

Enclosure

**AQMD RESPONSE TO EPA'S COMMENTS DATED OCTOBER 15,
2008 ON THE PROPOSED TITLE V PERMIT FOR ULTRAMAR
REFINERY**

Response Date: May 8, 2009

EPA Comments:

1. Condition B61.1 specifies a BACT limit of 100 ppm for the sulfur content of the fuel gas used in devices D3, D6, D8, D9, D12, D22, D59, D60, D73, D98, D429, D430, and D768. The permit does not contain a condition which requires monitoring or testing to demonstrate compliance with this limit specifically.

EPA provided this comment to the District on September 18. The District's October 8 response stated that the District relies on Administrative condition # 6 in Section E of the permit to assure compliance with this requirement. Condition 6 states:

The operator shall maintain records to demonstrate compliance with rules or permit conditions that limit equipment operating parameters, or the type or quantity of material processed. These records shall be made available to AQMD personnel upon request and be maintained for at least... [f]ive years for a facility subject to Title V.

While this condition requires the operator to maintain records, it is not specific about what records are necessary. Standards such as the one in Condition B61.1 warrant more detailed permit conditions because they may require monitoring devices, specific test methods, or other complex compliance procedures. Administrative condition 6 is especially inadequate for source-specific limits such as this one since the compliance requirements are not otherwise established in a rule or regulation.

To address this issue, the District could add more detailed monitoring and recordkeeping requirements to the permit to assure compliance with the BACT limit. We note that condition D90.3 requires the Permittee to continuously monitor the fuel gas H₂S concentration for the devices listed above and several others. The District might consider whether this monitor or a similar monitoring approach are appropriate.

District Response: The District agrees with EPA that monitoring approach similar to D90.3 is appropriate for monitoring sulfur content of the fuel gas. In keeping with condition D90.3, condition B61.1 has been modified to add requirements for Ultramar to maintain a continuous total sulfur analyzer (which it currently operates) to monitor the sulfur content of the fuel gas.

2. Pursuant to the offset requirements of SIP Rule 1303(b)(2), condition B22.9 states that the operator shall not use materials in device D261 having a vapor pressure of

5.15 psia or greater under actual operating conditions. To demonstrate compliance with this requirement, the condition requires monthly testing of the vapor pressure. However, the permit contains several other conditions with vapor pressure limits but with no testing requirements. For example, see conditions B22.1 through B22.8. In most cases, the basis for the limits in these conditions is also SIP Rule 1303(b)(2).

EPA provided this comment to the District on September 18. The District's October 8 draft response stated that device D261 is a storage tank that was recently modified and that for all new modifications and new construction, the District's practice is to now specify how the operator will demonstrate compliance with the vapor pressure limit requirement. The District further stated that Conditions B22.1 through B22.8 apply to storage tanks which have not been recently modified and that when these tanks are modified, the District will accordingly specify how the operator will demonstrate compliance with the requirement. Thus, while the District agrees that specific monitoring and recordkeeping requirements are necessary, the District is proposing to defer these requirements until some future point in time. EPA disagrees with the proposed approach because it would result in a title V permit that does not contain adequate monitoring to assure compliance with all applicable requirements. Therefore, EPA recommends that the District add monitoring and recordkeeping provisions sufficient to assure compliance with all applicable requirements.

District Response: The District agrees that monitoring and recordkeeping provisions are needed to assure compliance with all applicable requirements. District has added the following vapor pressure monitoring and recordkeeping condition D90.10 to the following devices that have a vapor pressure limit (e.g., Condition B22.x) to assure compliance with all applicable requirements: D217, D218, D221, D252, D256, D259, D260, D262, D264, D271, D272, D273, D274, D307 and D309:

D90.10 The operator shall periodically monitor the vapor pressure of the material stored in this storage tank according to the following specifications:

The operator shall determine the true vapor pressure by one of the following methods: 1) record the tank contents and temperature once per month and use the organic liquid storage tank figure 7.1 series in AP-42; 2) sample and test the material stored, 3) derive the vapor pressure using engineering calculations, or 4) maintain on file a copy of the Material Safety Data Sheet (MSDS) of the material stored.

Records of materials stored and vapor pressure of the material stored, and their MSDS if applicable, shall be retained for a period of five years and made available to the Executive Officer upon request.

