

September 17, 2021

VIA E-MAIL: srees@aqmd.gov

Sarah Rees, Ph.D.
Deputy Executive Officer
Planning, Rule Development & Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Comments on South Coast Air Quality Management District Staff's Proposed Rules 1109.1, 429.1 and 1304 related to the 75-Day Package released to the Public on Friday, August 20, 2021

Dear Dr. Rees:

Torrance Refining Company LLC ("TORC") is pleased to submit comments to the South Coast Air Quality Management District ("District") in response to staff's Proposed Rules 1109.1, 429.1 and 1304 related to the 75-Day Package released on August 20, 2021 ("75-Day Package"). This letter supplements TORC's previous comment letters submitted to the District on November 20, 2020, December 14, 2020, January 27, 2021, two letters on April 16, 2021, June 21, 2021, and August 4, 2021.

Rule 1109.1 Comments

(d) Emission Limits

(d)(2)(B)(ii) – "No later than 18 months after the South Coast AQMD Permit to Construct is issued, meet the NOx and CO emission limits at the percent O2 correction and the averaging time specified in Table 2 or subdivision (k), whichever is applicable."

A Permit to Operate could be issued as well. The District needs to clarify in this section that the NOx and CO emission limits need to be met no later than 18 months after either the Permit to Construct or the Permit to Operate is issued, not just the Permit to Construct.

Additionally, this seems to conflict with Sections (d)(8) and (d)(9). The District needs to clarify that if a refinery completes construction within 18 months consistent with Table 2, then based on the averaging period, the refiner is subject to the NOx and CO limits per Section (d)(8) and (d)(9).

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(f) Interim Emission Limits

Table 5: Interim NOx Emission Rates for Boilers and Process Heaters ≥ 40 MMBtu/hr

The District has included interim limits for "Units that are < 40 MMBtu/hr" in Table 4. Since Table 5 are interim limits for Units ≥ 40 MMBtu/hr, Units that are < 40 MMBtu/hr with CEMS should be removed from the table as they would have to meet two interim limits.

(g) Compliance Schedule

Table 6 – Compliance Date. No later than 36 months after a South Coast AQMD Permit to Construct is issued.

The District should clarify that the 36- month period in this Section means the time to construct the emission control equipment, not meet the limit as allowed per (d)(8) and (d)(9). This should be clarified in the Draft Staff Report.

(i) I-Plan, B-Plan, and B-Cap Submittal and Approval Requirement

(i)(5)(C) – "An owner or operator shall modify an approved I-Plan, B-Plan, or B-Cap if:

(iii) A higher Alternative BARCT NOx Limit will be proposed in the South Coast AQMD permit application than the Alternative BARCT NOx Limit for that unit in the currently approved I-Plan, B-Plan, or B-Cap;"

Since the I-Plan and the B-Plan may also have a lower Alternate BARCT or Conditional NOx Limit than what was approved, the District should remove the word "higher." Further, the District should clarify that this Section applies to both BARCT NOx Limits and Conditional Limits as well.

(j) CEMS Requirements

(j)(3) — "An owner or operator of a unit with a CEMS that measures CO at [DATE OF ADOPTION] must operate and maintain the CO CEMS pursuant to the applicable Rules 218.2 and 218.3 requirements to demonstrate compliance with the Table 1, Table 2, or Table 3 CO emissions limits and certify the CEMS within 12 months of [DATE OF ADOPTION] pursuant to the applicable Rules 218.2 and 218.3 requirements."

The District should clarify that this section should only apply to CO CEMS that were installed to meet District Rules and Regulations. CO CEMS subject to federal rules should not be required to meet District Rules 218.2 or 218.3 or the averaging period of the rule.

(I) Diagnostic Emission Checks

This section does not include how long to conduct the Diagnostic Emission Checks. The District should clarify in this Section that the duration of the Diagnostic Emissions Checks should be consistent with the BARCT or Conditional Limit averaging periods.

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(n) Exemptions

(n)(3) – "Low-Use Process Heater with a rated heat input capacity greater than or equal to 40 MMBtu/hour

An owner or operator of a process heater with a rated heat input capacity greater than or equal to 40 MMBtu/hour that is fired at less than 15 percent of the rated heat input capacity on an annual basis, shall be exempt from the applicable emission limits in Table 1, Table 2, and an approved B-Plan"

The District has included low use exemptions for Boiler < 40 MMBtu/hr and Process Heaters \geq 40 MMBtu/hr. The District should also include in Section (n)(3) Low-Use Boilers that are only used at less than 15 percent of the rated heat input capacity on an annual basis.

