



 <p><b>SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT</b></p> <p><i>ENGINEERING &amp; COMPLIANCE DIVISION</i></p> <p>APPLICATION PROCESSING AND CALCULATIONS</p>	PAGES 16	PAGE 2
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**CONDITION**

S4.x The following condition(s) shall apply to all affected devices listed under Section H of this system for fugitive emissions of volatile organic compounds (VOC):

All valves shall be physically identified in the field with special marking that distinguish the components from BACT components.

Non-bellows seal valves and other non-valve fugitive components shall not have detectable leaks exceeding 5 ppm. A detectable leak greater than 5 ppm shall be repaired within 14 calendar days after detection of the leak.

All non-bellows seal valves shall be inspected monthly using EPA Method 21. The operator may begin quarterly inspections, upon District approval, after two consecutive monthly inspections in which only two per cent or less of non-bellows seal valves are found to have detectable leaks above 5 ppm.

The operator shall keep records of the monthly inspection (quarterly where applicable), subsequent repair, and reinspection, in a manner approved by the District. Records shall be kept and maintained for at least five years, and shall be made available to Executive Officer of his authorized representative upon request.

[Rule 1303(b)(2)-Offset, 5-10-1996; Rule 1303(b)(2)-Offset, 12-6-2002]  
[Systems subject to this condition: Process 8, System 29]

C1.zz The operator shall limit the throughput to no more than 400,000 barrel(s) in any one calendar month.

For the purpose of this condition, throughput shall be defined as amount of gas oil loaded in Tank/Rail Car Spur 3.

To comply with this condition, the operator shall keep records, in a manner approved by the District, for the following parameter(s) or item(s): Date, time and total quantity (in barrels) of gas oil that is loaded and total quantity of gas oil loaded through the loading racks during each month.

[Rule 1303(b)(2)- Offset, 5-10-1996; Rule 1303(b)(2)- Offset, 12-6-2002]  
[Devices subject to this condition: Dxxx]

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H23.2 This equipment is subject to the applicable requirements of the following rules or regulations:

<b>Contaminant</b>	<b>Rule</b>	<b>Rule/Subpart</b>
VOC	District Rule	1173

[Rule 1173, 5-13-1994; Rule 1173, 2-6-2009]

[Devices subject to this condition: Dyyy]

## **BACKGROUND**

Paramount Petroleum Corporation (Paramount) operates a petroleum refinery located at 14700 Downey Avenue in the city of Paramount in the southern portion of Los Angeles County. Paramount processes crude oil into a variety of products including specialized road and roofing asphalts, diesel fuel, jet fuel, gasoline and gasoline components. Emission sources at the refinery include combustion sources (heaters, boilers, and IC engines), fugitive components (pumps, valves, flanges, compressors, drains, etc.), cooling towers, storage tanks, flares and loading/unloading facilities. The South Coast Air Quality Management District (AQMD) identification number for the facility is 800183.

Paramount is proposing to install additional railroad car loading racks for gas oil. Paramount's rail car loading racks are located next to tracks, or "spurs" off of the main railroad track once it enters the refinery (Spurs 1, 2 and 3). Some of the spurs are for storage of rail cars in preparation for loading and unloading. The current permitted loading and unloading facilities are located in between Spurs 1 and Spur 2. Additional loading arms are now being requested for Spur 3 to load gas oil that will be shipped to the Bakersfield refinery for further processing. AQMD received the application package on December 2, 2010. Paramount submitted supplemental information from December 13, 2010 to January 11, 2011. Table 1 lists permit processing tracking information and fees.

**Table 1: Permit Administration & Application Tracking Information**

<b><i>Application No.</i></b>	<b><i>516447</i></b>
Equipment Description	Bulk Loading, >200,000 gpd
Date Received	12/2/2010
Deemed Complete Date	01/11/2011
Application Type	10: Permit to Construct

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Application Status	20: Class I
Previous Application No.	N/A
B-CAT No.	343104
C-CAT No.	00
Fee Schedule	E
Fee Required	\$ 5,257.06
Expedited Fee	\$ 2,094.60
Title V Revision Fee (A/N 516446)	\$1,723.07
Fee Submitted	\$ 12,237.19

### **COMPLIANCE RECORD REVIEW**

A review of the AQMD Compliance Database showed 32 Notices of Violation (NOV) and Notices to Comply (NC) issued to Paramount in the past five years (01/01/06 – 12/31/10). All notices are either closed or in compliance status. The Stipulated Orders for Abatement (SOFA) are closed. Paramount is on a schedule to compliance on the Variance Cases.