[Devices subject to this condition: D217, D218, D221, D252, D256, D259, D260, D262, D264, D271, D272, D273, D274, D307, D309]

3. Pursuant to the offset requirements of SIP Rule 1303(b)(2), condition C1.12 limits the throughput of devices D268, D269, and D270 to no more than 20.26 MM barrels

per calendar year. The condition specifies detailed throughput measurement procedures which include the use of an automatic tank level gauge to continuously record the vertical movement of the roof. However, other devices also have large throughput limits pursuant to SIP Rule 1303(b)(2) but the permit contains no monitoring requirements to assure compliance with the limits. For example, see conditions C1.5, C1.8, C1.9, and C1.11.

EPA provided this comment to the District on September 18. The District's October 8 draft response stated that devices D268, D269, and D270 are recently modified storage tanks, and that the District's practice is to specify how the throughput is measured for all new modifications and new construction. The District further stated that conditions C1.5, C1.8, C1.9, and C1.11 are tagged to storage tanks that have not been recently modified and that the District will specify how the throughput is measured when the operator modifies these storage tanks. Thus, while the District agrees that specific monitoring and recordkeeping requirements are necessary, the District is proposing to defer these requirements until some future point in time. EPA disagrees with the proposed approach because it would result in a title V permit that does not contain adequate monitoring to assure compliance with all applicable requirements. Therefore, EPA recommends that the District add monitoring and recordkeeping provisions sufficient to assure compliance with all applicable requirements.

District Response: The District agrees that monitoring and recordkeeping provisions are needed to assure compliance with all applicable requirements. District has added the following throughput monitoring and recordkeeping conditions D90.11 or D90.12 to the following devices that have a throughput limit (e.g., Condition C1.x) to assure compliance with all applicable requirements: D196, D197, D547, D252, D258, D266, D864, and D868:

D90.11 The operator shall monitor and record the throughput of this storage tank according to the following specifications:

The operator shall install and maintain an automatic tank level gauge (ATLG) and recorder to continuously record the vertical movement of the roof. For the purpose of this condition, continuous recording is defined as once per hour.

The operator shall calculate the throughput, in barrels, by the following equation: $0.14 \times D \times D \times L$, where D is the diameter of the tank in feet based on the tank strapping chart and L is the total vertical one-way roof travel in feet per month.

The operator shall calculate the total one-way roof movement, in feet, on a daily and monthly basis.

The ATLG installed shall be verified once per quarter by comparing against a manual tank level measurement. If the ATLG differs from the

manual tank level measurement by more than 1.0 inch or 0.8%, whichever is greater, the ATLG shall be repaired and put back into service within 10 days. While the ATLG is being repaired, the throughput shall be determined by the hourly tank level data averaged from the previous 30 days prior to the discovery of the discrepancy.

In the event of a failure or routine maintenance of the ATLG, the ATLG shall be repaired (if necessary) and put back into service within 10 days of the time that the ATLG failed or was removed from service for maintenance. While the ATLG is being repaired or maintained, the throughput shall be determined by the hourly tank level data averaged from the previous 30 days prior to time that the ATLG went out of service.

[Devices subject to this condition: D258, D266, D864, D868]

D90.12 The operator shall monitor and record the throughput of this device storage tank according to the following specifications:

The throughput shall be derived by using engineering calculations using parameters obtained from process records, purchase records, shipping invoices, level gauging, etc.

[Devices subject to this condition: D196, D197, D252, D547]

4. According to the District’s website, the refinery has several outstanding notices of violation that may pertain to federal applicable requirements (see table below). For facilities that are not in compliance with all applicable requirements at the time of permit issuance, 40 CFR 70.6(c)(3) and District Rule 3004(a)(1)(C) requires that the permit contain 1) a schedule of compliance that contains an enforceable sequence of actions with milestones leading to compliance, and 2) a schedule for submission of semi-annual certified reports to document progress toward achieving compliance. For each outstanding or unresolved NOV, the District should either include any necessary compliance schedules in the permit or explain in the Statement of Basis why one is not necessary.

Notice No.	Violation Date	Violation Description
P12134	1/1/06	SOx emissions from the beginning of the 2007 compliance year through the end of the last quarter exceeded the annual SOx emissions allocation in effect at the end of the reconciliation period for that quarter.

