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Steve Shedd
EPA
Research Triangle Park, NC, State, 27711

RE: API COMMENTS ON EPA'S GASOLINE DISTRIBUTION (GD) AREA SOURCE RULE PRESENTATION OF MAY 24, 2006

Dear Mr. Steve Shedd:

The API appreciates the opportunity to provide comments regarding the proposed GD Area Source Rule. These comments are based primarily on EPA's presentation during the meeting on May 24, 2006 and titled *Current Plans for Proposal of Gasoline Distribution Area Source Standards*.

Our comments are summarized as follows:

1) Continuous Monitoring Should Not Be Required for Vapor Processors.

EPA indicated that they intend to require continuous monitoring of vapor processing units, unless the unit is already subject to a monitoring program – in which case any permitted level of monitoring would be accepted. This approach is both unfair and unnecessarily onerous for those facilities that would be forced to implement continuous monitoring.

- a. Unfair. It would be unfair to impose a significantly greater burden on some facilities than others. While there is merit to a 'grandfathering' principle in rulemaking, the imposition of a continuous monitoring burden on those facilities that do not have an existing monitoring program would create an unreasonably severe differential in the level of burden imposed.
- b. Unnecessary. A significant portion of the burden associated with continuous monitoring accrues from the associated requirements in the General Provisions. These General Provision requirements were developed for major sources. The size of a facility that typically constitutes an area source is generally not equipped to handle the extensive administrative requirements of the General Provisions, and would be better served by a simpler approach to monitoring. The installation of a continuous emission monitoring system (CEMS) that requires Cylinder Gas



Audits (CGAs) and Relative Accuracy Test Assessments (RATAs) is an overly burdensome requirement for these smaller facilities.

- c. Recommendation. The vapor processor monitoring requirements for the GD generally-available control technology (GACT) rule should:
 - i. Allow periodic monitoring of a single parameter. Monitoring should be allowed at some periodic interval, rather than continuously, and it should involve the measurement of a single parameter.
 - ii. Be self-contained within the rule. The monitoring provisions should be fully specified within the GD GACT rule itself, and should not invoke the General Provisions.
 - iii. Require combustion units to be monitored only for the presence of a flame. Given that the GD GACT rule will apply only to area sources, and the facilities not already subject to monitoring are located primarily in attainment areas, monitoring of combustion units for the presence of a flame should be sufficient to ensure compliance with the 80 mg/l standard.

2) Subpart WW Should Be Specified as Acceptable.

EPA's most recent rulemaking with respect to storage tanks is found in 40 CFR Part 63 Subpart WW. EPA has invoked this standard in subsequent maximum-achievable control technology (MACT) rules such as Organic Liquids Distribution (OLD) and Miscellaneous Organic Chemicals (MON). Subpart WW provides clarity on inspection procedures and simplification of recordkeeping and reporting requirements, consistent with the MACT rules in general.

- a. NSPS Subpart Kb. Some companies may still be oriented toward NSPS Kb with respect to storage tanks, and would prefer to apply the Kb provisions to any additional tanks that would become subject to controls under this new rule.
- b. Part 63 Subpart WW. Other companies may now be substantially oriented toward the MACT regime for compliance protocol, and would prefer to apply the MACT approach under this new rule. This will be particularly likely for those facilities that are also subject to OLD MACT (which invokes Subpart WW). {while being somewhat more stringent than Kb on deck fitting requirements, Subpart WW provides clarity on issues such as guidepole controls, internal floating roof tank (IFRT) internal inspections, floating roof landings, and domed external floating roof tank (EFRTs)}
- c. Recommendation. The structure of the rule should:
 - i. Use the language of WW for EFRT guidepoles. Subpart Kb does not directly address guidepoles, but requirements for slotted guidepoles in Kb tanks were spelled out in the Storage Tank Emissions Reduction Partnership Program (STERPP). The language of the STERPP program was copied word-for-word from WW, so that there would be no conflict or misunderstanding of the requirements. *The GD GACT rule should use this exact language as well, and should also include the WW requirements for un-slotted guidepoles.* (We might each be tempted to wordsmith the language, but to use language that differs from that published in the STERPP and WW would create confusion.)

- ii. Allow compliance with either Kb or WW for provisions other than the control requirements. EPA has determined in other rulemakings, such as OLD MACT and the HON, that Kb and WW are equivalent. A facility should be allowed to follow whichever paradigm with which they are most familiar.
- iii. Allow Kb tanks to be governed by WW. Again, EPA has determined in other rulemakings that tanks subject to both Kb and WW may comply with only the requirements of WW. The GD GACT rule should similarly provide that Kb tanks need only comply with WW (but such tanks would have to comply with the full control requirements of WW, whereas non-Kb tanks may not be subject to all of the deck fitting control requirements).

