UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

June 29, 2009

Chris Ralph
Air Quality Engineer
Washoe County District Health Department
P.O. Box 11130
401 Ryland St., Suite 331
Reno, NV 89520-0027

Re: Proposed Title V Permits for MFG Galileo and Santa Fe Pacific Pipelines

Dear Mr. Ralph:

EPA has reviewed the Washoe County District Health Department's ("District") proposed title V permits for MFG Galileo and Santa Fe Pacific Pipelines ("SFPP"). We have enclosed our comments. Our comments focus on Subpart WWWW of the National Emission Standard for Hazardous Air Pollutants ("NESHAP") in the MFG Galileo permit, and Compliance Assurance Monitoring ("CAM") and the VOC emission cap in the SFPP permit. We have included explanations of some corrections that the District must make before issuing the final permits. My staff can assist you as you prepare the final permit and statement of basis.

If you have any questions, please contact Roger Kohn at kohn.roger@epa.gov or 415-972-3973.

Sincerely,

Gerardo C. Rios
Chief, Permits Office

Enclosure

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EPA Region 9 Comments
Proposed Title V Permits
MFG Galileo and Santa Fe Pacific Pipelines

MFG Galileo

1. With complex NESHAP requirements that cover different types of operations within an industry, permitting authorities must first review each section of an applicable NESHAP to determine which sections or portions of sections apply to the specific facility. Subpart WWWW has provisions that apply to open molding, centrifugal casting, continuous lamination/casting, and pultrusion operations in sections §63.5810, §63.5820, and §63.5830. The District's statement of basis does not address the applicability of Subpart WWWW provision to operations at the facility. After making these determinations, the District should explain Subpart WWWW applicability for each operation present at the facility, (including a determination that the NESHAP does not apply to certain operations) and incorporate all applicable NESHAP requirements into the permit.

2. The permit lists "V RIM" in the equipment schedule. The District has stated that the facility has plans to use this type of operation, but is not doing so yet, and that the operation is exempt from Subpart WWWW. Since reaction injection molding is a form of injection molding, it is not clear why this type of operation is exempt. The District should document the basis in Subpart WWWW for the exemption in the final statement of basis.

3. The permit lacks Subpart WWWW requirements for open molding. The District must add conditions to the permit to address the following:

   - the appropriate lb/ton HAP emission limit(s) from Table 3 of Subpart WWWW
   - the specific work practice standards in Table 4 of Subpart WWWW that are applicable to the facility

4. The District should revise the CAM discussion in the statement of basis. The CAM regulations, codified in 40 C.F.R. Part 64, apply to title V sources with emission units that rely on add-on control devices to comply with applicable requirements. Since the facility does not use any control devices, CAM is not required. The revised statement of basis should document this, and remove the reference to 40 CFR 63.5810 because NESHAP emission limits proposed by EPA after November 15, 1990 could never trigger CAM (see §64.2(b)(i)).

Santa Fe Pacific Pipelines

5. The District's proposed VOC potential to emit ("PTE") cap of 185 tons per year ("tpy") is not practically enforceable because it does contain a practically enforceable operational

limit(s), such as throughput limits, in accordance with EPA guidance.[1] EPA does not recognize the cap as enforceable in its current form, but can work with the District to craft enforceable conditions that effectively limit PTE.

The District has not identified each of the emission points that will be subject to the VOC PTE cap along with their emission factors, nor calculated a throughput limit based on the emission factors that will ensure that actual emissions will not exceed the cap. The proposed permit merely contains a 185 tpy limit (which can only be enforced annually), and lacks operational limits and associated record-keeping. In order to craft an accurate and enforceable VOC PTE limit for this facility, the District must develop all of these types of conditions:

- a condition that states that the actual VOC emissions from the entire facility shall not exceed 185 tpy, based on a 12-month rolling average (Condition V.A. in the proposed permit is not sufficient.)
- an operational limit based on the PTE calculations, e.g., an annual limit on the number of gallons of gasoline that the facility may distribute
- a requirement to record the number of gallons of gasoline the facility distributes on at least a monthly basis
- a requirement to calculate the annual VOC emissions from all emission units on a 12-month rolling basis
- a condition that specifies the emission factors to be used in the monthly calculation
- a condition requiring the facility to perform the rolling 12-month emission calculation by the end of the first week of each month, and maintain all records and calculations used to demonstrate compliance at the facility
- a requirement to operate and maintain a thermal oxidizer to control VOC emissions at all times (The proposed permit contains many thermal oxidizer requirements, but does not explicitly require its operation.)

6. The facility is subject to the New Source Performance Standard ("NSPS") for bulk gasoline terminals, 40 CFR 60 Subpart XX, which contains VOC emission standards. It appears that the District has applied the wrong Subpart XX emission limit to the vapor collection system. Subpart XX contains a VOC emission limit of 35 milligrams of total organic compounds per liter of gasoline loaded at each affected facility (60.502(b)). The higher limit from the NSPS in the proposed permit, 80 milligrams/liter, only applies to a "existing vapor processing system", defined in the regulation as "a vapor processing system…the construction or refurbishment of which was commenced before December

[1] See January 25, 1995 memorandum, Options for Limiting the Potential to Emit (PTE) of a Stationary Source Under Section 112 and Title V of the Clean Air Act, which we have provided to the District via electronic mail.

17, 1980, and which was not constructed or refurbished after that date" (§60.501). Assuming that the 1996 installation of the thermal oxidizer and conversion of an existing storage tank to hold vapors prior to processing constituted "refurbishment" as defined in Subpart XX, the District must revise the permit to change the NSPS VOC emission limit to 35 milligrams of total organic compounds per liter of gasoline loaded.

7. The permit is missing required elements of the CAM rule, 40 CFR Part 64. Part 64 defines the terms "excursion" and "exceedance" and requires permitting authorities to define at least one of them in title V permits, although as a practical matter permitting authorities usually define "excursion". The District must add a condition defining an excursion as any measurement of the temperature of the thermal oxidizer system that is less than 400 degrees Fahrenheit.

   Part 70 was revised when Part 64 was promulgated. One of the changes was to §70.6(c)(5)(iii), which now requires that annual compliance certifications "identify as possible exceptions to compliance any periods during which compliance is required and in which an excursion or exceedance as defined under part 64 of this chapter occurred." The compliance certification language in condition VI.D.1 must be revised to include this requirement.

   All CAM conditions in the permit, including the thermal oxidizer temperature requirement in condition VI.B.3, should identify 40 CFR Part 64 in the citation of origin and authority.

8. Condition VI.B.1 requires annual source testing of the thermal oxidizer and vapor collection systems. Without further clarification, the language of this condition theoretically allows the source to go almost two years between source tests, which we believe is not the District's intent. The District should revise this condition to clarify that source testing is required once every 12 months.

   In addition, the testing condition is not specific about which pollutants the testing is intended to verify compliance with. The District should improve the clarity and specificity of this condition by identifying the pollutants that will be measured by the tests.