

Response to Tesoro December 16, 2015 Comments on Proposed (“Rev 5”) Title V Permit

- 1) In Table IIA1, delete S513. It has been demolished.

The requested change was made. However, this source is in your Permit to Operate. It is suggested that Tesoro add the change to the administrative application to be sure the deletion is completely removed. [Added S513 to Statement of Basis (“SB”) Table II change # 39.]

- 2) Per your table, comment #5, the rationale for the description in Table IIA1 for S613 should as requested in AN 23981. In that application, the description says “stores organic liquid”. If you are trying to change it to Condition 21849, Part 11, it says “vapor recovery tank”. Either of those is OK. I wonder if someone accidentally typed “vapor storage tank”. Perhaps that is how the error occurred.

It would be best to talk to Chris McDowell about S-613. In her letter dated 2/29/2012 for Application 23981 Tesoro specifically requested "Vapor Storage Tank". Reference to storing liquids in S-613 was added to the SB as Tesoro requested.

- 3) In Table IIA1 S-690, add “New Source Review AN 11737”.

This requested change was not made for consistency. All other NSR sources only reference the condition that contains the NSR limit, and the condition itself actually refers to the application number. The exception is for sources that were permitted through NSR before limits were placed in conditions. For S-690, Condition 24724 in Section VI refers to Application 11737.

- 4) Table IIA1 S854 East Air Flare. Why was “New Source Review” removed? I thought we agreed on New Source Review, but that the flare capacity should be deferred to the renewal.

For S-854, the capacity permitted in App 27769 is 950MM Btu/hr, not 1900MM. It was agreed to defer this capacity issue to the renewal. It would not be accurate to call the 1900MM a NSR capacity until this capacity evaluation is completed.

- 5) In Table IIA1 S920, the annual limit should be 551,880 mmbtu/yr

Agree. The 513,920 is from Condition 25161 which was revised in Application 23322. [SB Table II Change # 29.]

- 6) In Table IIA1 S-934/S-935, Tesoro accepts 135 MMBtu/hour rates.

Agree.

- 7) In Table IIA S992 Emergency Air Flare, why was “New Source Review” removed?

Agree to add “New Source Review” back in. There was agreement with the 13,200 MM Btu/hr capacity. [SB # II.22.]

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- 8) Following Table IIA, Note 1 includes S513. S513 should be deleted because it has been demolished.

Agree.

- 9) In Table IIA1 S1013 Ammonia Plant Flare, why was “New Source Review” removed?

For S-1013, the capacity permitted in App 29050 is 267MM Btu/hr, not 2670MM. It was agreed to defer this capacity issue to the renewal. It would not be accurate to call the 2670MM a NSR capacity until this capacity evaluation is completed.

- 10) In Table IIA1 S1549 Tank 890 Diesel Additive, make generic and remove Innospec. This change will be deferred to an administrative application.

Agree.

- 11) In Table II A2, S55 Amorco Wharf should not say “Grandfathered source”. The BAAQMD rationale/comment states the following:

“The tanks were removed from the permit and are now in the Tesoro Logistic Operations E1200 Title V Permit. However, the tanks were not subject to NSR in Application 12592 that created Condition 22455. In 2005 the Amorco Wharf was modified by replacing 2 offloading 8000 bph pumps with two 14000 bph pumps. In order to avoid the requirements of Reg 2 Rule 2, the grandfathered limit of 70,080,000 bpy was put in a permit condition. This limit would only be a NSR limit if the requirements of Reg 2 Rule 2 were applicable. Only fugitive emissions were calculated and offset in Application 12592. The permit shows that S-55 Amorco Terminal is a Grandfathered Source.”

The fact that a federally enforceable permit condition limit was established to address New Source Review and Regulation Rule 2, Rule 2 requirements makes this a firm “New Source Review” limit and not a “grandfathered” limit. Therefore, the text should read Firm Limit Condition #22455, part 8, New Source Review.

Disagree. This disagreement is consistent with Tesoro 4/30/15 Comment # 44. S-55 is still a grandfathered source because it was in service before 3/7/1979 and has never been modified.

- 12) In Table IIB, remove the flares. The flares are currently in the Title V as permitted sources. Putting the flare numbers as abatement devices implies that there is an abatement device for the flare. This is illogical. The flares should be listed once as Sources and not on the Abatement device table. The Abatement Device table is used to list limits if there is a regulatory requirement and citation. Currently most of the flares do not have limits on abatement required in a regulation or a permit condition. “Typically 98% destruction efficiency” is without basis and will result in permitting and enforcement confusion if it is not removed from this table.

