

17 November 2016

Mr. Victor Douglas  
Principal Air Quality Specialist  
BAAQMD  
375 Beale Street  
San Francisco, CA 94109

Subject: Air Products Comments on Draft Regulation 12, Rule 16: Petroleum Refining Facility-Wide Emissions Limits and Draft Regulation 11, Rule 18: Reduction of Risk from Air Toxic Emissions at Existing Facilities.

Dear Mr. Douglas:

Air Products and Chemicals, Inc. ("Air Products") welcomes the opportunity to offer comments to the recently proposed draft Regulation 12, Rule 16: Petroleum Refining Facility-Wide Emissions Limits and draft Regulation 11, Rule 18: Reduction of Risk from Air Toxic Emissions at Existing Facilities. We currently operate two hydrogen plants located in the Martinez area in support of refinery clean fuels operations. These proposed regulations, which spike out our facility at the Tesoro Refinery by name, will have an impact on our hydrogen plant operations

Air Products is concerned with several aspect of the proposed draft Regulation 12-16 Petroleum Refining Facility-Wide Emissions Limits. Below we have outlined these concerns for your thoughtful consideration:

**SUMMARY COMMENTS:**

- 1. Air Products strongly disagrees with the proposed emission limits identified for the Air Products H2 Plant B-0296 in Regulation 12-16 sections 302, 303, 304 and 305.***
- 2. Air Products disagrees with the arbitrary approach of using a five-year snapshot in time to determine emission caps on an operating facility.***

3. ***Air Products disagrees with the proposal to use the yet to be developed annual emission summary specified in Regulation 12-15 as a basis for compliance with the proposed emission limits in Regulation 12-16.***
4. ***Air Products believes that Regulation 12-16 is in conflict with existing State and Federal approved permit programming rules, Regulation 2-2 New Source Review, designed to meet Air Quality standards in a fair and equitable manner.***
5. ***Air Products agrees with the more inclusive and scientific approach to addressing public health concerns over air quality in the Bay Area as proposed in the Bay Area Air Quality Management District (BAAQMD) Draft Regulation 11, Rule 18.***

#### **DETAILED DISCUSSION of COMMENTS:**

1. ***Air Products strongly disagrees with the proposed emission limits identified for the Air Products H2 Plant B-0296 in Regulation 12-16 sections 302, 303, 304 and 305.***

Air Products strongly disagrees with the proposed emission limits identified for the Air Products H2 Plant B-0296. We recommend the District perform an audit of the data in CEIDARS, source of the proposed emission limits, and compare these values to actual reported historical plant direct measured (CEMS) and site specific emission factor calculated data. We find the CEIDARS data to be inaccurate and attribute this to the use of general emission factors in emission calculations, and strongly suggest the use of site specific emission information (e.g., CEMS) in setting any proposed emission caps.

2. ***Air Products disagrees with the arbitrary approach of using a five-year snapshot in time to determine emission caps on an operating facility.***

Air Products disagrees with the assumption that a single five-year snapshot in time adequately represents a facility's designed and permitted emissions. This five-year snapshot does not fully consider the multitude of factors which can impact a plant's operations and emissions in a given year. Plants can operate at reduced production rates as a result of factors such as planned and unplanned maintenance activities, UAW strikes, customer production demands, economic growth, and demand for products. This approach also ignores the operational flexibility designed and permitted in our hydrogen facility to allow for changes in fuel and feedstock consumption based on refinery economics, which we are contractually obligated to provide our

customer. This approach of only looking at a five-year period marginalizes these impacts and essentially ignores the detailed engineering involved in Regulation 2-2 New Source Review, at which time a facility's Potential to Emit (PTE) is calculated based on an engineering design and emission calculations assuming maximum production availability through the many ranges of operational flexibility of the permitted source.

**3. *Air Products disagrees with the proposal to use the yet to be developed annual emission summary specified in Regulation 12-15 as a basis for compliance with the proposed emission limits in Regulation 12-16***

Air Products disagrees with the proposal to use the yet to be developed annual emission summary specified in Regulation 12-15 as a basis for compliance with the proposed emission limits in Regulation 12-16. As noted in our previous comments, we believe that the data taken from CEIDARS and used for determining emission limits in Regulation 12-16 has accuracy issues. According to the CARB, CEIDARS "*Source information includes the basic inventory information generated and collected on all point and area sources.*" (<https://www.arb.ca.gov/ei/drei/maintain/dbstruct.htm>)

As defined in Regulation 12-16-206, the emission inventory proposed for compliance determination is defined as:

Emissions Inventory: A comprehensive accounting of the types and quantities of criteria pollutants, toxic air contaminants, and greenhouse gases that are released into the atmosphere based on state-of-the-art measurement technologies and estimation methodologies. For the purposes of this rule, emissions inventory data shall be collected or calculated for: (1) all continuous, intermittent, predictable, and accidental air releases resulting from Petroleum Refinery processes at stationary sources at a Petroleum Refinery, and (2) air releases from cargo carriers (e.g., ships and trains), excluding motor vehicles, during loading or unloading operations at a Petroleum Refinery.

We take issue with using two different standards in setting compliance limits and in determining compliance with these emission limits. If future compliance is to be determined by use of the "state-of-the-art measurement technologies and emission methodologies," we would expect the same level of engineering and measurement accuracy when establishing the emission limits, similar to the efforts taken when the source's Potential to Emit are determined through the District permit process.

**4. *Air Products believes that Regulation 12-16 is in conflict with existing State and Federal approved permit programming rules, Regulation 2-2 New Source Review, designed to meet Air Quality standards in a fair and equitable manner.***

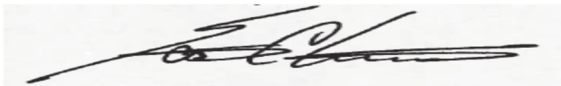
Air Products agrees with BAAQMD staff assessment found in section E, Staff Assessment of Draft Rule, of the Bay Area Air Quality Management District Draft Regulation 12, Rule 16: Petroleum Refining Facility Wide Emissions Limits and Draft Regulation 11, Rule 18: Reductions of Risk from Air Toxic Emission and Existing Facilities Draft Staff Report dated October 2016. We believe that there is no justification for imposing a fixed numeric cap on Petroleum refining facilities and to do so is in direct conflict with both state and federal provisions established to provide an orderly and equitable process of rules for meeting air quality standards imposed at both the state and federal levels.

**5. *Air Products agrees with the more inclusive and scientific approach to addressing public health concerns over air quality in the Bay Area as proposed in the Bay Area Air Quality Management District (BAAQMD) Draft Regulation 11, Rule 18.***

Air Products recognizes public concerns over air quality and that perceived health effects need to be addressed by the BAAQMD. We believe that Regulation 11-18 addresses these public concerns in an equitable and scientific manner for all residents of the Bay Area. The implementation of standard and consistent Health Risk Assessments performed by the BAAQMD on all industries which emit toxic air contaminants assures an equitable and comprehensive evaluation of toxic emissions in the Bay Area. This regulation will allow the BAAQMD to build upon its existing toxic emission program while allowing more public visibility.

Air Products appreciates the efforts of the BAAQMD staff. If you have any questions or need additional information, please contact me by email at [govertsc@airproducts.com](mailto:govertsc@airproducts.com).

Respectfully,

A handwritten signature in black ink, appearing to read "Scot Govert", written over a light gray rectangular background.

Scot Govert  
Air Products and Chemicals, Inc.  
Sr. Principal Environmental Specialist  
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