldrick

Several changes were made in response to comments by District staff. The detail is in the letter to the facility, attached.

SAN MATEO COUNTY

Jerry Hill
Marland Townsend
(Vice-Chairperson)

The District has made a decision to issue the Major Facility Review Permit.

SANTA CLARA COUNTY

Liz Kniss
Patrick Kwok
Julia Miller
Dena Mossar

Enclosed for your information are copies of the final permit, the comments, and the responses to comments. If you have any questions regarding this project, please call Steve A Hill, Air Quality Engineering Manager, at (415) 749-4673.

Sincerely yours,

SOLANO COUNTY
John F. Silva

SONOMA COUNTY
Tim Smith
Pamela Torliatt

Jack Broadbent
Executive Officer / APCO

Jack Broadbent
**EXECUTIVE
OFFICER/APCO**

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MACT Applicability

Comment:

The Statement of Basis states that the facility will be subject to MACT, although it does not specifically list which pieces of equipment are subject to MACT. We understand from a call between Steve Hill of your staff and Ed Pike of my staff last Friday that the District will revise the Statement of Basis to explain what MACT requirements apply to each unit, and add the requirements that apply to the permit for each unit (such as combustion sources A4 and A31) if necessary.

The Refinery MACT standard subpart CC section 63.644 (a)(1) requires temperature monitoring for incinerators and section 63.644(e) states that “Each owner or operator of a control device subject to the monitoring provisions of this section shall operate the control device in a manner consistent with the minimum and/or maximum operating parameter value or procedures required to be monitored under paragraphs (a) and (b) of this section.” Section 63.654(f)(3) explains how that range would be established, and section 63.654(g)(5) requires notification when parameters (in this case the temperature) are outside of the established range.

Response:

The Statement of Basis may not have listed which sources are subject to MACT (Subpart CC), but the permit does. The permit has a miscellaneous process vent (S18, Crude Unit) and a control device for the miscellaneous process vent (S19, Vacuum Heater). These sources are subject to 63.644. Therefore, S19 is the only combustion source that abates a miscellaneous process vent. 63.644(a)(3) states that any boiler or heater in which all vent streams are introduced into the flame zone is exempt from monitoring. This is the case for S19. Therefore, no temperature monitoring is required. The monitoring decisions in the MACT are presumed to be sufficient.

The other sources that are subject to 40 CFR 63, Subpart CC are tanks or wastewater sources and are not subject to 63.643, the miscellaneous process vent standard. Section 63.640(n)(1) addresses overlap of Subpart CC with other regulations for storage vessels. It states that any tanks that are required to comply with 40 CFR 60, subpart Kb, only have to comply with 40 CFR 60, Subpart Kb, and 63.640(n)(8), which is included in the permit. These tanks have the following source numbers: S1, S2, S4, S9, S13, S23, S59, and S63.

The following tanks are not subject to 40 CFR 60, Subpart Kb: S3, S5-S8, S37, S38, S51-S53, S60, S61, S62, S65, and S70. They are not Group 1 storage vessels as defined by 40 CFR 63.641 because they contain liquids with vapor pressures below 1.5 psia. Therefore, they are not subject to 40 CFR 63, Subpart G, which may contain incinerator requirements. These tanks are subject to the following sections in 40 CFR 63, Subpart CC: 63.646(b)(1), 63.646(b)(2), 63.654(i)(1), 63.654(i)(1)(iv), and 63.654(i)(4).

The following wastewater sources are subject to 40 CFR 63, Subpart CC: S12, S25, S26, and S28. Section 63.647(a) states that wastewater sources shall comply with 40 CFR 61, Subpart FF. While reviewing these sources, we have noted that S41, Wemco

Hydrotreater, and S66, Oil-Water Separator, are missing the citations from 63.647. These have been added to the Section IV tables for these sources.

Temperature Ranges and Monitoring

Comment:

The proposed permit allows variations in the temperatures for combustion devices A4 and A31 (pages 148 and 160), which are described as oxidizers and therefore should fall under the incinerator monitoring requirements of the MACT standard. The first option allows small variations in temperature, and the second option appears to allow up to 15 minutes of deviation each hour without limiting the amount of the deviation (condition 19(a)(b) on page 148 and condition 58(c)(b) on page 160). We do not believe that this second condition would assure compliance with the temperature limits and applicable requirements in the permit because the control efficiency could be substantially reduced during those time periods. Instead, we recommend requiring that the source meet both conditions (for example 19(a)(a) and 19(a)(b)) or deleting the second option. While our concerns are not limited to MACT because the units are subject to a separate 98.5% control requirement, any temperature variations authorized in the permit must fall within the MACT compliance range established for units subject to that standard.