3) Controls Should Apply Only to Rim Seals and to EFRT Guidepoles.

As demonstrated by the example in Table 1, the vast majority of uncontrolled emissions from EFRT deck fittings are from slotted and un-slotted guidepoles. {see Table 2 for more background on guidepoles }

- a. Comparison of Reductions. The potential reductions for a slotted guidepole in this scenario are 13.8 tons per year (tpy) and for an un-slotted guidepole are 8.2 tpy, whereas the total reductions achieved by applying the Kb level of control to all other deck fittings is 0.2 tpy.
- b. Guidepole Controls are Cost Effective. The value of product saved in the example of Table 1 is \$8,399 per year for the slotted guidepole, and \$4,956 per year for the un-slotted guidepole. While cost estimates vary widely for these controls, the cost assumed when developing the STERPP agreement was approximately \$5,000 per tank (assuming that the tank is not taken out of service specifically to do this work). Costs for the un-slotted guidepole would be less, in that the same type of deck cover gasket and pole wiper would be used, but there would not be a requirement for a pole float or pole sleeve. Even allowing for inflation of pricing since the STERPP agreement was developed, it is likely that the cost would be less than the value of product saved in the first year.
- c. Recommendations. Controls should be required for:
 - i. IFRT Rim Seals. The rim seal systems specified in Kb and WW should be required. As with the GD MACT rule, controls should not be required for the deck fittings of IFRTs. {as stipulated in the definition of an IFRT in Subpart WW, the GD GACT rule should stipulate that EFRTs that have been equipped with a fixed roof are subject to the requirements for IFRTs }
 - ii. EFRT Rim Seals. The rim seal systems specified in Kb and WW should be required.
 - iii. EFRT Deck Fittings. The only deck fittings that contribute significantly to EFRT emissions are guidepoles, whether slotted or un-slotted. Therefore, these should be the only deck fittings for which controls are required.

4) Reporting of Excess Emissions.

Whereas operating permits and many state requirements require estimating and reporting the mass of excess emissions, there is no such requirement in EPA air rules that apply to the petroleum industry. Excess



emissions reports in MACT rules are applicable only to continuous monitoring systems and require the reporting of the duration of an exceedance, not estimated mass of emissions.

a. Recommendations.

- i. GD Area Sources should be subject to the monitoring provisions of NSPS XX which has a similar level of control.
- ii. If EPA chooses to require CEMS, the rule should require only that a record be kept of periods in which there are excess emissions or the CEMS is not operational. This record could be available at EPA request. The requirements should be fully contained within the rule, rather than citing to the General Provisions.

5) **Baseline Benzene Emissions are Overstated.**

The estimation of benzene levels in gasoline vapors should account for the pending reductions to be achieved by the MSAT rule, and should not additionally take credit for those reductions in the assessment of the benefit of this rule.

6) **Benefit of Carbon Adsorption May Be Overstated.**

While some facilities report significant product recovery resulting from carbon adsorption, others have found the maintenance costs to outweigh the benefit. Maintenance issues, and the associated difficulty in avoiding exceedances, have led some facilities to replace carbon units with combustion units. Factors that may weigh significantly in the economics of carbon adsorption may include the gasoline throughput at the facility and whether the terminal operator is the owner of the gasoline.

7) **Risk-Distance Consideration.**

If EPA will not consider health risk in the determination of applicability of this rule, after having already included health risk provisions in prior MACT rules, then a written policy statement should be made available clarifying this issue.

8) **Urban versus Nationwide Applicability.**

EPA should also issue guidance describing the criteria considered in the determination of whether a rule will be applied nationwide or only in urban areas.

9) **Estimate of Cancer Incidence.**

It would be very helpful if EPA would include an estimate of cancer incidence in the docket, as a measure of the potential benefit of each proposed rule.

