

## EPA COMMENTS ON DRAFT TITLE V PERMIT FOR

### BP GC1

April 22, 2002

#### PERMIT

Conditions 3, 4, 6, etc. : When citing to a PSD or state operating permit as the authority for a term, it is important to cite to the specific condition in the PSD or state permit rather than to the entire permit or section of the permit.

Condition 6a and b : The recordkeeping in Condition 6b allows the source to record fuel sulfur content OR to simply document the fuel grade. (The Statement of Basis explains that fuel grades 1 and 2 will assure sulfur content less than that allowable.)

To be consistent with Condition 6b, Condition 6a should clarify that the monitoring requirement is to EITHER test for fuel sulfur content OR maintain records of fuel grade from the supplier.

However, isn't BP GC1 the fuel supplier? If so, what does it mean for the source to provide documentation of the fuel grade from the supplier? Wouldn't it be more appropriate to require testing and documentation of fuel sulfur content only with no reference to documentation of fuel grade? In other words, in order to establish the fuel grade, would not BP GC1 have to test the fuel sulfur content?

Condition 6c : "Report as excess emissions, in accordance with Condition 62, whenever the fuel combusted causes sulfur compound emissions to exceed the standard of Condition 6." (Condition 62 appears to combine the Title V deviation reporting requirement with an excess emissions reporting requirement. As discussed below, these are separate requirements which should not be combined.)

Please note that the standard in Condition 6 is a fuel sulfur limit. Therefore, it is unclear under what circumstances the source would report an excess *emission* pursuant to this condition. I suggest the following:

"Report as a permit deviation, in accordance with Condition 62a, whenever fuel combusted exceeds the sulfur content limit in Condition 6. Report as excess emissions, in accordance with Condition 62b, and as a permit deviation in accordance with Condition 62a, whenever the fuel combusted causes sulfur compound emissions to exceed the emission standard of Condition 5 (as calculated based on fuel sulfur content monitored in Condition 6)."

(Condition 62a would then be the permit deviation provision and 62b would be ADEC's excess emissions provision.)

Condition 7c : This is the same issue as Condition 6c above.

Condition 8 : Based on this permit condition (i.e., that the NO<sub>x</sub> concentration limit is 150 ppmvd), it appears that you have concluded that "Y" (the manufacturer's rated heat rate at peak load) is equal to or greater than 14.4. Somewhere in the permit or statement of basis, if true, it should be documented that "Y" is equal to or greater than 14.4 for each of these units (1 through 11)

Conditions 8, 9, 10, 11b and 12 : It appears you have inverted the conversion factor from pounds to tons. Shouldn't the last term in each of the equations in these conditions be ton/2000lb rather than 2000 lb/ton? (Note - 11c and 11d appear to be correct.)

Conditions 13 - 19 : The Dc boiler (ID20) is also subject to subpart A provisions and should be so identified in these conditions.

Condition 15.1 : Why does this subpart A provision apply only to ID 26? Should it not also apply to ID's 1-11 and 20 which are also subject to an NSPS?

Condition 20 : The permit states that the requirement to combust only a gaseous fuel is not federally enforceable. Why not? The permit cites to Part 60 which is federally enforceable.

Condition 21 : What will the source do to assure compliance with the prohibition on storing petroleum with a vapor pressure greater than 11.1 psia?

NSPS Subpart GG terms : When citing to the CFMS provided this source by EPA, it would be more complete to use the following citation: EPA issued CFMS, letter dated 5/8/96.

Condition 22 : It appears that ADEC has classified the diesel turbine (unit 26) as an "emergency" turbine and therefore exempt from the NO<sub>x</sub> limit in NSPS GG. However, there is insufficient discussion of this in Section 11 (non-applicable requirements) and in the Statement of Basis.

Condition 25.1(b) : This condition establishes a tiered approach for source testing requiring a once a permit term source test if emissions from one unit in a group of similar units are less than 80% of the standard and requiring a CEM if emissions are greater than 90% of the standard. However, this condition does not discuss what the testing frequency is if emissions are between 80 and 90%. Nor does it clarify which unit(s) would install a CEM if emissions from a representative unit in the group exceeded 90%. Would all units in the group be subject to the CEM requirement or only the unit that was tested? If the latter, what additional testing would be needed for the other units? (Also, please note that the last sentence in Condition 25.1(b)(i) appears to duplicate Condition 25.1(b)(ii).)