### **PROCESS DESCRIPTION and EMISSIONS CALCULATION**

ROG emissions are due to loading losses and fugitive components. Paramount is proposing to operate the loading facility with a throughput limit of 400,000 barrels of gas oil per month. The gas oil is a heavy liquid with a vapor pressure of 0.00009 psia based on the Material Safety Data Sheet and laboratory test results submitted by Paramount for the gas oil to be loaded.

#### Loading Losses

Loading losses are the primary source of evaporative emissions from the rail tank car. Loading losses occur as organic vapors in “empty” cargo tanks are displaced to the atmosphere by the liquid being loaded into the tanks. Emissions from loading petroleum liquid can be estimated using the following expression:

$$L_L = 523.32 \text{ SPM/T}$$

Loading loss, lbs/1000 barrels of liquid loaded (AP 42, Sec 5.2, 1/95)

where:

S = Saturation Factor (0.6 for submerged loading, from AP 42, Table 5.2-1)

P = True vapor pressure of liquid loaded, psia (0.00009 psia)

M = Molecular weight of vapors, lb/lb-mole (228)

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T = Temperature of bulk liquid loaded, °R (130° + 460 = 590)

The calculated loading losses as tabulated in Table 2 are 0.15 lb/day.

**Table 2: Maximum Potential ROG Emissions from Loading Losses**

<i>Tank/Rail Car Gas Oil Loading</i>	<i>Proposed</i>	<i>Emissions</i>		
		<i>lbs/mo</i>	<i>lbs/yr</i>	<i>lbs/day</i>
Throughput, barrels/mo	400,000			
Uncontrolled Emissions (R1), lbs/mo R1 = L <sub>L</sub> x Throughput in barrels		4.40	52.8	0.15
Controlled Emissions (R2), lbs/mo R2 = R1		4.40	52.8	0.15

Fugitive Components

Paramount provided the number of fugitive components to be installed. The calculated fugitive emissions as tabulated in Table 3 are 0.20 lb/day. It is noted here that based on the laboratory tests conducted by Paramount, the leak on heated gas oil with an unsealed lid is 2 ppm. Paramount has elected to use 5 ppm in its correlation equation to represent fugitive emissions for this project.

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**Table 3: Fugitive Components Count and Emissions for Tank/Rail Car Loading Facility, Spur 3**

Source Unit	Service	No of Existing Components (1)	No. of New Components to be Installed (2)	Correlation Equation Factor, 5 ppm Screening Value	Pre-Modification Emissions (lbs/year)	Post Modification Emissions (lbs/year)
<b>Valves</b>	<b>Sealed Bellows</b>	<b>All</b>	0			
	<b>SCAQMD Approved I &amp; M Program</b>	<b>Gas / Vapor</b>	0			
		<b>Light Liquid</b>	0			
		<b>Heavy Liquid</b>		42	0.15	
<b>Pumps</b>	<b>Sealless Type</b>	<b>Light Liquid</b>				
	<b>Double Mechanical Seals or Equivalent Seals</b>	<b>Light Liquid (3)</b>				
	<b>Single Mechanical Seals</b>	<b>Heavy Liquid (4)</b>				
<b>Compressors</b>	<b>Gas / Vapor</b>					
<b>Flanges (ANSI 16.5-1988)</b>	<b>All</b>		149	0.27		40.33
<b>Connectors</b>	<b>All</b>		264	0.10		25.48
<b>Pressure Relief Valves</b>	<b>All</b>					
<b>Process Drains with P-Trap or Seal Pot</b>	<b>All</b>					
<b>Other (including fittings, hatches, sight-glasses, and meters)</b>	<b>All</b>					
<b>Total Emissions (lbs/year)</b>						71.93
<b>Emissions Increase (lbs/day)</b>						<b>0.20</b>

- (1) Any component existing prior to the modification.
- (2) Any new component proposed to be installed due to the modification; this also includes new components to be installed to replace existing components.
- (3) Light liquid and gas/liquid streams: Liquid or gas/liquid stream with a vapor pressure greater than that of kerosene (>0.1 psia @ 100°F or 689 Pa @ 38°C), based on the most volatile class present at 20% by volume.
- (4) Heavy liquid: streams with a vapor pressure equal to or less than that of kerosene (<0.1 psia @ 100°F or 689 Pa @ 38°C), based on the most volatile class present at 20% by volume.

