



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

May 22, 2013
via electronic submittal

Mr. Gerardo Rios
USEPA Region IX, Mail Stop AIR-3
75 Hawthorne Street
San Francisco, CA 94105

SUBJECT: Significant Permit Revision to Title V Facility Permit
Ultramar, Inc.
2402 E. Anaheim Street
Wilmington, CA 90744

REFERENCE: SCAQMD Facility ID: 800026
SCAQMD Application # 527884-527886, 527888-527889

Dear Mr. Rios:

The South Coast Air Quality Management District (SCAQMD) has received and reviewed a Title V Significant Permit Revision application to the Ultramar, Inc. Facility Permit. Ultramar is proposing to construct a new Cogeneration Unit. The proposed permit change qualifies as a Significant Permit Revision. This permit revision is subject to a 45-day EPA review (SCAQMD Rule 3003) and a 30-day public comment period (SCAQMD Rule 3006) since the new equipment proposed is subject to federal NSPS and federal NESHAP. The Cogeneration Unit and other changes to existing equipment located at the facility are listed in the table below:

	A/N	Equipment	Device ID	Permit Action	Section	Process	System
1	527889	Cogeneration Unit	Various	Permit to Construct for new gas turbine and heat recovery steam generator with duct burner	H	16	1
2	527888	CO Oxidation Catalyst and Selective Catalytic Reduction (SCR)	Various	Permit to Construct for new CO oxidation catalyst and SCR serving the new cogeneration unit	H	16	2
3	527884	Boiler 86-B-9002	Various	Change of condition to restrict operation of boiler to allow cogeneration unit to be installed with no net emission increase	H	15	4
4	527885	Boiler 86-B-9001	D378		D	15	2
5	527886	Boiler 86-B-9000	D377		D	15	1

The SCAQMD is required under Rule 3003(j) to provide a copy of the proposed permit to the EPA administrator for a 45-day review. A copy of the proposed revisions to the existing Title V permit is attached along with our analysis and the public notice for your review. As agreed with your staff, we are submitting the required documents to the email address R9AirPermits_SC@epa.gov. Please let us know if you have problems with downloading the above referenced documents, or if you would like hard copies of any of the documents.

If you have any questions or wish to provide comments regarding this proposed permit, please contact Ms. Connie Yee (909) 396-2619 (cye@aqmd.gov) or Mr. Paul Park at (909) 396-2568 (ppark@aqmd.gov).

Sincerely yours,



Mohsen Nazemi, P.E.
Deputy Executive Officer
Engineering and Compliance

Enclosures: Proposed Title V Permit, Sections D and H
Evaluation for A/Ns 527884-527886, 527888-527889
Public Notice

cc: with cover letter only
Jason Lee, Ultramar, Inc.



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NOTICE OF INTENT TO ISSUE TITLE V PERMIT "PERMITS-TO-CONSTRUCT" AND "PERMITS-TO-OPERATE" ACCORDING TO SCAQMD RULE 3006

This notice is to inform you that the South Coast Air Quality Management District (SCAQMD) has received applications for Permits to Construct and Operate from Ultramar Inc. (Valero Wilmington Refinery) to modify its petroleum refining facility by adding a Cogeneration Unit to simultaneously generate electricity and steam for use at the refinery and by modifying existing boilers to reduce allowable emissions from the boilers in the City of Wilmington. The SCAQMD is the air pollution control agency for the four county-region including all of Orange County and non-desert portions of Los Angeles, Riverside and San Bernardino counties. Anyone wishing to install or modify equipment that could release or control air pollution within this region must first obtain a permit from the SCAQMD. Since the facility currently has a Title V permit, SCAQMD Rule 3006 requires publication of a public notice prior to the issuance of a significant revision to their Title V permit.

The AQMD has evaluated the permit applications for the following equipment and has determined that the equipment will meet the requirements of all applicable air quality rules and regulations.

APPLICANT: Ultramar Inc. (Valero Wilmington Refinery)
Facility ID #800026

PROJECT LOCATION: 2402 E. Anaheim Street
Wilmington, CA 90744

PROJECT DESCRIPTION: Construction of one new cogeneration system and associated air pollution control equipment

Application No.	Equipment	Application Description
527889	Cogeneration Unit	New construction of gas turbine and heat recovery steam generator with duct burner
527888	Selective Catalytic Reduction and Carbon Monoxide (CO) Catalyst Unit	New construction of Selective Catalytic Reduction and CO Catalyst Unit serving the new cogeneration system
527884	Boiler 86-B-9002	Change of conditions to restrict the operation of the boilers to allow the Cogeneration Unit to be installed with no net increase in allowable emissions
527885	Boiler 86-B-9001	
527886	Boiler 86-B-9000	

Ultramar Inc. operates a petroleum refinery at the above location to produce gasoline, diesel, and other petroleum related products. The refinery proposed installation of the Cogeneration Unit to improve the reliability of refinery operation and to comply with regulatory requirements. The applications listed above are for the installation of one new 34 megawatt (MW) cogeneration system and associated air

pollution control equipment along with restricting the operation of three existing boilers to allow the cogeneration system to be installed with no net increase in emissions.