P45960	9/27/07	Failure to operate one drain subject to 40 CFR Subparts QQQ and FF with a water seal control; failure to operate in a manner that ensures proper operation of the equipment.
P45963	9/26/07	Operating individual drain system water draw boxes with greater than 500 ppm emissions; failure to operate in a manner that ensures proper operation of the equipment.
P45961	9/26/2007	Failure to operate 52 drains subject to 40 CFR Subparts QQQ and FF with water seal controls; failure to operate in a manner that ensures proper operation of the equipment.
P45964	9/27/2007	Operating individual drain system water draw boxes with greater than 500 ppm emissions; failure to operate in a manner that ensures proper operation of the equipment.

District Response: All the above NOV's have been resolved and closed. The District has updated the District's website to reflect the current compliance status of the facility. The statement of basis has been modified to indicate the compliance status of the facility as of the date the Title V permit is issued.

5. The proposed permit should include emission limits and monitoring requirements for device D1550 to assure compliance with NSPS Subpart Db (condition H23.28 includes only a high-level reference to the subpart). EPA provided this comment to the District on September 18. The District's October 8 draft response stated that the District is checking to determine if the boiler is subject to the NOx emission limits of the NSPS.

Prior to issuance of the final permit, the District should make this determination and, if the boiler is subject to the NSPS, include the applicable limits and monitoring requirements in the permit with a level of detail adequate to assure compliance.

District Response: Device D1550 (Boiler) is subject to NSPS Subpart Db based on the date of construction and size. Device D1550 only burns refinery gas. Subpart Db specifies PM and NOx emission limits based on fuel type (coal, wood, solid waste, oil, and natural gas), which does not include refinery gas. EPA has noted that refinery gas would be considered as a byproduct/waste fuel under the NSPS. NSPS Subpart Db defines a byproduct/waste fuel as "any liquid or gaseous substance produced at chemical manufacturing plants, petroleum refineries, or pulp and paper mills.....and combusted in a steam generating unit for heat recovery or for disposal." Therefore, the NOx standards in §60.44b(e) and (f) would accordingly apply to boiler D1550 if the unit simultaneously combusts refinery gas with natural gas at any time. Since this unit only combusts refinery gas and has never combusted natural gas, the NOx standards do not apply although Subpart Db is applicable.

6. NSPS Subpart GGG (Standards of Performance for Equipment Leaks in Petroleum

Refineries) applies to affected facilities (compressors and other equipment within a process unit (as defined in Section 60.591)) constructed or modified after January 4, 1983. The devices in the following table are potentially subject to the NSPS but the permit does not identify Subpart GGG as an applicable requirement. EPA provided this comment to the District on September 18. The District's October 8 draft response stated that the District is checking with the refinery to determine whether these units are subject to the regulation.

Prior to issuance of the final permit, the District must make such a determination for each device listed below. For units that are subject to the regulation, the District should revise the permit accordingly. For units that are not subject to the regulation, the District should explain why in the Statement of Basis.

Emission Unit	Device No.	Process Name	Process	System	PTC issued?
Fugitives	D1339	Gas Production	8	4	PTC issued 12/16/2004
Fugitives	D1343	Treating/Stripping	10	2	Not specified
Fugitives	D1346	Treating/Stripping	10	5	Not specified
Fugitives	D1347	Treating/Stripping	10	6	Not specified
Fugitives	D1349	Sulfur Production	11	1	PTC issued 4/29/2005
Fugitives	D1350	Sulfur Production	11	2	PTC issued 4/29/2005
Fugitives	D1352	Sulfur Production	11	39	Not specified
Compressor	D553	Hydrotreating	4	1	PTC issued 8/22/2006
Compressor	D57	Hydrotreating	4	3	Not specified
Compressor	D58	Hydrotreating	4	3	Not specified
Compressor	D593	Hydrotreating	4	7	PTC issued 12/16/2004
Compressor	D594	Hydrotreating	4	7	PTC issued 12/16/2004
Compressor	D555	Catalytic Reforming and Isomerization	5	1	PTC issued 11/22/2005
Compressor	D556	Catalytic Reforming and Isomerization	5	1	PTC issued 11/22/2005
Compressor	D945	Catalytic Reforming and Isomerization	5	1	PTC issued 11/22/2005

