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Philadelphia Refinery

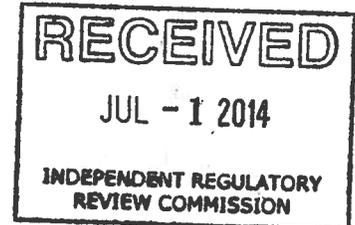
Philadelphia Energy Solutions
Refining and Marketing LLC
3144 Passyunk Avenue
Philadelphia, PA 19145-5299
215-339-2000

Submitted online via the EQB's Online Regulatory Comment System

<http://www.ahs.dep.pa.gov/RegComments>

June 30, 2014

Environmental Quality Board
Pennsylvania Department of Environmental Protection
Rachel Carson State Office Building
16th Floor
400 Market Street
Harrisburg, PA 17101-2301



RE: *Comments from Philadelphia Energy Solutions Refining and Marketing, LLC on Additional RACT Requirements for Major Sources of NO_x and VOC*

Dear Sir or Madam,

The Pennsylvania Department of Environmental Protection (PADEP) is proposing to amend Chapters 121 and 129 (relating to general provisions; and standards for sources) of Title 25, Part I, Subpart C, Article III, per 44 Pennsylvania Bulletin 2392 (April 19, 2014). The proposed rulemaking would establish new presumptive reasonably available control technology (RACT) requirements and emission limitations for certain major stationary sources of NO_x and VOC.

Philadelphia Energy Solutions Refining and Marketing, LLC (PES) has reviewed the proposed rule and supports the presumptive RACT levels proposed for the source types found at the Philadelphia Refinery, such as process heaters combusting refinery gas. Further, PES appreciates the opportunity to review the rulemaking and offers our comments to the Department before the rule is finalized. We have identified a number of areas, summarized below, which require further clarification and/or consideration by the Department. We respectfully submit the following comments and recommendations to address these concerns.

1. Need for definition of refinery gas in Section 121.

Emission limits are proposed for "refinery gas-fired combustion units or process heaters." However, the term "refinery gas" has not been defined. PES suggests that the definition of refinery gas should be included in the Pennsylvania rules and should match the federal definition of fuel gas under NSPS Subpart J, *Standards of Performance for Petroleum Refineries*, in order to maintain consistency between the regulations to which refineries in the Commonwealth are subject. The definition of fuel gas from 40 CFR 60.101 is as follows:

Fuel gas means any gas which is generated at a petroleum refinery and which is combusted. Fuel gas includes natural gas when the natural gas is combined and combusted in any proportion with a gas generated at a refinery. Fuel gas does not include gases generated by catalytic cracking unit catalyst regenerators and fluid coking burners. Fuel gas does not include vapors that are collected and combusted in a thermal oxidizer or flare installed to control emissions from wastewater treatment units or marine tank vessel loading operations.

2. *Additional information regarding the emissions averaging option.*

The proposed RACT regulations provide an option for facilities to comply with RACT through facility-wide or system-wide emissions averaging. PES supports this option, and recommends the following to provide clarification regarding its implementation:

- A. When compliance is demonstrated using the “facility-wide” or “system-wide” emissions averaging approach, we recommend that the regulation clearly state that the owner/operator is allowed to select only certain sources or facilities to include in the emissions averaging plan with the remaining units/facilities subject to presumptive or case-by-case provisions.
- B. We recommend that the averaging plan be structured to allow for an option for facilities to provide deeper reductions during the ozone season when reductions are needed than during the remainder of the year while still complying with an annual average cap.
- C. According to proposed 129.98(e), the alternative facility-wide or system-wide NO_x RACT emission limitation is to be calculated using the applicable presumptive NO_x emission limitation for each emission source specified in proposed 129.97 and averaged according to the daily actual heat input of each source, using a 30-day rolling average. Some of the units at the site may have existing case-by-case RACT limitations or other permit limitations that are lower than the applicable presumptive RACT limit. We recommend that such units be included in the emissions averaging equation at their permitted case-by-case RACT level rather than at the presumptive RACT level.

3. *Extension of the compliance timeframe.*

The proposed rule requires all units to be in compliance with the RACT requirements within one year unless a control device is required, in which case sources may petition for an alternate compliance schedule. The one year compliance timeframe applies regardless of whether the unit is complying with the RACT through presumptive RACT, case-by-case RACT, or the emissions averaging option. Case-by-case RACT and emissions averaging plans need to be submitted within 6 months which leaves as little as six months for the Department to review and approve the plan before the proposed compliance deadline. PES is concerned that this timeframe may not be sufficient in length for the regulatory agency (PaDEP or AMS) and the owner/operator to finalize the RACT plan. PES recommends that the regulations provide an opportunity to request an extension of the compliance timeframe for such situations or include an “application shield” provision.

4. *Clarification of how the PA NO_x RACT regulations will apply in the jurisdictions of Philadelphia Air Management Services*

According to proposed 129.96, the RACT regulations apply statewide to owners and operators of major NO_x emitting facilities and/or major VOC emitting facilities. However, the Philadelphia Air Management Services (AMS) operates under its own state implementation plan (SIP). PES requests clarification regarding the jurisdiction of the Philadelphia AMS in implementing/enforcing the RACT regulations that are proposed section 129. To assure consistency across the Commonwealth of Pennsylvania, PES recommends that compliance with proposed section 129 satisfy compliance with Philadelphia AMS RACT requirements as well.