Disagree. Flares were determined to be sources and abatement devices in Tesoro Application 24065 determination. Based on this determination it is District Policy to show refinery flares in both the source table and the abatement table.

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- 13) In Table IIC, remove S1552. It is now a permitted source and is listed correctly in Table IIA.

Agree. [SB Change # II.3.]

- 14) In Table IV-A1 and IV-A2, Regulation 8-5-328 and its subsections should read degassing and not cleaning. There is no BAAQMD Regulation 8-5-328.1.2.

Agree.

- 15) In Table IV-A1 and IV-A2, the additions and deletions are correct. Note that in the renewal there will be more changes based on our thorough review of BWON applicability.

Agree.

- 16) In Table IV-B.10 Condition 24834, Parts 2 and 3 should be deleted. The wording in the Table IV-B10 does not match the language in Condition 24834 in Section VI. If you are trying to set up a new requirement to monitor the fugitives, it is too late. We did not tag the fugitives to identify them for project tracking at the time the project was constructed. Also, it has been 4 years and the emissions from the project were tiny.

It is agreed that the project from Application 26615 is 4 years old and that the permitted fugitive emissions of 0.245 lb/day are relatively small. In addition, this permitted emissions rate is based on the final fugitive counts Tesoro provided 5/3/12. But Tesoro is still required to comply with the permitted fugitive emissions limit. If, at any time, the fugitive emissions from the project components exceed the permitted 0.245 lb/day, additional offsets are required.

- 17) In Table IV-B.10, Condition 25476 Part 2 is incorrect. It is not a daily throughput limit, it is a daily product limit. We could consider rewording Part 2 to just say that the throughput limit of S-1555 shall not exceed 40,000 barrels per day and eliminate the combined product limit of S-1004 and S-1020.

Agree. The Description was changed to say "Daily Product Limit" which is as it pertains to S-1020.

- 18) In Table IV-C.4.2, Condition 25161, delete S920. The annual firing rate for S-920 was changed in Application 23341, Condition 25161, Part 1. However that change was based on incorrectly identifying S-920 as a grandfathered source. The firing rate for S-920 should be corrected to the firm limit and the change in Condition 25161, part 1 should be removed.

Agree. Removed reference to S-920. Also removed limit in Table VII-C.4.2.

- 19) In Table IV-C.3.7, 63.6590(c)(6) should not be deleted.

Agree. Added "(6)" to citation.

- 20) In Table IV-C.4.8, remove Condition 8077 Part B9. It does not have any requirements for these furnaces.

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Disagree. Part B9 applied in the current renewed permit when S-971 and S-972 were in Table IV-C.4.3. When S-971 and S-972 were modified via Application 23322, they were transferred to new Table IV-C.4.8, primarily because S-971 and S-972 are now subject to NSPS Subpart Ja. B9 applies because when the Sulfur Recovery Facility is not in operation, Tesoro is required to take steps to minimize SO2 emissions, including the emissions of S-971 and S-972.

21) In Table IV-C.4.8, add Condition 18372, Part 3.

Disagree. 18372-3 was not in Table IV-C.4.3 and nothing in Application 23322 changes the applicability. The reason 18372-3 is not in any of the furnace tables is that this condition was created when the 9-10 compliance plan was proposed, and the firing rates in 18372-3 are the firing rates that were used in the calculations performed to demonstrate that the plan would comply with the 9-10-301 Refinery Wide limit. This is why the Basis for Part 3 is 9-10.

22) In Table IV-F.1, remove S271. Tank 271 has been demolished.

Agree.

23) In Table IV-F.1, on the requirements for S1554, remove Condition 25025-4 because the final fugitive count was provided and this part of the Condition should be removed.

Disagree. Just like in # 16 above, the fugitive emissions limit is applicable.

24) In Table IV-F.1 and F.2, keep S613. The tank is still subject to the Regulation 8-5 requirements for fixed roof tanks.

Disagree. In the Tesoro 2/29/12 letter for Application 23981, Chris McDowell specifically requested that S-613 be removed from Table IV-F.1. If Tesoro has changed its mind, then it is suggested it be added to the administrative application.

25) In Table IV-F.2, many tanks should be removed that have been demolished. The following tanks should be the only ones that are in the Group 101B:

101B	8-5 Exempt	8-5 Exempt (Content), MACT Group 2	S3, , S258, , S270, S272, S274, S429, S517, S585,, S604, S620, S621, S622, S662, S771, S872, S873, S990, S1416, S1418, S1468, S1549
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Agree. Deleted S2, S57, S269, S271, S368, S369, S377, S378, S406, S503, S587, and S588. [SB Change IV.36.]