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**Table 4: Total ROG Emissions**

<i>Source</i>	<i>Emissions, lb/year</i>	<i>Emissions, lb/day</i>
Gas Oil Loading Losses	52.80	0.15
Fugitive Emissions	71.93	0.20
<b><i>Total Emissions</i></b>	<b><i>124.93</i></b>	<b><i>0.35</i></b>

## RULES EVALUATION

### PART 1: SCAQMD REGULATIONS

#### **Rule 212**     Standards for Approving and Issuing Public Notice (Amended Nov 14, 1997)

- 212 (a)     The applicant is required to show that the equipment, the use of which may cause the issuance of air contaminants or the use of which may eliminate, reduce, or control the issuance of air contaminants, is so designed, controlled, or equipped with such air pollution control equipment that it may be expected to operate without emitting air contaminants in violation of provisions of Division 26 of the State Health and Safety Code of these rules. The operation of the Tank/Rail Car Loading, Spur 3 facility is expected to comply with this requirement.
- 212(c)(1)     Public notification is required if any new or modified permit unit, source under Regulation XX, or equipment under Regulation XXX may emit air contaminants located within 1000 feet from the outer boundary of a school. As shown on the map provided by Paramount, the source is not within 1000 feet of a school, public notification is therefore not required.
- 212(c)(2)     Public notification is required if any new or modified facility has on-site increases exceeding any of the daily maximums specified in subdivision (g) of this rule. The increase in emissions does not exceed the threshold as specified, public notification is therefore not required.
- 212(c)(3)     Public notification is required if the maximum individual cancer risk (MICR), based on Rule 1401, exceeds one in a million ( $1 \times 10^{-6}$ ), due to a project's proposed modification. MICR does not

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exceed one in a million, as discussed in Rule 1401 section of this evaluation, public notification is therefore not required.

212(g) This subdivision sets forth the process for federal public notification and distribution and specifies the daily maximum emissions increase as follows:

<u>Air Contaminant</u>	<u>Daily Maximum in lbs/day</u>
Volatile Organic Compounds	30
Nitrogen Oxides	40
PM10	30
Sulfur Dioxide	60
Carbon Monoxide	220
Lead	3

The increase in emissions does not exceed the daily maximum specified; public notification is therefore not required.

**Rule 401** Visible Emissions (Amended Nov. 9, 2001)  
Operation of the Tank/Rail Car Loading, Spur 3 facility is not expected to result in visible emissions. Therefore, compliance with this rule is expected.

**Rule 402** Nuisance (Adopted May 7, 1976)  
Operation of the Tank/Rail Car Loading, Spur 3 facility is not expected to result in a public nuisance. Therefore, compliance with this rule is expected.

**Rule 462** Organic Liquid Loading (Amended May 14, 1999)  
This rule is intended to control emissions of volatile organic compounds from facilities that load organic liquids with a vapor pressure of 1.5 psia or greater under actual loading conditions into any tank truck, trailers or railroad tank car. Since the vapor pressure of the gas oil that will be loaded is 0.00009 psia at 130°F, this rule does not apply.

**Reg IX** Standards of Performance for New Stationary Sources (Amended March 5, 2010)  
  
40 CFR 60 Subpart GGGa: Standards of Performance for Equipment Leaks of VOC in Petroleum Refineries for Which Construction, Reconstruction, or Modification Commenced After November 7, 2006

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§60.590a Applicability and designation of affected facility

This regulation is applicable to affected facilities in refineries that begin construction after November 7, 2006. The following are affected facilities under this subpart:

- Compressors
- The group of all equipment within a process unit

Process unit is defined as components assembled to produce intermediate or final products from petroleum, unfinished petroleum derivatives, or other intermediates; a process unit can operate independently if supplied with sufficient feed or raw materials and sufficient storage facilities for the product.