Compressor	D1336	Akylation and Isomerization	7	3	Not specified
Compressor	D557	Akylation and Isomerization	7	3	PTC issued 12/16/2004
Compressor	D125	Akylation and Isomerization	7 <u>8</u>	3 <u>4</u>	PTC issued 12/16/2004
Compressor	D126	Akylation and Isomerization	7 <u>8</u>	3 <u>4</u>	PTC issued 12/16/2004
Compressor	D963	GasProduction	8	2	Not specified
Compressor	D125	GasProduction	8	4	Not specified
Compressor	D126	GasProduction	8	4	Not specified

District Response: The District has reviewed all fugitive components and compressors, including the ones listed in the above table for Subpart GGG applicability (please note that the process and system number for devices D125 and D126 were incorrect in the above table; correct process and system numbers are as indicated; also these devices were erroneously listed twice). The emission units not subject to NSPS Subpart GGG as identified by the facility in the table below have been added to the non-applicability table (Table 4.3) in Section 4 of the Statement of Basis under the Regulatory Applicability Determinations section. The emission units that are subject to NSPS Subpart GGG as identified in the table below have now been identified in the permit by including condition H23.16 as a requirement for these units.

Device No.	Process Name	Emissions Unit	Equipment Service	Process: System	PTC Issued	GGG Applicability	Reason
D1339	Gas Production	Fugitives	Light ends recovery	8: 4	12/16/2004	Yes	Unit modified after 1/4/1983
D1443 D1343	Treating/ Stripping	Fugitives	LPG	10: 2	11/25/1998	No	Unit not modified/reconstructed after 1/4/1983
D1346	Treating/ Stripping	Fugitives	Sour water stripping	10: 5	4/11/1989	No	Unit not modified/reconstructed after 1/4/1983
D1347	Treating/ Stripping	Fugitives	Sour water	10: 6	4/11/1989	No	Unit not modified/reconstructed after 1/4/1983
D1349	Sulfur Production	Fugitives	Sulfur (SRU1)	11: 1	4/29/2005	No	Unit not modified/reconstructed after 1/4/1983
D1350	Sulfur Production	Fugitives	Sulfur (SRU2)	11: 2	4/29/2005	No	Unit not modified/reconstructed after 1/4/1983
D1352	Sulfur Production	Fugitives	Sulfur (TGU)	11: 39	4/11/1989	No	Unit not modified/reconstructed after 1/4/1983
D553	Hydrotreating	Compressor	Hydrotreating recycle gas	4: 1	8/22/2006	No	Unit constructed before 1/4/1983

Device No.	Process Name	Emissions Unit	Equipment Service	Process: System	PTC Issued	GGG Applicability	Reason
D57	Hydrotreating	Compressor	Naphtha	4: 3	12/19/2001	No	Unit constructed before 1/4/1983
D58	Hydrotreating	Compressor	Naphtha	4: 3	12/19/2001	No	Unit constructed before 1/4/1983
D593	Hydrotreating	Compressor	NHT compressor	4: 7	12/16/2004	No	Unit modified/reconstructed after 1/4/1983
D594	Hydrotreating	Compressor	NHT recycle	4: 7	12/16/2004	Yes	Unit modified after 1/4/1983
D555	Catalytic Reforming and Isomerization	Compressor	Platformer net gas booster	5: 1	11/22/2005	No	Unit constructed before 1/4/1983
D556	Catalytic Reforming and Isomerization	Compressor	Platformer net gas booster	5: 1	11/22/2005	No	Unit constructed before 1/4/1983
D945	Catalytic Reforming and Isomerization	Compressor	Platformer ejector	5: 1	11/22/2005	No	Unit constructed before 1/4/1983
D1336	Alkylation and Isomerization	Compressor	FCCU gas	7:3 <u>8:1</u>	9/1/1994	No	Unit constructed before 1/4/1983
D557	Alkylation and Isomerization	Compressor	Butamer recycle gas	7: 3	12/16/2004	No	Unit constructed before 1/4/1983
D963	Gas Production	Compressor	FCCU gas	8: 2		No	Unit constructed before 1/4/1983
D125	Gas Production	Compressor	Light ends feed	8: 4	12/16/2004	No	Unit constructed before 1/4/1983
D126	Gas Production	Compressor	Light ends feed	8: 4	12/16/2004	No	Unit constructed before 1/4/1983
<u>D1363</u>	<u>Treating/ Stripping</u>	<u>Fugitives</u>	<u>Amine Treating</u>	<u>10:10</u>	<u>9/1/1994</u>	<u>Yes</u>	<u>Unit built after 1/4/1983</u>
<u>D1342</u>	<u>Treating/ Stripping</u>	<u>Fugitives</u>	<u>Sour Water</u>	<u>10:1</u>	<u>9/1/1994</u>	<u>Yes</u>	<u>Unit built after 1/4/1983</u>