26) In Table IV-F.2, the following tanks should be the only ones that are in the Group 101D:

101D	8-5 Exempt	8-5 Exempt (Content), MACT Exempt (Abated by Vapor Recovery System)	S327
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Agree. Deleted S529 and S530. [SB Change IV.36.]

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- 27) In Section VI, Condition 16685 Part 1, remove language per Randi Wallach's email to Kevin Poloncarz and Stoney Vining dated November 19, 2015.

Agree. This supersedes the disagreement in Tesoro 4/30/15 Comment # 130. [SB Change # VI.46.]

- 28) In Section VI, Condition 16685, Part 1, the majority of the sources (19 sources out of 28 sources) have gone through New Source Review. So the "cumulative increase" basis should be listed in addition to Reg 2-1-403 and Conditions 8077.

Disagree. This disagreement is consistent with Tesoro 4/30/15 Comment # 135. Condition 16685 was created for billing purposes and to address the source capacity creep issue. If any source listed in 16685 was subject to New Source Review, the permitted firing rate would be contained in a different condition.

- 29) In Section VI, Condition 17322 is referencing Application 23194, which was never constructed. Since it was never constructed, the application should not be referenced. The language should be removed per Randi Wallach's email to Kevin Poloncarz and Stoney Vining dated November 19, 2015.

Agree to remove language similar to # 27 above. This supersedes the disagreement in Tesoro 4/30/15 Comment # 136. Disagree for removing reference to Application 23194 in condition preamble. Application is accurately depicted as applying to S-904.

- 30) In Section VI, Condition 21849, make the description of S-613 consistent with the resolution in Comment 2.

Agree. Changed Description to "Vapor Storage Tank".

- 31) In Section VI, Condition 21849, Part 11, remove the deletion of "or" and the insertion of "and". The BAAQMD requested an administrative amendment for this issue. Until that is addressed, the condition should not be changed. The source will be out of compliance if the wording is changed to "and".

Consistent with Tesoro 4/30/15 Comment # 156, agree to address this change in the future administrative application.

- 32) In Section VI, Condition 22590, remove all of the insertions and deletions. Return the condition to the language in the current Title V. Condition 22590 is referencing Application 23194, which was never constructed. Since it was never constructed, the application should not be referenced. The language should be removed per Randi Wallach's email to Kevin Poloncarz and Stoney Vining dated November 19, 2015.

Agree to remove language similar to # 27 above. This supersedes the disagreement in Tesoro 4/30/15 Comment # 136. Disagree for removing reference to Application 23194 in condition preamble. Application is accurately depicted as it applies to S-904.

- 33) In Section VI, Condition 23129, Part 39, delete the line and all references to S659, S660 and A9, which have been demolished. Since the sources have been removed from Table II, they should be removed throughout the permit. An administrative permit application is not necessary to remove conditions for demolished sources.

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Agree. This was accomplished formally via Application 27030 (after the Rev 5 cutoff date). [SB Change VI.49.]

- 34) In Section VI, Condition 23129, Part 40, 41, and 42 delete the references to S659, S660 and A9, which have been demolished. Since the sources have been removed from Table II, they should be removed throughout the permit. An administrative permit application is not necessary to remove conditions for demolished sources.

Agree. This was accomplished formally via Application 27030 (after the Rev 5 cutoff date). [SB Change VI.49.]

- 35) In Section VI, Condition 24834 Parts 1, 2 and 3 are all deleted. Part 1 and 2 are shown correctly. Part 3 should say:

3. Deleted. Application 23322 implementation subsumes this requirement. ~~Permittee/Owner/Operator shall maintain a District approved file containing all measurements, and other data required to demonstrate compliance with the above conditions. This file shall include, but is not limited to, the daily throughput of naphtha processed by S-1020 summarized on a monthly basis. This material shall be kept available for District inspection for a period of at least 5 years following the date on which such measurements, records or data are made or recorded. (basis: cumulative increase, recordkeeping)~~

Disagree. See response to Comment # 16 above.

- 36) In Section VI, Condition 25161, remove the language per Randi Wallach's email to Kevin Poloncarz and Stoney Vining dated November 19, 2015.