The new fugitive components being installed in the Tank/Rail Car Loading, Spur 3 are not subject to the requirements of this regulation, since the components associated with loading are not considered part of a process unit as defined above.

**Reg X**      National Emission Standards for Hazardous Air Pollutants (Amended April 4, 2008)

There are currently no NESHAP standards that apply to the tank/rail car loading facility as outlined in the District's Regulation X.

**Reg XI**      Source Specific Standards

Rule 1173: Fugitive Emissions of Volatile Organic Compound (Amended February 6, 2009)

The fugitive components of the tank/rail car loading facility are subject to this rule. With proper implementation of the applicant's extensive inspection program, no violation is expected. The facility submits Rule 1173 Quarterly Report to the SCAQMD.

**Reg XIII**      New Source Review (NSR)

Rule 1303: Requirements (Amended Dec. 6, 2002)

This rule allows the Executive Officer to deny a Permit to Construct for any new, modified or relocated source which results in an emission increase of any non-attainment air contaminant, any ozone depleting compound, or ammonia, unless BACT is used. This rule also requires modeling and offset (among other requirements) if there is a net increase in any non-attainment air contaminants for any new or modified source.

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1303(a)(1) Best Available Control Technology (BACT)

BACT means the most stringent emission limitation or control technique which: (1) has been achieved in practice; or (2) is contained in any State Implementation Plan approved by the US EPA; or (3) is any other emission limitation or control technique approved by the Executive Officer and cost effective as compared to measures listed in the Air Quality Management Plan.

BACT is required for any increase in emissions that exceeds 1.0 lb/day on a maximum daily basis. Compliance with Rule 1173 is BACT for fugitive components for heavy liquid. As discussed in the Emissions Calculation Section of this evaluation, the increase in emissions will not exceed 1.0 lb/day in fugitive emissions; nevertheless, Paramount will continue to comply with the requirements of Rule 1173. Compliance is expected.

1303(b)(1) Modeling

According to Rule 1303 Appendix A, modeling for VOC is not required.

1303(b)(2) Emission Offsets

Offsets are required according to District policy if project emission increases, including sum of all emission increases from all applications for that project are more than 0.5 lb/day for all non-attainment air contaminant and their precursors (excludes CO). As shown in Table 4, there is a 0.35 lb/day increase in VOC emissions from this project. Emission offset is not required.

1303(b)(3) Sensitive Zone Requirements

Since Emission Reduction Credits were not required, this section does not apply.

1303(b)(4) Facility Compliance

The facility is in compliance with all applicable rules and regulations of the District.

1303(b)(5) Major Polluting Facilities

- (A) Alternative Analysis
- (B) Statewide Compliance
- (C) Protection of Visibility

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(D) Compliance Through California Environmental Quality Act

This application is not considered a major modification according to the definition in R1302(r), since the increase in emissions is less than one lb/day. This section, therefore, does not apply.

**Reg XIV** Toxics and Other Non-Criteria Pollutants

Rule 1401: New Source Review of Toxic Air Contaminants (Amended September 10, 2010)

This rule specifies limits for maximum individual cancer risk (MICR), cancer burden, and noncancer acute and chronic hazard index (HI) from new permit units, relocations or modifications to existing permit units which emit toxic air contaminants listed in Table 1 of this rule.

**RISK ASSESSMENT: Tier 1: Screening Emission Levels**

The Multiple Pollutant Screening Level Procedure of Tier 1 is used to determine whether or not detailed risk analysis will be required. The nearest worker and residential receptor location of 25meter is used.

**Table 5: Screening for Carcinogenic and Chronic Compounds**

<i>Toxic Air Contaminant (TAC)</i>	<i>Wt % (1)</i>	<i>VOC Increase/yr (2)</i>	<i>Qyear (3)</i>	<i>PSL (4)</i>	<i>PSI (5)</i>
Cresols	0.032	124.73	0.04	1.98E04	2.03E-06
Xylene	0.093	124.73	0.12	2.31E04	5.00E-06
				<b>Σ PSL</b>	<b>7.03-06</b>

- (1) Provided by Paramount
- (2) See Table 4 of this report
- (3) Annual emissions of each TAC (Qyear), lbs/yr
- (4) Pollutant Screening Level (PSL), as contained in Table 1A of Attachment L, Risk Assessment Procedures, Version 7.0 (Revised September 10, 2010)
- (5) Pollutant Screening Index = Q/PSL