Condition 62 : As noted above, it appears that this condition inappropriately combines the excess emission, affirmative defense, and deviation reporting requirements. These are three separate provisions. Deviation reporting is required by the permit whether or not the deviation is an "excess emission" and whether or not the source is seeking relief under

the excess emission provisions of 18 AAC 50.240 or wishes to make an affirmative defense. While an "excess emission" would always have to be reported as a deviation, additional and separate reporting of an "excess emission" under the excess emission provision is needed if (and only if) the source wishes to demonstrate to ADEC that the incident meets the criteria for "unavoidable" and qualifies to be excused from penalty. (See additional issues regarding these provisions under the Statement of Basis discussion below.)

Also, I noted that the certification provided with the recommended deviation/excess emissions reporting form appropriately required that the source certify compliance with attachments to the form: "...I certify that the statements and information in and attached to this document...." It would be better if the source specifically identified the attached documents being certified (e.g., and attached Cause of Event Report, Emission/Deviation Reduction Report, and Corrective Action Report).

Condition 65 : This condition does not meet the compliance certification requirements of 18 AAC 50.340(j).

> The source must certify compliance with all terms and conditions of the permit, not just the requirements in sections 3 through 9.

> The source must identify each permit term or condition that is the basis of the certification.

Condition 66 : This condition addressing credible evidence appropriately notes that "If this condition applies to an NSPS source, then the requirements of 40 CFR 60.11(g)...also apply". It is important that permit terms be specific to the source. Therefore, it would be better to rewrite this sentence as: "Units 1-11, 20, and 26 are also subject to the credible evidence provisions of 40 CFR Part 60.11(g)...."

Condition 74 : The introductory sentence to the list of requirements deemed inapplicable appropriately notes that the listed requirements could become applicable during the permit term and that the source would have to comply with such requirements. However, the list of actions needed to comply is not all inclusive and could be read to limit the source's obligations. I suggest this sentence be rewritten as: "If any of the requirements listed in Table 2 become applicable during the permit term, the Permittee shall comply with such requirements on a timely basis including, but not limited to, providing appropriate notification to EPA, obtaining a construction permit, and/or an operating permit revision."

Table 2 : In general, the reason for non-applicability determination is insufficient. For example, the permit concludes that units 12-13 are not subject to subpart Da because they are not classified as electric utility steam generating units as defined in that subpart. A brief statement about how these units deviate from the definition would be useful (e.g., ...because these units do not supply more than 1/3 of the potential electric output capacity and more than 25 MW electrical output to any utility power distribution system for sale.)

In addition, the reason for non-applicability of the various K standards (i.e., K, Ka, Kb) for tanks is too generic (e.g., "vessel not storing a petroleum liquid.... and/or vessel storage capacity below threshold....; and/or vapor pressure of ....") Please identify which tanks meet which non-applicability criteria.

Condition 75 : Visible Emissions and PM Monitoring, Recordkeeping and Reporting

The semi-annual check for visible emissions (VE) and/or Method 9 readings is a good approach for opacity and particulate monitoring for natural gas turbines since these units generally do not have problems unless something "goes wrong". However, because things can go wrong, it is always better to have some kind of continuous monitoring between VE checks. It would be easy for the source to also monitor O2 and load (which they are no doubt already doing) to show proper operation of the units. For the diesel turbine, it is important that additional parameter monitoring be included in the permit.

Condition 82 : Visible Emission Monitoring for Flares

The monitoring in this section appears to apply only when the control device is not in service. Certainly, it is important to monitor when the control device is not operating but monitoring is also needed at other times. At a minimum, the flares should be subject to the same monitoring regime as the other units (i.e., Conditions 75 - 81). Also, since visible emissions are generally present during flaring, does it make sense to require VE readings and corrective action within 24 hours or would some other kind of monitoring be more appropriate? These issues should be discussed and addressed in the Statement of Basis.

## STATEMENT OF BASIS

### Facility Identification:

1. Collocation of Sources : On August 24, 2001, EPA advised ADEC that Forest Oil's Kustatan Facility and Osprey Platform should be treated as one source for permitting purposes, absent a rationale for separating these two facilities. EPA reiterated this position in April 8, 2002, comments on the draft PSD permits for these facilities. Similarly, absent a contrary rationale, it is EPA's position that the BP GC 1 facility is part of the larger source consisting of all BP units within the Prudhoe Bay facility. The situation is analogous in that the BP facilities are interdependent, located on adjacent properties, and are owned or operated by the same person under common control.