Rule 429.1 Comments

(c) Definitions

The definition of "CATALYST MAINTENANCE" should also include any ancillary equipment to the SCR system such as the NH3 injection system and the induced draft fan.

(d) Requirements

(d)(8) – "An owner or operator of a unit equipped with a NOx post-combustion control equipment at a former RECLAIM petroleum refinery or a new petroleum refinery which has a stack or duct that exists prior to [Date of Adoption] that allows for the exhaust gas to bypass the NOx post-combustion control

equipment and that elects to use a bypass to conduct catalyst maintenance shall:

- (A) Not use a bypass if the unit is scheduled to operate continuously for less than five years between planned maintenance shutdowns of the unit;
- (B) Not use a bypass to conduct catalyst maintenance for more than 200 hours in a rolling three-year cycle;
- (C) Operate the unit at the minimum safe operating rate of the unit when the NOx post-combustion control equipment is bypassed;
- (D) Submit documentation from the manufacturer of the minimum safe operating rate for the unit being bypassed to the South Coast AQMD;"

The term "minimum safe operating rate of the unit" should clearly refer to the Process Unit, not the combustion device. The minimum rate or turndown of a combustion device could be lower than the safe operating rate of the Process Unit and would cause the unit to shut down. The combustion device's operation will be dictated by the operating rate of the Process Unit. Further, the minimum safe operating rate is determined by the Refinery, not a manufacturer. Therefore, documentation should not be required.

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(f) Recordkeeping

(f)(2) – "An owner or operator of a unit equipped with NOx post-combustion control equipment at a former RECLAIM petroleum refinery or a new petroleum refinery shall maintain on-site documentation from the manufacturer of the minimum operating temperature of the NOx post-combustion control equipment and make this information available to the South Coast AQMD upon request."

Refineries' Title V permits include permit conditions for specific temperatures when the injection of NH3 should begin in the SCR system for optimal NOx reduction. Therefore, this requirement should also include ... "unless the minimum temperature requirement is in the Refinery's permit."

Rule 1304 Comments

(f) Limited BACT Exemption

(f)(A) – "The new or modified permit unit is located at a RECLAIM or former RECLAIM facility and is being installed or modified to comply with a South Coast AQMD rule to meet a specified NOx Best Available Retrofit Control Technology (BARCT) emission limit initially established before December 31, 2023;"

The Draft Staff report for PAR 1304 indicates that Section (f)(1)(A) limits the BACT exemption to new or modified permit units being installed or modified at RECLAIM or former RECLAIM facilities to comply with a NOx BARCT rule to transition the NOx RECLAIM program to command-and-control regulatory structure. Therefore, it appears that the intent of this exemption is that it not only applies to BARCT emission limits, but Conditional, B-Plan and B-CAP emission limits as well. For avoidance of doubt, particularly in the permitting process, The District should clarify this Section accordingly.

* * *

In closing, as noted above, there remains proposed rule language that requires additional clarification to create rulemaking that is clear, unambiguous, and achieves the desired goal without creating undesirable effects. As noted, TORC will continue to work with District Staff to address these concerns.

Thank you for the opportunity to submit comments on the 75-day Package. We will continue to work diligently with District staff and other stakeholders to address the complex issues associated with this package.

Please note that in submitting this letter, TORC reserves the right to supplement its comments as it deems necessary, especially if additional or different information is made available to the public regarding the PR 1109.1 rulemaking process.

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If you have any questions regarding TORC's comments, please call or email me or John Sakers. Our office phone numbers are 310-212-4500 (Steve) and (310) 212-4292 (John).

Sincerely,

Refinery Manager

cc: District Staff - via e-mail and overnight delivery

Wayne Nastri

Executive Officer

Susan Nakamura

Assistant Deputy Executive Officer

Michael Krause

Planning and Rules Manager

Michael Morris

Planning and Rules Manager

District Refinery Committee Members - via e-mail and overnight delivery cc:

Hon. Ben Benoit

Governing Board Chair

Hon. Larry McCallon

Governing Board Member and Refinery Committee Chair

Hon. Lisa Bartlett

Governing Board Member and Refinery Committee

Member

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