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**Table 6: Screening for Acute Compounds**

<i>Toxic Air Contaminant (TAC)</i>	<i>Wt % (1)</i>	<i>Total VOC Emissions/hr (2)</i>	<i>Qhr (3)</i>	<i>PSL (4)</i>	<i>PSI (5)</i>
Xylene	0.093	0.014	1.32E-05	1.10E+01	1.20E-05
				<b>Σ PSL</b>	<b>1.20E-05</b>

- (1) Provided by Paramount
- (2) See Tables 4 of this report (lbs/day divided by 24)
- (3) Total hourly emissions of each TAC (Qhour), lbs/hr
- (4) Pollutant Screening Level (PSL), as contained in Table 1A of Attachment L, Risk Assessment Procedures, Version 7.0 (Revised September 10, 2010)
- (5) Pollutant Screening Index = Q/PSL

Both the cumulative cancer/chronic risk and cumulative acute risk are well below 1; therefore no further risk screening assessment is required.

**1401(d)(1) MICR and Cancer Burden**

The cumulative increase in MICR shall not result in an increased MICR greater than one in one million, if the permit is constructed without T-BACT and greater than ten in one million if the permit unit is constructed with T-BACT. As shown in the Risk Assessment, MICR is very well below the specified limit.

**1401(d)(2) Chronic Hazard Index**

The cumulative increase in total chronic HI for any target organ system shall not exceed 1.0 at any receptor location. As shown in the Risk Assessment, Table 5, chronic hazard index is very well below the specified limit.

**1401(d)(3) Acute Hazard Index**

The cumulative increase in total acute HI for any target organ system due to total emissions from the new, relocated or modified permit unit will not exceed 1.0 at any receptor location. The total emissions shall be calculated according to 1401(f)(4) based on maximum hourly basis from permit conditions which directly limit the emissions. As shown in the Risk Assessment, Table 6, acute hazard index is very well below the specified limit.

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1401(d)(4) Risk Per Year

The risk per year shall not exceed 1/70 of the maximum allowable risk specified in (d)(1)(A) or (d)(1)(B). Since the MICR is less than 1 in a million, the facility complies with this requirement.

1401(d)(5)

Operating conditions imposed pursuant to Rule 1401, which prohibit or limit the use or emission of toxic air contaminants, shall apply only to those toxic air contaminants listed in the version of Rule 1401 applicable at the time the permit conditions were imposed. There is no permit conditions prohibiting or limiting the use of toxic air contaminants for the subject storage tanks.

1401(d)(6)

Federal New Source Review for Toxics

Section 112 of the federal Clean Air Act (CAA) defines major source as any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit considering controls, in the aggregate, 10 tons per year or more of any hazardous air pollutant (HAP) or 25 tons per year or more of any combination of hazardous air pollutants (HAPs). Since Paramount does not emit more than 10 tons annually of a listed HAP or more than 25 tons annually of a combination of HAPs, it is not subject to this requirement.

**Reg XVII**     Prevention of Significant Deterioration (PSD)

This regulation sets forth preconstruction review requirements for stationary sources to ensure that air quality in clean air areas does not significantly deteriorate while maintaining a margin for future industrial growth.

The SCAQMD is presently considered in attainment for the following criteria pollutants: NO<sub>2</sub>, SO<sub>2</sub>, CO and Lead; thus these pollutants are subject to PSD regulations.

According to the guidance provided in Mohsen Nazemi's email dated August 14, 2007, the AQMD has signed a new Limited PSD Delegation agreement with EPA effective July 25, 2007. Therefore, effective July 25, 2007, the AQMD has PSD responsibility for all new PSD sources and all modifications to existing PSD sources where the applicant is requesting to use the existing Regulation XVII to determine PSD applicability for a modification and not the recent calculation methodology adopted by the EPA as part of the NSR Reform.

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The requirements of this regulation are not applicable for the proposed changes covered in this engineering evaluation since there is no net increase in annual emissions of any of the attainment air contaminant.

