

December 16, 2004

Dennis Bolt
Western States Petroleum Association
780/E2 Oak Grove Road #306
Concord, CA 94518

Subject: Comments on reopening of Title V permits for Facilities
A0010, Chevron Products Company (Richmond)
A0011, Shell Oil Products US (Martinez)
A0016, ConocoPhillips Refinery (Rodeo)
B2626, Valero Refining Company (Benicia)
B2758-59, Tesoro Refining and Marketing Company (Martinez)

ALAMEDA COUNTY
Roberta Cooper
Scott Haggerty
(Chairperson)
Nate Miley
Shelia Young

CONTRA COSTA COUNTY
Mark DeSaulnier
Erling Horn
Mark Ross
Gayle Uilkema
(Secretary)

MARIN COUNTY
Harold C. Brown, Jr.

NAPA COUNTY
Brad Wagenknecht

SAN FRANCISCO COUNTY
Chris Daly
Jake McGoldrick
Gavin Newsom

SAN MATEO COUNTY
Jerry Hill
Marland Townsend
(Vice-Chairperson)

SANTA CLARA COUNTY
Erin Garner
Liz Kniss
Patrick Kwok
Julia Miller

SOLANO COUNTY
John F. Silva

SONOMA COUNTY
Tim Smith
Pamela Torliatt

Jack P. Broadbent
EXECUTIVE OFFICER/APCO

Dear Mr. Bolt:

This letter is the response to your letter dated April 14, 2004 concerning the draft reopened Title V permits for Bay Area Refineries. Thank you for your comments.

In that letter, you proposed revisions to the proposed template for implementing the CEM equivalency provisions of BAAQMD regulation 9-10-502.

In general, your proposals increase operating flexibility by allowing occasional operation of affected heaters under operating conditions that will never be verified by source test. Your argument supporting this proposal is that the emission factors used are very conservative for most of the operating range, and that the additional expense and trouble of replicating unusual operating conditions is not justified by the potential excess emissions. Furthermore, you argue that, even if emissions are higher than projected, most of the refineries have sufficient margin of compliance to ensure that a violation of the emission standard in 9-10-301 will not occur.

In general, the District does not agree with WSPA that the proposed changes will not provide sufficient confidence that the emission factors being used are valid to provide equivalency to a CEM. The language contained in the draft permits provides for considerable flexibility. For example, a CEM allows determination of compliance as soon as data are gathered. The draft NOx Box language provides that equivalency as long as operation is within the box. Operation outside the box, however, results in an open question concerning compliance for as long as 8 months. Additionally, the daily determination of operation within the box is based on daily average O2 and firing rate. Source tests are three-hour averages. Some, if not all, of the conservative nature of the NOx Box emission factors is consumed by the fact that this difference in averaging times allows for periods of operation outside the range of operating conditions for which the factor is proven valid.

The District has determined that the draft rules strike an appropriate balance between stringency and flexibility. While open to revisiting these issues in the future, the District does not propose to revise the condition at this time.

Specific comments/responses

Part 5: WSPA suggests allowing a 10% tolerance for measured firing rates, to account for measurement error.

District response: As pointed out in the comment, the original NOx Box policy provided such a tolerance. As a result, it was possible to schedule source tests so as to ensure that high-emitting operating conditions that were frequently encountered were never tested. Some operators took this approach. It is therefore necessary to revise the procedure to eliminate this possibility.

Part 5a: WSPA suggests adding a second emission factor for the second NOx Box.

District response: This is already part of the table, where a second factor is established.

Part 5b: WSPA suggests adding commas to clarify the intent of the section.

District response: The District agrees to make this change.

Part 6a. WSPA suggests revisions to the Out of Box testing requirement.

District response: The District agrees to replace “replicates” with “reasonably represents.” However, the District does not agree to change the timing of the required test. If the next test is imminent at the time that the out-of-box condition occurs, it should be easy to match the operating conditions. If the next test is not imminent, then sufficient time for planning exists. In either case, the next regularly scheduled test would be the appropriate time to conduct the demonstration. The facility, of course, is free to conduct an extra test if desired.

Part 6a(i). WSPA requests adding a 5% margin to account for monitor inaccuracies. Additionally, WSPA requests classifying operation within this margin to not be reported as a deviation under the permit.

The District disagrees with both suggested changes. Regarding the 5% buffer, as discussed above the District does not believe that operation outside the tested range is justified. Regarding the substitution of the word “violation” for “deviation,” the District would consider any operation outside of the demonstrated range to be a reportable deviation, even if the 5% buffer were allowed.

Part 6a(ii). WSPA requests incorporation of the 5% margin. Additionally, WSPA requests a choice by the facility when out-of-box operation has a higher emission factor.

The District disagrees with both suggested changes. Regarding the 5% buffer, as discussed above the District does not believe that operation outside the tested range is justified. Regarding providing the facility a choice in using the source test data, the District does not consider the proposal to be equivalent to a CEM

Part 7. WSPA proposes to separate the periodic and out-of-box source testing requirements.

The District disagrees. A source test that shows that the emission factor in Table 5a is too low should result in a review of daily compliance, whether the test was conducted for out-of-box conditions or conditions within the box.

Part 7c. WSPA suggests adding language to address affected heaters that are out of service for an extended period of time.

The District agrees with this change, for the reasons contained in the comment.

Part 9. WSPA suggests excluding small units (<25MBH) from the requirement to install a CO CEM.

The District agrees with this change, for the reasons contained in the comment.

Part 11. WSPA suggests adding a provision allowing the APCO to approve a 90-day extension to submittal of source test data.

The District believes that 45 days is appropriate for most circumstances. Occasionally, submittal of test results may be reasonably delayed beyond that period by two weeks. For the reasons presented in WSPA's comment, the District has modified Part 7 to allow a 15-day extension for submittal of data.

The District has decided to issue the permits. All comments have been posted on the District's website. The final permit, final statement of basis, and all final responses to comments will be posted shortly. The web address is: http://www.baaqmd.gov/pmt/title_v/public_notices.asp. If you have any questions, please call Steve Hill, Manager, Permit Evaluation, at: 415-749-4673.

Again, thank you for your comments. If you have any questions, please call Steve Hill, Manager, Permit Evaluation, at (415) 749-4673.

Sincerely,

Brian Bateman,
Director of Engineering

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