The refinery will use the Best Available Control Technology (BACT) for controlling air emissions from the cogeneration unit. SCAQMD's calculations show that the new cogeneration unit will emit a daily maximum potential of 131 lbs of Nitrogen Oxides (NO_x), 122 lbs of CO, 55 lbs of Volatile Organic Compounds (VOC), 110 lbs of Fine Particulate Matter (PM₁₀), 44 lbs of Sulfur Oxides (SO_x), and 83 lbs Ammonia (NH₃). However, the refinery will restrict the operation of three existing boilers that produce steam for the facility. Therefore, with the exception of 83 lbs/day emissions of NH₃ which is used for the control of NO_x emissions, there is an overall potential maximum daily emission decrease for the proposed projects after restricting the operation of the boilers as follows:

Pollutant	Emission Decrease, lbs/day
NO _x	-46
CO	-24
VOC	-20
PM ₁₀	-31
SO _x	-70

The new cogeneration unit will emit small quantities of some toxic compounds. The SCAQMD has evaluated the short term (acute) and long term (chronic) health impacts associated with the maximum potential emissions of toxic compounds from the equipment. Using worst case conditions, our evaluation shows that the chronic and acute health risks are both well below SCAQMD's toxic rule thresholds (below a hazard index of 1). According to the state health experts, a hazard index of one or less means that the surrounding community including the most sensitive individuals such as very young children and the elderly will not experience any adverse health impacts due to these emissions. In addition, the long term cancer risk due to emissions from this equipment complies with the SCAQMD risk thresholds.

The SCAQMD intends to revise the existing Facility Permit (Title V permit) for Ultramar (Valero Wilmington Refinery) which includes the permits to construct and operate for the above listed equipment. As required by Title V of the Federal Clean Air Act, the revised Title V permit includes all of the emission limits, applicable requirements and operating conditions imposed on the equipment. The facility is required to certify compliance with the Title V permit in addition to recordkeeping and mandatory reporting of any deviations from the permit conditions.

The air quality analysis and the proposed permit are available for public review during normal business hours at the SCAQMD's headquarters, 21865 Copley Drive, in Diamond Bar, and at the Los Angeles Public Library, 1300 N. Avalon Blvd., Wilmington, CA 90744. A copy of the draft permit can be viewed at www.aqmd.gov/webapp/PublicNotices/Search.aspx by entering the facility's ID number. Information regarding the facility owner's compliance history submitted to the SCAQMD pursuant to Health and Safety Code Section 42336, or otherwise known to the SCAQMD, based on credible information, is also available for public review at SCAQMD headquarters.

Anyone wishing to comment on the proposed issuance of the revised permits should submit their comments in writing postmarked no later than June 30, 2013. Written comments must be submitted to:

South Coast Air Quality Management District
Engineering and Compliance
21865 Copley Drive
Diamond Bar, CA 91765-4178
Attention: Mr. Danny Luong, Senior Manager

If you are primarily concerned with zoning decisions and the process by which this facility has been sited at this location, please contact your local city or county planning department. For additional information, or to review the supporting air quality related documents, please contact Ms. Connie Yee at (909) 396-2619 or cyee@aqmd.gov.

The public may request the SCAQMD to conduct a public hearing on the proposed Title V permit by submitting a Hearing Request Form (Form 500-G) to Mr. Danny Luong at the above SCAQMD address. The public hearing request must contain all the information requested on the form in order for the SCAQMD to determine whether or not the request is valid or a public hearing will be held. The public hearing forms may be obtained from the SCAQMD by calling the Title V hotline at (909) 396-3013, or downloading from the Internet at <http://www.aqmd.gov/titlev>. Any request for a public hearing must be submitted to the SCAQMD in writing postmarked no later than June 15, 2013. A copy of the public hearing request must also be sent by first class mail to the facility contact person, Mr. Jason Lee, Health, Safety, and Environmental Director, Ultramar Inc., 2402 E. Anaheim Street, Wilmington, CA 90744 at the same time.

For your general information, anyone experiencing air quality problems such as dust or odors can telephone in a complaint to the SCAQMD by calling 1-800-CUT-SMOG (1-800-288-7664) or file a complaint online at http://www.aqmd.gov/complain/reporting_aq_problems.html.