Device No.	Process Name	Emissions Unit	Equipment Service	Process: System	PTC Issued	GGG Applicability	Reason
D1364	Treating/Stripping	Fugitives	Amine Treating	10:11	9/1/1994	Yes	Unit built after 1/4/1983
D1348	Treating/Stripping	Fugitives	Butane Caustic Scrubber	10:8	12/16/2004	Yes	Unit modified after 1/4/1983
D548	Air Pollution Control	Compressor	Vapor Recovery Unit (93)	17:1	12/16/2004	No	Unit constructed before 1/4/1983
D549	Air Pollution Control	Compressor	Vapor Recovery Unit (93)	17:1	12/16/2004	No	Unit constructed before 1/4/1983
D554	Catalytic Reforming and Isomerization	Compressor	Platformer Unit # 70	5:1	11/22/2005	No	Unit constructed before 1/4/1983
D558	Gas Production	Compressor	Light Ends Vapor Recovery (44)	8:5		No	Unit constructed before 1/4/1983
D708	Hydrotreating	Compressor	Gas Oil HDS	4:5		Yes	Unit modified after 1/4/1983

7. The Statement of Basis states that the Ultramar refinery is generally subject to NSPS Subpart GGGa. However, the permit does not contain any NSPS Subpart GGGa requirements. EPA provided this comment to the District on September 18. The District's October 8 draft response stated that the District is checking to determine whether any processes are subject to the NSPS and that it will modify the permit and Statement of Basis accordingly.

Prior to the issuance of the final permit, the District must make this determination. If any devices are subject to the regulation, the District should revise the permit accordingly. If the District determines that no devices are subject to the regulation, the District should explain the basis for that determination in the Statement of Basis.

District Response: Ultramar has verified that no process unit operated at the refinery is subject to the NSPS Subpart GGGa. The Statement of Basis has been corrected to specify that the no processes are currently subject to NSPS Subpart GGGa.

8. The Statement of Basis states that Ultramar operates a Marine Terminal (facility ID 800198), a Marine Tank Farm (facility ID 127648), and the Olympic Tank Farm (facility ID 127749). It also states that raw, intermediate, and finished materials are transferred between Ultramar's Marine Terminal and Marine Tank Farm via a pipeline, and, although currently not utilized, Ultramar expects to use the Olympic Tank Farm in lieu of the Marine Tank Farm by early 2011. Based on

this information, the Marine Terminal, Marine Tank Farm, and Olympic Tank Farm facilities may potentially be either part of the same stationary source as the Ultramar refinery or support facilities of the refinery.

The District should determine whether the Marine Terminal, Marine Tank Farm, and Olympic Tank Farm facilities are either part of the same stationary source and/or support facilities of the Ultramar refinery.

The facilities would be considered as part of the refinery if any or all of the facilities are (1) located on one or more contiguous or adjacent properties with the refinery, (2) under the control of Ultramar, and (3) have the same Standard Industrial Classification (SIC) code as the refinery.

Even if the Marine Terminal, Marine Tank Farm, and Olympic Tank Farm are not considered to be part of the refinery itself, they may still be considered support facilities of the Ultramar refinery. Support facilities are typically those that convey, store, or otherwise assist in the production of the principal product or group of products produced or distributed, or services rendered. (See 45 FR 52695, August 7, 1980.) EPA considers a “support facility” as part of the primary facility, even if the support facility operates under a different SIC code. A support facility should be considered to be part of the primary activity that relies most heavily on its support. (See *Id.*; 62 FR 30289, June 3, 1997, discussing EPA’s intent to apply the NSR approach to source determinations under 40 C.F.R. Part 70).