**Reg XX**

Regional Clean Air Incentives Market (RECLAIM)

Rule 2005: New Source Review for RECLAIM

Paramount is a NO<sub>x</sub> and SO<sub>x</sub> RECLAIM facility. It is therefore subject to Reg XX.

2005(c) Requirements for Existing RECLAIM facilities

This subdivision requires BACT, modeling and proof of sufficient RECLAIM Trading Credits (RTC) for an application for a Facility Permit amendment that results in any increase in NO<sub>x</sub> and SO<sub>x</sub> emissions. This application will not increase NO<sub>x</sub> or SO<sub>x</sub> emissions, therefore this subdivision does not apply.

2005(g) Additional Federal Requirements for Major Stationary Sources

This subdivision lists additional requirements for application for a Facility Permit or an Amendment to a Facility Permit for a new, relocated or modified major stationary source, as defined in the Clean Air Act, 42, U.S.C. Section 7511a(e). Section 7511a(e)(2) defines modification as any change at a major stationary source which results in any increase in emissions. This application will not increase NO<sub>x</sub> or SO<sub>x</sub> emissions, therefore this subdivision does not apply.

**Reg XXX**

Title V Permits

Rule 3001(a): Applicability (Amended November 14, 1997)

The Title V Permit system is the air pollution control permit system required to implement the federal Operating Permit Program as required by Title V of the federal Clean Air Act as amended in 1990. Paramount has been designated as a Phase One Title V facility. The final initial Title V permit under A/N 337522 was issued on February 27, 2009.

Rule 3005: Permit Revisions (Amended March 16, 2001)

The permit for this project will be issued as a “de minimis significant permit revision” of the Title V permit as defined in Rule 3000(b)(6), because the cumulative emission increase is not greater than the following threshold:

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<u>Air Contaminant</u>	<u>Daily Maximum in lbs/day</u>
HAP	30
Volatile Organic Compounds	30
Nitrogen Oxides	40
PM10	30
Sulfur Dioxide	60
Carbon Monoxide	220

The table below shows that the cumulative emission increase is not greater than the threshold; therefore the requirements of this rule have been met. The revision will be applicable to a 45-day EPA review.

**Table 7: De Minimis Emissions Accumulation for Paramount Refinery**  
(Initial Title V Issuance to Latest Revision, February 27, 2009-November 5, 2010)

<i>Air Contaminant</i>	<i>Current, lbs/day</i>	<i>Additional due to this project, lbs/day</i>	<i>Total, lbs/day</i>
HAP	0.00	0.00	0.00
VOC	0.02	0.40	0.42
NOx	0.59	0.00	0.59
PM10	0.02	0.00	0.02
SOx	0.03	0.00	0.03
CO	0.50	0.00	0.50

Rule 3006: Public Participation (Amended November 14, 1997)

Since the permit for this project will be issued as a “de minimis significant permit revision” of the Title V permit, it will not be subject to public notice requirements of this rule.

**PART 2: STATE REGULATIONS**

**CEQA**

California Environmental Quality Act

CEQA requires that the environmental impacts of proposed projects be evaluated and that feasible methods to reduce, avoid or eliminate identified significant adverse impacts of these projects be considered. The CEQA Applicability Form (400-CEQA) submitted by Paramount indicates that the project does not have any impacts which trigger the preparation of a CEQA document; therefore a CEQA

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analysis is not required.

### **PART 3: FEDERAL REGULATIONS**

**40 CFR 63**    Subpart BBBBBB: Emissions Standards for Hazardous Air Pollutants (NESHAP) for Source Category: Gasoline Distribution Bulk Terminals, Bulk Plants, and Pipeline Facilities

Subpart BBBBBB establishes national emission and operating limitations for HAP emitted from gasoline loading activities at an area source of HAP emissions. Since the product to be loaded is not gasoline, this subpart does not apply. It is noted here that Paramount has provided data to the District to show that Paramount Refinery is an area source of HAPs (not major source) which is defined as a source emitting less than 10 tons per year of any single HAP or less than 25 tpy of all HAPs combined.

**Note:** Federal Rule 40CFR60 Subpart GGGa applicability is evaluated under Regulation IX above.

### **CONCLUSION AND RECOMMENDATION**

The operation of the subject pieces of equipment is expected to comply with all applicable District, State and Federal Rules and Regulations. Therefore, issuance of Permit to Construct is recommended.