



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

Refinery Rules – Settlement Agreements CEQA Notice of Preparation / Initial Study Scoping Meeting

**Guy Gimlen
August 20, 2018**



August 20, 2018
Slide 1

Outline

- Refinery Rules – five specific rules
 - Aspirational goal to reduce emissions 20%
- Lawsuits filed on all five rules
- Settlement agreements reached, contingent on amending four of five rules
 - No amendments needed for fifth rule
- Project Description
 - Draft amendments to three of four rules ready for consideration / comment
 - Fourth rule needs additional research
 - Draft amendments to two rules simply clarifications, no emissions impacts
 - Draft amendments to one rule may be considered a relaxation
- Notice of Preparation / Initial Study completed in anticipation of Draft Environmental Impact Report



Seeking comments on Initial Study

Valero Case Agreement

- Three rules adopted December 16, 2015
 - Regulation 6, Rule 5: Particulate Emissions from Fluidized Catalytic Cracking Units
 - Regulation 8, Rule 18: Equipment Leaks
 - Regulation 11, Rule 10: . . . Hydrocarbon Emissions from Cooling Towers
- Lawsuit filed by Valero et al on January 22, 2016, amended on February 16, 2016
 - Entered into settlement agreement March 24, 2017
- Target: propose amendments by November 1, 2018
- Project Description:
 - Regulation 6, Rule 5 – minor clarifications, no emissions impacts
 - Regulation 8, Rule 18 – conducting research on heavy liquid fugitive emissions
 - Expect completion of research by Fall 2018, completion of report by end of 2018
 - Draft amendments to Rule 8-18 in Spring 2019



Valero Case Agreement - 2

- Project Description – continued
 - Regulation 11, Rule 10: . . . Hydrocarbon Emissions from Cooling Towers
 - Modify and clarify limited exemptions for smaller cooling towers
 - Clarify limited exemption for cooling towers not in petroleum refining service
 - Modify and clarify leak monitoring, corrective action, and reporting requirements
 - Remove Best Modern Practices requirements and associated reporting
 - Draft amendments extend hydrocarbon leak monitoring from daily to weekly for most cooling towers
 - May be considered a relaxation of the rule
 - May impact emissions as compared to adopted rule, with potential for theoretical foregone emission reductions
 - Notice of Preparation / Initial Study completed for inclusion with Initial Staff Report in anticipation of a Draft Environmental Impact Report



WSPA Case Agreement

- Two rules adopted April 20, 2016
 - Regulation 9, Rule 14: Petroleum Coke Calcining Operations
 - Regulation 12, Rule 15: Petroleum Refinery Emissions Tracking
- Lawsuit filed by Western States Petroleum Association (WSPA) et al on May 25, 2016
 - Entered into settlement agreement March 1, 2018
- Target: propose amendments by November 1, 2018
- Project Description:
 - Regulation 9, Rule 14: Petroleum Coke Calcining – no changes



WSPA Case Agreement - 2

- Project Description – continued
 - Regulation 12, Rule 15: Petroleum Refinery Emissions Tracking
 - Modify and clarify definitions and rule applicability
 - Clarify the annual Emissions Inventory review and approval process
 - Modify and clarify the fence-line monitoring plan requirements, and review/approval
 - Modify the process for updating Emissions Inventory Guidelines and Air Monitoring Guidelines
 - Modify the Monthly Crude Slate Report requirements
 - Set minimum thresholds for non-crude oil feedstocks
 - Eliminate certain properties from crude and non-crude oil feedstocks
 - Modify the provisions for designating confidential information
 - Changes in emissions tracking and reporting requirements
 - No changes in emissions



Project Plan

- CEQA Notice of Preparation / Initial Study posted on August 1
- Draft Rule Amendments and Initial Staff Report posted on August 20
- CEQA Scoping Meeting – today, August 20
- NOP/IS comment period closes Friday, September 7
- Call for Comments on Draft Rule Amendments and Initial Staff Report. Comment period closes Friday, September 21
- Anticipate posting Public Hearing package and Draft Environmental Impact Report on the Air District Website in Early October
- Anticipate Public Hearing in December 2018



CEQA Initial Study – Scoping Meeting Environmental Checklist

- Aesthetics
 - No impact
- Agriculture and Forest Resources
 - No impact
- Air Quality
 - Potentially Significant Impact: potential ROG increase > 10 tons per year
 - Contribute to violation of air quality standards
 - Cumulatively considerable net increase of ROG
 - Expose sensitive people to ROG emissions
 - Less than Significant Impact: objectionable odors
- Biological Resources
 - No impact