5. Clarification regarding applicability of NO_x RACT regulations to temporary engines.

RACT operating requirements and/or emission limits are proposed for all internal combustion engines at major sources of NO_x and VOC. The rule does not clarify whether the limits apply to engines which are onsite for temporary periods of time. It should be noted that the PaDEP's Plan Approval Exemption List (275-2101-003, July 26, 2003) categorically exempts a number of engine types including engines less than 100 HP. As such, these categories of engines were likely not accounted for in the Department's RACT analysis which cataloged existing sources in its permitting database. Having to track RACT compliance, even if only work practices, for such engines could prove to be overly burdensome for large facilities.

6. Clarification of terms used in proposed regulation.

The terms "process heater", "combustion unit", and "combustion source" are all referred to in the proposed presumptive RACT requirements. The terms appear to have overlapping meanings and are used inconsistently in the proposed rule. A new process heater definition is proposed to be added to section 121. A definition for combustion unit is already included in section 121. Combustion source is not defined under section 121 and a new definition is not proposed. However, the term "combustion source" is used under the operating and maintenance requirements of proposed 129.97(c), while the term "combustion unit" and "process heater" are used under the emission limits of proposed 129.97(g). PES requests that the rule language be clarified to avoid overlapping and/or undefined terms.

7. Clarification of when the presumptive RACT limits apply.

The proposed RACT requirements establish emission limits for various source types. It is unclear when the proposed emission limits apply during the operation of an emission source. Experience would indicate that it could be very difficult to meet the proposed NO_x standards for some emission source types during low load periods of startup and shutdown, due to the nature of these units' operation. Therefore, PES recommends that the RACT emission limits apply during normal operation only.

8. Clarification of what happens to existing RACT permits.

Proposed 129.97(i) states that the requirements and emission limits of this section supersede the requirements and emission limitations of a RACT permit issued to an owner operator prior to the effective date of adoption of this proposed rulemaking, except to the extent that the RACT permit contains more stringent requirements or emission limitations, or both. What happens in the event that an existing RACT permit has a higher limit but a shorter averaging time than the proposed RACT requirements or conversely, in the event that an existing RACT permit has a lower limit but a longer averaging time than the proposed RACT requirements? PES recommends that the RACT regulations be revised to clarify how existing RACT permits are to be handled to avoid potentially overlapping and conflicting requirements between existing RACT plans and the new provisions.

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PES appreciates the opportunity to comment on this proposed rule and respectfully requests that the comments provided in this letter are taken into account in the development of the final Additional RACT Requirements for Major Sources of NO<sub>x</sub> and VOC.

Please contact me at 215-339-2074 or [charles.barksdale@pes-companies.com](mailto:charles.barksdale@pes-companies.com) if you have any questions on these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles D. Barksdale Jr.", with a long horizontal flourish extending to the right.

Charles D. Barksdale Jr, PE

Site Environmental Director  
Philadelphia Energy Solutions Refining and Marketing, LLC

Comments on Proposed RACT Rule - Page 5  
June 30, 2014

bcc: Ms. Wendy Merz - Trinity Consultants

***One-Page Summary of Comments from Philadelphia Energy Solutions Refining and Marketing, LLC (PES) on Additional RACT Requirements for Major Sources of NO<sub>x</sub> and VOC***

***1. Need for definition of refinery gas in Section 121.***

Emission limits are proposed for “refinery gas-fired combustion units or process heaters.” However, the term “refinery gas” has not been defined. PES suggests that the definition of refinery gas should be included in the Pennsylvania rules and should match the federal definition of fuel gas under NSPS Subpart J, *Standards of Performance for Petroleum Refineries* per 40 CFR 60.101.

***2. Additional information regarding the emissions averaging option.***

- A. When compliance is demonstrated using the “facility-wide” or “system-wide” emissions averaging approach, we recommend that the regulation clearly state that the owner/operator is allowed to select only certain sources or facilities to include in the emissions averaging plan with the remaining units/facilities subject to presumptive or case-by-case provisions.
- B. We recommend that the averaging plan be structured to allow for facilities to provide deeper reductions during the ozone season when reductions are needed than during the remainder of the year while still complying with an annual average cap.
- C. Some of the units at the site may have existing case-by-case RACT limitations or other permit limitations that are lower than the applicable presumptive RACT limit. We recommend that such units be included in the emissions averaging equation at their permitted case-by-case RACT level rather than at the presumptive RACT level.

***3. Extension of the compliance timeframe.***

PES is concerned about the one year compliance timeframe for sites seeking to comply with case-by-case RACT and/or emissions averaging provisions. PES recommends that the regulations provide an opportunity to request a compliance deadline extension if such plans have been submitted to the Department timely but are held up due to agency review (i.e., include an “application shield” provision).

***4. Clarification of how the PA NO<sub>x</sub> RACT regulations will apply in the jurisdiction of Philadelphia Air Management Services***

PES requests clarification regarding the jurisdiction of the Philadelphia AMS in implementing/enforcing the RACT regulations that are proposed section 129. PES recommends that compliance with proposed section 129 satisfy compliance with Philadelphia AMS RACT requirements.

***5. Clarification regarding applicability of NO<sub>x</sub> RACT regulations to temporary engines.***

PES recommends that RACT operating requirements and/or emission limits for all internal combustion engines at major sources of NO<sub>x</sub> and VOC do not apply to engines which are onsite for temporary periods of time.

***6. Clarification of terms used in proposed regulation.***

PES requests that the rule language be clarified with respect to the terms “process heater”, “combustion unit”, and “combustion source” to avoid overlapping and/or undefined terms.

***7. Clarification of when the presumptive RACT limits apply.***

PES recommends that the presumptive RACT emission limits apply during normal operation only.

***8. Clarification of what happens to existing RACT permits.***

PES recommends that the RACT regulations be revised to clarify how existing RACT permits are to be handled to avoid potentially overlapping and conflicting requirements between existing RACT plans and the new provisions.