EPA’s September 18 draft comments raised this issue. The District’s October 8 draft response stated that the District will make support facility determinations for each of the three facilities and communicate the results to EPA by July 31, 2009. The District also noted that the Marine Terminal and Olympic Tank Farm have submitted initial Title V applications.

District Response: The District will determine whether the Marine Terminal, Marine Tank Farm, and Olympic Tank Farm are support facilities. If the District determines that the Marine Terminal, Marine Tank Farm, and Olympic Tank Farm are support facilities, the facilities will be issued their own Title V permits with the appropriate applicable requirements. The District will work with EPA on these determinations and plans to have this completed by July 31, 2009.

9. Ultramar (a subsidiary of Valero) is subject to a federal Consent Decree,¹ which contains several emission limitations and standards for heaters, boilers, fluidized catalytic cracking units (FCCUs) and FCCU regenerators. It also includes standards for program enhancements for the benzene waste operations NESHAP (BWON), leak detection and repair (LDAR), and NSPS requirements for sulfur recovery plants and flaring. The Consent Decree requires Ultramar to submit

¹ Available at <http://www.epa.gov/compliance/resources/cases/civil/caa/valero.html>

applications to the appropriate permitting authority to incorporate the emission limits and standards in the Consent Decree into federally enforceable minor or major NSR permits (other than Title V permits) that will ensure the underlying emission limits or standards survive the termination of the Consent Decree. (See paragraphs 291 and 292.) The Consent Decree also requires that upon issuance of such permits, Ultramar must file any applications necessary to incorporate the requirements into the Title V permit.

For the requirements that became effective as of the date of entry of the Consent Decree, the permit applications were due December 31, 2005. For Consent Decree requirements that become effective after the date of entry, the permit applications are due no later than 90 days after the effective date or establishment of any emission limits and standards in the Consent Decree.

In the event that the refinery has yet to submit permit applications or fulfill other requirements of the Consent Decree, the District should include a compliance schedule in the permit, which requires the refinery to satisfy the requirements by a specific date.

EPA's September 18 draft comments raised this issue. The District's October 8 draft response stated that the District will include a facility-wide condition in the permit that requires Ultramar to comply with all conditions in the Consent Decree. The District also agreed to add a condition to the permit requiring the refinery to submit semi-annual updates of the specific requirements in the table. However, the District did not address our comment requesting a compliance schedule.

District Response: Ultramar recently submitted an application on December 16, 2008 in advance of the December 31, 2008 consent decree deadline for incorporating the FCCU NOx emission limits. This is the only requirement that became effective as a result of the Consent Decree. The table below lists the units that are subject to the consent decree requirements, and the status for submittal of their applications to the District:

Application Number	Emission Unit	Date Application Submitted or Due	Specific Emission Limit and Standard
494177	FCCU Regenerator	12/17/2008	NOx: 80 ppm at 0% oxygen, 365 day rolling average; NOx: 160 ppmv at 0% oxygen, 7 day rolling average
TBD	Heater and Boilers	12/31/2009	NOx emission limit ¹
TBD	FCCU Regenerator	2011	SOx emission limit ²

¹ Ultramar has indicated they may not need to accept any new NOx limits on any of the process heaters/boilers under the Consent Decree.

² Future requirement required by the Consent Decree

In order to incorporate the Consent Decree requirements into the Title V permit, the

District has included a facility-wide condition (F52.3) in the permit that requires Ultramar to comply with all conditions in the Consent Decree. This condition also requires the facility to submit to the District a copy of the semi-annual reports sent to the EPA per the Consent Decree. Additionally, the latest Consent Decree Semiannual Report, as provided by the refinery, is included in the statement of basis citing the information required by Section XVI of the Consent Decree. Future Consent Decree Semiannual Reports will also identify any anticipated future requirements known as of the date of the report and dates of compliance for the requirements.

10. All citations to the requirements of NSPS Subpart J in the permit cite to a date of October 4, 1991. However, NSPS Subpart J has been modified several times since then – most recently on June 24, 2008 (73 FR 35837). The permit should reflect, and require compliance with, the most recently promulgated version of NSPS Subpart J. Please update all citations, including citations in Section D, Section H, and Section K prior to finalizing this permit.