CEQA Initial Study – Scoping Meeting Environmental Checklist

- Cultural resources
 - No impact
- Geology and Soils
 - No impact
- Greenhouse Gas Emissions
 - No impact
- Hazards and Hazardous Materials
 - No impact
- Hydrology and Water Quality
 - No impact
- Land Use and Planning
 - No impact



CEQA Initial Study – Scoping Meeting Environmental Checklist

- Mineral Resources
 - No impact
- Noise
 - No impact
- Population and Housing
 - No impact
- Public Services
 - No impact
- Recreation
 - No impact
- Transportation/Traffic
 - No impact



CEQA Initial Study – Scoping Meeting Environmental Checklist

- Tribal Cultural Resources
 - No impact
- Utilities/Service Systems
 - No impact
- Mandatory Findings of Significance
 - No impact on quality of the environment that support habitat of fish/wildlife, plant/animal communities, rare or endangered plant/animal species or major examples of California history
 - Potentially significant individual or cumulatively considerable impacts
 - Potentially significant environmental effects with adverse impacts on humans



Solicit Your Comments

- Verbal
- Prefer Written
- Will document / publish comments from this Scoping Meeting
- Comment Deadline – Friday, September 7, 2018 at 5:00 p.m.



Summary

- Questions?

- Contacts:

Guy Gimlen

415-749-4734

ggimlen@baaqmd.gov

David Joe

415-749-8623

djoe@baaqmd.gov



Project Description Details - Regulation 6, Rule 5: Particulate Matter from Fluidized Catalytic Cracking Units

- Exemption for FCC emission abated by a wet scrubber
 - Constitutes Best Available Control Technology
 - Permit conditions ensure BACT performance
- Placeholders for future emissions limits regarding condensable PM, and sulfur dioxide (SO₂) deleted



Project Description Details - Regulation 11, Rule 10: . . . Cooling Tower Hydrocarbon Emissions

- Cooling towers less than 500 gpm
 - Monitor weekly rather than every 14 days
 - Extend monitoring to monthly after 4 consecutive results less than Leak Action Level
- Cooling towers less than 2,500 gpm
 - Continue monitoring weekly
 - Extend monitoring to monthly after 4 consecutive results less than Leak Action Level
- Cooling towers more than 2,500 gpm
 - Monitoring weekly rather than daily
 - Extend monitoring to every other week after 26 consecutive results less than Leak Action Level
- Exemption for cooling towers not in petroleum refinery service
 - Clarification of the original intent
 - Some cooling towers must be evaluated on a case-by-case basis



Project Description Details - Regulation 11, Rule 10: . . .

Cooling Tower Hydrocarbon Emissions - 2

- Leak Actions required as soon as practicable, within 7 days
 - Leak repair delays beyond 21 days must meet criteria cited in EPA NESHAP standard, including notification requirements
 - Must sample, and analyze for toxic air contaminants within 72 hours
- Owner/operators must notify APCO of a leak, hydrocarbon and residual chlorine concentrations within 72 hours (rather than 24 hours)
 - Deletes requirement to report list of heat exchanges served by the cooling tower with the leak
- Eliminates Best Modern Practices requirements
 - Duplicative with Process Safety Management requirements
 - Several practices relate to cooling tower water chemistry, not related to hydrocarbon emissions
- Emission reduction estimates based on monthly cooling tower monitoring
 - “Theoretical” emission could increase 16 tpy by monitoring weekly vs. daily



Project Description Details - Regulation 12, Rule 15: Petroleum Refinery Emissions Tracking

- Remove cargo carriers (ships & trains) emission reporting requirements
- Definition for Monthly Crude Slate Report amended to clarify when small quantities of non-crude oil feedstocks are not required
 - Less than 20% of monthly crude capacity for Fluid Catalytic Cracker feedstocks
 - Less than 50,000 bbls of heavy residuum based feedstocks
- Interim Emission Factors for heavy liquid leaks not included in rule amendments
 - Currently incorporated into Refinery Emissions Inventory Guidelines
- Annual Emissions Inventory review and approval process clarified
- Emissions Inventory Guidelines review and approval process clarified
- Fence-line Monitoring Plan review and approval process clarified



Project Description Details - Regulation 12, Rule 15: Petroleum Refinery Emissions Tracking - 2

- Monthly Crude Slate Report requirements amended to accommodate historical data available for years 2013 – 2016
 - Deletion of BTEX (Benzene, Toluene, Ethylbenzene, Xylene) requirement for crude oil
 - Deletion of BTEX and vapor pressure requirements for non-crude oil feedstocks
- Designation of Confidential Information requirements clarified