Page 147 of the permit allows the source 90-180 days to install temperature monitors and determine the appropriate temperature range. If the facility must already meet the MACT requirements, then the permit must simply require that the facility comply with the temperature monitoring requirements (if the facility is not in compliance, a separate compliance schedule will also be necessary). Page 160 states that the permit holder shall install temperature monitoring devices, without the dates specified in the draft permit. We would agree that compliance dates that have already passed need not be specified in the permit. Instead, the permit must require that the source operate the control device and parameter monitoring. We also recommend that the District include procedures to make sure that the source testing occurs at maximum load (i.e. the largest flow rate controlled by the control device); and include periodic source testing if necessary due to variability in control device performance and usage.

The permit also contains proposed new language stating that the minimum temperature will be added as an administrative permit amendment (for instance, see pp 147 and 160). As we have discussed regarding prior permits such as Shoreline Amphitheater, we believe that this language for changing the periodic monitoring conditions as an Administrative Permits Amendment should not be included in the permit. Please remove this language, or replace it with language instructing the permittee to follow the appropriate process under your Title V rule to include the temperature value.

Response:

A4 and A31 are indeed incinerators, but they are not subject to the miscellaneous process vent requirements and therefore do not fall under the incinerator monitoring requirements of the MACT standard.

A4 is a control device for loading racks only and is not subject to 40 CFR 63, Subpart CC or any NSPS or NESHAPS. Therefore, the District concludes that the standard temperature excursion language in BAAQMD Condition 1240, part II.19a, b, and c is appropriate and shall be retained. Also, allowing the facility time to test and determine the temperature limit is appropriate.

A31 is subject to the following NSPS and NESHAPS: 40 CFR 60, Subpart Kb; 40 CFR 60, Subpart UU; and 40 CFR 61, Subpart FF.

40 CFR 60, Subpart Kb, Sections 113b(c)(1)(ii) and 113b(c)(2) require that the facility to determine a parameter that indicates proper operation and maintenance of the device.

40 CFR 61, Subpart FF, Sections 354(c)(1) or (4) and 356(f)(2)(i)(A) or (C), appear to require recording and reporting temperature, but don't seem to require a firm temperature limit.

40 CFR 60, Subpart UU, Section 473(c) requires that the facility to determine a parameter that indicates proper operation and maintenance of the device.

Since A31 must continuously monitor temperature to assure compliance with the NSPS and NESHAPS above, the District concurs that the standard temperature excursion language in BAAQMD Condition 1240, part II.58c, d, and e is not appropriate and will remove the conditions.

Since the facility was subject to these requirements before issuance of the Title V permit, the District concurs that the facility should have already installed the parametric monitors and determined the temperature limit.

The facility has stated that the parametric monitors have been installed and that temperature limits have been established. The temperature limits have been added to the tables for A31 and S24.

NSPS Subpart J

We appreciate the District's explanation of many applicable requirements in the Statement of Basis, including several federal regulations (see pp.8-15). The Statement of Basis does not cover the applicability of NSPS subpart J for units A4 and A31. We understand that the facility does not intend to burn gases subject to the NSPS in A4 and A31, but we did not locate any restrictions in the permit on the fuels burned (source-specific applicable requirements on p135-140 and Section VI) and did not see any discussion in the Statement of Basis. Please add a restriction to the permit that limits units A4 and A31 to burning fuels that are not regulated by the NSPS, and include this NSPS in the Statement of Basis.

Response:

The equipment list states what fuels can be burned at each combustion or abatement device. S19, Vacuum Heater, is the only combustion device that burns refinery fuel gas and is the only combustion device that is subject to Subpart J.

Applicability of 40 CFR 60 Subparts K, Ka and Kb

Comment:

Tanks S1, S2, S4, S9, S13 and S23 are identified as subject to Subpart Kb, but the conditions for other tanks S3, S5, S6, S7 S8, S37, S38 do not include the requirements of Subparts K, Ka, and Kb. Please explain in the Statement of Basis whether these standards do not apply (e.g. tank storage capacity is under applicability threshold); whether they are not yet triggered (e.g. tank predates the standard and hasn't modified.); or whether those tanks are subject to the NSPS. We appreciate the District's agreement to make applicability determinations for these NSPS.

Response:

Tanks S3, S5, S6, S7 S8, S37, S38 are not subject to 40 CFR 60, Subpart Kb, because they hold organic liquids with a vapor pressure that is less than 0.5 psia.

Ton per Year Emission Caps

We understand that the District has proposed emission factors to determine compliance with the existing VOC emission caps (pp 144 and 146)¹. While we understand the District's desire to use the best available information to determine compliance, we wish to confirm that the VOC emission caps will not be used as a baseline for NSR netting purposes.

Response:

The District will not use the VOC emission cap as a baseline for NSR netting purposes.

¹