District Response: All date citations to the requirements of the NSPS Subpart J have been updated to the most current amended date of June 24, 2008.

11. Devices C400 and C401 are flares that combust refinery fuel gas. According to the Statement of Basis, all heaters, boilers, flares, SRUs and FCCU which were not already considered subject to Subpart J became subject pursuant to EPA's consent decree with Valero. Further, according to the Statement of Basis, the requirements of NSPS Subpart J have been included in the refinery's proposed title V permit for these units. However, Subpart J is not included in the proposed permit as an applicable requirement for these flares.

EPA's September 18 draft comments raised this issue. The District's October 8 draft response stated that the District agrees that C400 is subject to NSPS Subpart J and stated that it will include the NSPS in the permit as an applicable requirement for this device. The District further stated that it does believe C401 is subject to Subpart J based on a review of the Consent Decree and the corresponding Appendix N, and that it will verify Appendix N is correct.

District Response: Last sentence of the comment should read “*The District further stated that it does not believe C401 is subject to Subpart J based on a review of the Consent Decree and the corresponding Appendix N, and that it will verify Appendix N is correct.*” Ultramar has verified that Consent Decree has not been amended. The Phase I (C402), II (C403), and LPG (C400) flares listed in Appendix N of the Consent Decree are subject to Subpart J. The Phase I (C402) and Phase II (C403) were already tagged with condition H23.5 which specifies the devices are subject to the applicable requirements of Subpart J. Tagging for the LPG flare (C400) with condition H23.5 has been added. The Phase 0 flare (C401) is listed instead in Appendix K of the Consent Decree since it is an acid gas (AG) flaring device. In accordance with paragraph 224 of the Consent Decree, the monitoring and reporting requirements of Subpart J are not applicable to the AG flaring devices identified in Appendix K.

12. The proposed permit does not identify any emission limits or control requirements for devices D399 and D409, which the permit describes as knock out pot flares.

EPA's September 18 draft comments raised this issue. The District's October 8 draft response clarified that D399 is a knock out pot for device C400 (LPG Flare) and that D409 is a knockout pot for the acid gas flare.

The District should revise the permit to indicate that D399 and D409 are connected to C400 and the acid gas flare, respectively.

District Response: The "connect to" is not used to show process flow connections. Section 6 of the Statement of Basis has been updated to include the following statement:

Connected to

This column is used to identify air pollution control equipment that is connected to a specific piece of equipment at the refinery. This column is not intended to show process connection at the refinery.

13. Condition S13.11 appears to allow the SO₂ limit for the thermal oxidizer of the Claus sulfur recovery unit (pursuant to 40CFR 60.104(a)(2)), to be subsumed by the limit for H₂S content of fuel for fuel gas combustion devices at 40CFR 60.104(a)(1) when both standards apply.

EPA September 18 draft comments raised this issue. The District's October 8 draft response stated that it would evaluate the limits for the thermal oxidizer at a later date. The District should conduct such an evaluation prior to permit issuance.

District Response: The exhaust from the refinery's tail gas unit thermal oxidizer is a combination of exhausts from two different types of NSPS affected facilities (i.e., a fuel gas combustion device and a SRU). Therefore, the tail gas unit thermal oxidizer is subject to both the H₂S limit for the fuel gas (160 ppm; § 60.104(a)(1)) and the SO₂ limit for the exhaust from a reduction control system followed by incineration (250 ppm; § 60.104(a)(2)(i)). Since both apply, the more stringent of the two limits applies unless compliance can be determined independently for each requirement. This determination was established by EPA in a letter to Koch Refinery, December 2, 1999 (control number 0000086) in that if the incinerator was subject to both standards simultaneously, the more stringent of the two would apply. In this particular case, the H₂S limit (160 ppm; § 60.104(a)(1)) for the fuel gas is the more stringent emission limit since in accordance with §60.105(a)(3)(ii) the SO₂ monitoring level equivalent to the H₂S standard under §60.104(a)(1) shall be 20 ppm (dry basis, zero percent excess air), which is well below the 250 ppm SO₂ limit specified in §60.104(a)(2)(i)). Thus, the District believes that condition S13.11 as included in the proposed Title V permit is correct; no changes will be made to this condition.