2. Nonroad Engines : "Mobile" equipment is briefly discussed at the end of the third paragraph. Since this is a significant and complex issue for the oil and gas industry with important permitting and applicability ramifications, this topic warrants additional discussion. For example, the Statement of Basis notes that "this equipment is rarely needed on site for more than 12 months" implying that this is the criteria for a unit to be considered mobile. However, in a June 25, 1996, letter from Dave Bray of EPA to John Stone of ADEC, EPA stated: "a source that is permanently located at a single site but is

operated for only part of a year (i.e., is a seasonal or intermittent source) is not considered to be a "temporary" source."

3. Table B : This table shows the increase in potential emissions due to modifications since 1987. This is very important to how ADEC calculated PSD applicability and so is a very valuable tool in the Statement of Basis.

4. Compliance History : It is better to focus on the factual history of the source and to not draw conclusions (e.g., "...indicate a facility generally operating in compliance....") Simply state that inspections occurred on these dates and revealed the following violations (or no violations). Also, please note that this section (page 6) of the Statement of Basis says the facility has operated at the current location since 1979 but the PSD Bank Balance section (page 4) indicates that an initial permit was issued in 1975. This discrepancy should be corrected or clarified.

5. Rationale for Monitoring : Except for the discussion of the visible emissions standard trigger on page 12, there is little or no discussion of how the monitoring in the permit will assure compliance with the emission limits and other requirements. In the decision on the Fort James Camas Mill petition, the EPA Administrator said that "the rationale for the selected monitoring method must be clear and documented in the permit record. This is incorporated in the requirement at 40 C.F.R. ' 70.7(a)(5) that the permitting authority 'shall provide a statement that sets forth the legal and factual basis for the draft permitconditions'." The failure to adequately support and document the rationale for monitoring in the Fort James permit was grounds for the Administrator to grant the petition and object to the permit.

6. "State" Excess Emissions : The reporting discussion for Conditions 6 and 7 refers to "state" excess emissions. What does this mean? The state's excess emissions provision found at 18 AAC 50.240 has been approved into the SIP and is federally enforceable. And, of course, deviation reporting is a federal requirement of the Title V permit. The monitoring, recordkeeping and reporting provisions created in the Title V permit are also federally enforceable. It is true that the affirmative defense for exceedances of technology based standards found at 18 AAC 50.235 is not part of the SIP and, so is not federally enforceable. In any event, as noted in the permit discussion of these conditions above, Condition 62 and the links to Conditions 6 and 7 will have to be modified, as well as, the discussion in the Statement of Basis.

7. NSPS Subpart A Requirements : Please note that the Dc boiler (unit 20) is also subject to subpart A and should be included in the list of units. Also, delete the parenthetical (Satisfied by Condition 58) on page 21. It is unnecessary and compliance with the recordkeeping provisions of 40 CFR 60.7 is unrelated to Condition 58 which requires certification of all reports.

8. NSPS Subpart Dc Requirements : As noted above, subpart A provisions apply to unit 20, as well.

9. NSPS Subpart GG Requirements : The Statement of Basis notes that if a NO<sub>x</sub> test shows emissions between 80 and 90 percent of the emission limit, then the source is required to conduct source tests every two years. I did not find this provision in the permit.

10. Conditions 48 - 62 : For all these provisions, the Statement of Basis says "no additional MRR is necessary to ensure compliance" or "the records being kept provide adequate evidence of compliance" or similar phrases. The first phrase is unnecessary and could be mis-construed so should be deleted. The second phrase is also unnecessary and could be read to limit credible evidence and so also should be deleted.

11. Condition 62 : As discussed above, this condition inappropriately combines deviation reporting, excess emissions, and affirmative defense provisions. These three provisions must be addressed separately because they have different criteria and different objectives. This condition does NOT satisfy the requirements of these three provisions. Also, only one of the regulations cited (affirmative defense) is state-only enforceable. All other citations are to federally enforceable requirements. Finally, what is the intent of the last sentence: "Please note that there may be additional federally required excess emission reporting requirements."

12. Table D - List of State Excess Emission Reporting Requirements : Please see comments above under permit Conditions 6 and 7 and comment #6 under Statement of Basis.

13. Table F - Permit Shields Denied: This table is a good idea but some of the reasons for denial are unclear or, even, incorrect, particularly the last page of the table. It appears that the denial is correct, it is just the rationale that is problematic. For example, the prohibitions cited are indeed ongoing applicable requirements and cannot be shielded but the explanation of this is unclear. For the permit terms that are not shielded, it is incorrect to say that the permit shield applies only to state statutes, regulations, and the CAA. The shield also applies to permit terms in a permit issued pursuant to those authorities.