Agree to remove language similar to # 27 above. [SB Change # VI.50]

- 37) Consider changing condition 25476 parts 8 through 13 to calendar year and not 12-month rolling average.

No change made. Consecutive 12-month period is consistent with Application 23322 and the Permit Handbook.

- 38) In Section VI, Condition 25476, delete Part 14 because the applicable requirements of Subpart Ja have been incorporated into the Title V Table IV.

Agree.

- 39) In Section VI, Condition 25846, add that the firing rate of S-1412 shall not exceed exceed 17.1 MMBtu/hour. This would be the firing rate limit from the modification that was incorporated by Monsanto. An administrative application should not be necessary since Application 25758 was based on the corrected firing rate.

Disagree. This disagreement is consistent with Tesoro 4/30/15 Comment # 203. The hourly firing rate is shown in Table II-A1. Condition 25846 is shown exactly as permitted in Application 25758 and in Tesoro's Permit to Operate. It was agreed that an administrative change in conditions will be submitted to add language to Condition 25846.

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- 40) Table VII-A1, VII-A2 and VII-F3, Regulation 8-5-328 and its subsections should read degassing and not cleaning. There is no BAAQMD Regulation 8-5-328.1.2

Agree. 8-5-328.1.2 is a SIP Regulation.

- 41) In Table VII-C.2.1, remove the visible emission requirement for 40 CFR 63.11(b)((4) and 40 CFR 60.18. These citations are not applicable to S-1524 flare.

Agree. [SB Change # VII.19.]

- 42) In Table VII-C.4.1, remove the H2S line that has no limit. Table VII should be for numeric limits. The H2S monitoring requirement for Condition 8077 Part B4D is redundant to the row above in the table, which does have a numeric limit.

Disagree. Section VII is both the Applicable Limit and the Compliance Monitoring Requirement. There are many "No Limit" citations in Section VII (e.g., all O2 limits for fired heaters). The H2S monitoring requirement for the 100 lb fuel gas system was required with the No 3 HDS Permit was granted via Application 27769. This row is in the renewed Title V Permit.

- 43) In Table VII-C.4.2, correct the firing rate table. S928 through S933 should be 20 MMBtu/hour.

Agree. Daily was also changed back to 480. [SB Change # VII.29.]

- 44) In Table VII-C.4.2, add the firing rate limits for S908 from Condition 25476, Part 5 for exceed 220MM Btu/hr of firing, on a calendar day basis, and 1,927,200 MMBtu/yr.

Agree. [SB Change # VII.33.]

- 45) In Table VII-C.4.2, add the firing rate limits for S926 from Condition 25476, Part 6 for 130MM Btu/hr of firing, on a calendar day basis, and 1,138,800 MMBtu/yr.

Agree. [SB Change # VII.30.]

- 46) In Table VII-C.4.2, delete the three new lines for VOC for S908, S909 and S912. Let's defer this to the renewal. Let's find a better place to put these requirements, especially the lb per gallon loaded limit. I think those requirements are listed in other Tables in Section VII already.

Agree to discuss further in the renewal. No changes were made at this time. The 5-year source test requirements are consistent with Table IV-C.4.2 so the requirements in Table VII-C.4.2 are appropriate. [SB change # VII.16.]

- 47) In Table VII-C.4.2, delete the firing rate limits for S920 from Condition 25161.

Agree. [SB change # VII.11.]

- 48) In Table VII-C.4.2, add firing rate limits in Condition 8350, Part C5 for S915, Part A5 for S916, Part B6 and B7 for S920 and S921.

Agree. [SB change # VII.34.]

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- 49) In Table VII-C.4.3, add firing rate limits in Condition 8350, Parts A6 for S917 and B5 for S919. In Table VII-C.4.4, add firing rate for S1412 of 17.1 MMBtu/hour.

Agree, except for S-1412. [SB change # VII.35.] See # 39 above for S-1412.

- 50) In Table VII-C.5.1, remove the steam flow and natural gas flow monitoring lines that have no limit and are redundant to the NOx CAM limit row. Table VIIs should be for numeric limits. The row that has the limit for the NOx CAM includes both the monitors in the non-limit rows.

Disagree. The monitoring rows with no limits are consistent with the revisions Tesoro requested in Title V Application 23233. See Attachment 2 to Chris McDowell's letter dated 6/10/2011. [SB change # VII.10.]

- 51) In the glossary, there is a new term TRMP (Toxic Risk Management Plan). It is not used anywhere in the Title V. I think it should be removed.

Agree. TRMP was removed from the glossary in the proposed permit.