14. Please correct the typographic error in Condition 6 on page 10 of section J of the proposed permit. The reference to § 63.1562(e)(5) should be § 63.1562(f)(5).

District Response: The correction has been made and the final Title V permit shows the correct citation.

15. Condition 7 on page 10 of section J of the proposed permit lists the inorganic HAP standard from NESHAP UUU (§ 63.1567) that the facility’s CRU process vents must comply with. The District should explain why this condition references an exemption from the organic HAP standard from NESHAP UUU (§ 63.1566(a)(4)) or remove the exemption from the permit.

District Response: In accordance with §63.1566(a)(4), the exemption for depressuring and purging operations with reactor vent pressure < 5 psig applies to organic HAP standard (Tables 15 and 16 of Subpart UUU). The proposed Title V permit incorrectly tagged this exemption to the inorganic HAP standard. The District has revised and expanded the table in Condition 7 as follows:

Emission and Operating Limits for CRU Process Vents (§ 63.1566)

HAP Type	Emission Limitation	Operating Limit
Organic HAP * (§63.1566)	Reduce uncontrolled emissions of total organic compounds (TOC) or non-methane TOC by 98% by using a control device or to a concentration of 20 ppmv (dry basis as hexane), corrected to 3 percent oxygen, whichever is less stringent. For emissions vented to a boiler or process heater to comply with the percent reduction or concentration emission limitation, the vent stream must be introduced into the flame zone, or any other location that will achieve the percent reduction or concentration standard.	<u>Use of a thermal incinerator, boiler or process heater with a design heat input capacity less than 44 MW, or use of a boiler or process heater in which all vent streams are not introduced into the flame zone.</u> Daily average concentration zone temperature must not fall below the limit established during the performance test.

**Exempt for depressuring and purging operation with reactor vent pressure ≤ 5 psig per § 63.1566(a)(4)*

Emission and Operating Limits for CRU Process Vents (§ 63.1567)

HAP Type	Emission Limitation**	Operating Limit**
Inorganic HAP (§63.1567)	Reduce uncontrolled emissions of HCl by 97% by weight or to a concentration of 10 ppmvd corrected to 3% O ₂ using a control device.	<p><u>Internal scrubbing system or no control device</u>: The daily average HCl concentration in the catalyst regenerator exhaust gas must not exceed the limit established during the performance test.</p> <p><u>Moving-bed gas-solid adsorption system (e.g., Chlorsorb™ System)</u>. The daily average temperature of the gas entering or exiting the adsorption system must not exceed the limit established during the performance test; and the weekly average chloride level on the sorbent entering the adsorption system must not exceed the design or manufacturer’s recommended limit (1.35 weight percent for the Chlorsorb™ System), and the weekly average chloride level on the sorbent leaving the adsorption system must not exceed the design or manufacturer’s recommended limit (1.8 weight percent for the Chlorsorb™ System).</p>

***Emission and Operating Limits apply during coke burn-off and catalyst rejuvenation pursuant to §63.1567(a)(2).*

16. Please correct Condition 7 on page 10 of section J of the proposed permit so that it refers to the inorganic HAP standard from NESHAP UUU as “reduce uncontrolled emissions of HCl by 97% by weight or to a concentration of 10 ppmvd corrected to 3% O₂.”

District Response: Condition 7 of the Subpart UUU template #1 has been updated to incorporate the above wording under the Emissions Limitation column of the table.

17. Please add 40 CFR 63 Subpart A to the table of applicable requirements in section K of the permit.

District Response: Facility Condition F52.2 has been added requiring the facility to comply with the requirements of 40 CFR 63 Subpart A, as well as 40 CFR 61 Subpart A. Both rules are now included in the table of applicable requirements in Section K of the permit.

18. Please explain in the Statement of Basis that the references in Section K of the permit to 40 CFR 63 Subpart UUU #1, 40 CFR 63 Subpart UUU #2 and 40 CFR 63 Subpart UUU #3 refer to the Subpart UUU templates in Section J of the permit..

District Response: An explanation is provided in the Statement of Basis under Section 6 - Section K .