Shell Oil Products US

Martinez Refinery
PO Box 711
Martinez, CA 94553-0071

CERTIFIED MAIL

November 12, 2010

Bay Area Air Quality Management District
Permit Services Division
ATTN: Mr. K. R. Bhagavan
939 Ellis Street
San Francisco, CA 94109

Subject: Alternative Compliance Plan Monthly Summaries for Conditions 3 and 5

Dear Mr. Bhagavan,

Thank you for the opportunity to review and comment on the proposed Major Facility Review Permit for the Shell Martinez Refinery that we received electronically on October 6, 2010. Shell appreciates the discussions that have occurred with District staff throughout the renewal process on this complex permit. Enclosed please find our comments.

If you have any questions concerning this information, please contact Kathy Wheeler at (925) 313-3722.

Very truly yours,

Lynley C. Harris
Manager, Environmental Affairs Department
Shell Oil Products US Martinez Refinery

Enclosure

Comment Number	Permit Reference	Description of Issue	Proposed Revision
1	Table VII - AO (A101/ A102) Table VII – AOa (A103) Table VII- AOb (S1471 / S1472) Table VII- BJ (S1772) Table VII- CI (S4201)	A monitoring requirement for SO2 was added to the listed tables for continuous monitoring with an H2S analyzer for compliance with 40 CFR 60.104(a)(1). The current permit does not contain this monitoring requirement. These sources are flares that each have vapour recovery systems and only combust exempt gases as defined in NSPS Subpart J 60.104(a)(1). Per the regulation, there is no H2S limit or H2S monitoring required for exempt gases.	As discussed with District staff, this monitoring requirement was inadvertently added during revision of the permit. Either remove the monitoring requirement for SO2 from the tables or revise the tables to show P/E (Periodic/Event)- based monitoring of Composition.
2	Table VII-CG (S4190 S4192)	The monitoring requirement for NOx emissions from COGEN was revised to incorrectly state the limit in terms of one-hour averaging period. The correct averaging period for the NOx limit is specified in Regulation 9 Rule 9 Section 603 to be based on 3-hour averages.	Revise Table VII-CG to replace the 1-hr average with 3-hr average and include Regulation 9-9-603 in the citation section of the table.
3	Table IV-DV – Facility Requirements 40 CFR Part 98 – Mandatory Greenhouse Gas Reporting	Per EPA guidance, 40 CFR Part 98 should not be listed as an applicable requirement in the Title V permit. In response to a question concerning the applicability of 40 CFR 98 to Title V, EPA states in the preamble to the rule: "As currently written, the definition of "applicable requirement" in 40 CFR 70.2 and 71.2 does not include a monitoring rule such as today's action, which is promulgated under CAA section 114(a)(1) and 208."	Remove the 40CFR Part 98 citation from Table IV-DV

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4	Condition 12911 (S1426)	This condition was significantly revised during the permit re-opening to make it an automatic violation of the Ringelmann standard in Regulation 6-1 if there is breakthrough of the FCCU water seal. Breakthrough of the water seal has always been a violation of the permit condition as it was originally written and so this change is not needed. In addition, the presumption that breakthrough always results in violation of the opacity standard is incorrect. The water seal is necessary for pressure protection of the FCCU. In the event that high pressure resulting in a breakthrough of the water seal is caused by high pressure due to partial blockage of the CCU CO gas to the CO Boilers, there would not be excess opacity. Therefore, this revision to the condition should be deleted since it does not affect the District's ability to issue a citation and is misleading in its presumption. A new requirement for a Causal Analysis report was also added to the condition. Shell believes this requirement is redundant to the information already required and provided as part of Title V deviation reporting. Every non-compliance or deviation from a permit condition already requires both a 10-day and 30-day report containing information on what happened, why and how it will be prevented from recurring. This revision adds an additional 60-day report with the same information. It adds paperwork and reporting that does not add any value and should be deleted.	The changes to this permit condition are unnecessary and incorrect. Revise the draft condition back to its original wording to eliminate the presumption of opacity violation and the requirement for the Causal Analysis report.

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5	Table VII – BA (S1507, S1509 and S1512)	Minor wording corrections.	Revise Footnote 1 to correct when Shell conducted MACT EEE testing add the underlined portion: "Shell conducted the performance test to demonstrate compliance with MACT EEE on April 5 through 9, 2010 <u>and April 26 through 30, 2010</u>." In the Monitoring Type column for POHC's, replace "Source Test" with "Operating parameter limits based on performance test."