10) **Fugitive Emission Recordkeeping.**

The fugitive emissions sources should be subject to the NSPS Subpart XX provisions instead of the MACT Subpart R sources. These requirements are: A record of each monthly leak inspection required under § 60.502(j) shall be kept on file at the terminal for at least 2 years. Inspection records shall include, as a minimum, the following information: (1) Date of Inspection, (2) Findings (may indicate no leaks discovered; or location, nature, and severity of each leak), (3) Leak determination method (4), Corrective Action (date each leak repaired; reasons for any repair interval in excess of 15 days and (5) Inspector Name and Signature. The area sources are generally smaller than the major source MACT terminals and have fewer components in gasoline service. The components that are in gasoline service should be easily identifiable in the field and not require additional resources to be spent at facilities that generally have less manpower available.



API appreciates the opportunity to provide these comments. Please contact me at 202-682-8319 or toddm@api.org if you have any questions or comments.

Sincerely,

A handwritten signature in black ink that reads "Matthew Todd". The signature is fluid and cursive, with the first name "Matthew" and last name "Todd" clearly legible.

Matthew Todd
Regulatory Analyst

CC (email): API Air Toxics Task Force
Rob Ferry, TGB



TABLE 1. Guidepole Emissions Compared to Other EFRT Deck Fittings

Tank Type: **EFRT**
 Deck Type: **Steel Pontoon**
 Diameter: **100** feet
 Wind Speed: **10** mph
 Temperature: **60** F

Gasoline Properties:
 RVP: **10** psi
 TVP: **5.18** psia
 P*: **0.11** dimensionless
 Mv: **66** lb/lb-mole
 WI: **5.6** lb/gal

Emission Factors:

Guidepole Status:		Uncontrolled						Controlled					Reduction tons/year
		<u>Kfa</u>	<u>Kfb</u>	<u>m</u>	<u>Kf</u>	<u>tons/year</u>	<u>Note</u>	<u>Kfa</u>	<u>Kfb</u>	<u>m</u>	<u>Kf</u>	<u>tons/year</u>	
Slotted Guidepole	1	43	270	1.4	4,159	14.84	<i>a</i>	21	7.9	1.8	283	1.01	13.83
Unslotted Guidepole	1	31	150	1.4	2,318	8.27	<i>b</i>	14	3.7	0.78	31	0.11	8.16
Other Deck Fittings (types & quantities selected as 'typical' per AP-42)							<u>NSPS Kb level of control:</u>						
Access Hatch	1	36	5.9	1.2	97	0.35	<i>c</i>	31	5.2	1.3	96	0.34	0.00
Gauge Float	1	14	5.4	1.1	60	0.21	<i>c</i>	4.3	17	0.38	40	0.14	0.07
Gauge Hatch	1	2.3	0	0	2	0.01	<i>c</i>	0.47	0.02	0.97	1	0.00	0.01
Vacuum Breaker	1	7.8	0.01	4	32	0.11	<i>c</i>	6.2	1.2	0.94	14	0.05	0.06
Rim Vent	1	0.68	1.8	1	13	0.05	<i>c</i>	0.71	0.1	1	1	0.01	0.04
Leg (pontoon-area)	17	2	0.37	0.91	4	0.25	<i>d</i>	2	0.37	0.91	4	0.25	0.00
Leg (center-area)	16	0.82	0.53	0.14	2	0.09	<i>d</i>	0.82	0.53	0.14	2	0.09	<u>0.00</u>
total reductions for control of all other deck fittings												0.19	

Notes: *a* Gasketed cover, pole wiper, and pole float.
b Gasketed cover and pole wiper.
c Gasketed cover.
d No controls required.

Cost-Benefit Calculations for Control of Guidepoles

<u>Value of Gasoline:</u>	<u>Value of Recovered Gasoline for Control of:</u>
1.7 \$/gal	Slotted Guidepole \$8,399 \$/yr
	Unslotted Guidepole \$4,956 \$/yr



TABLE 2. API Survey of Guidepole Distribution.

In order to inform EPA's decision making, API has conducted a quick survey of the status of guidepoles in gasoline tanks at gasoline bulk terminals and pipeline breakout stations. The results are tabulated below:

Company	No.Facilities	No.EFRTs	Guidepoles				No Guidepole
			Slotted		Unslotted		
			Controlled	Uncontrolled	Controlled	Uncontrolled	
1	>5	139	138	0	1	0	0
2	3	29	16	0	6	7	0
3	8	29	28	0	0	0	1
4	23	75	60	0	15	0	0
5	<u>48</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>
	>87	289	242	0	22	7	18

Comments:

- 1) This survey did not include independent terminal operations, and very few independent terminal facilities participated in the STERPP. (Participants were listed in the Federal Register on October 18, 2000, 65 FR 62348.)
- 2) Acceptable control options under the STERPP included:
 - a) A gasketed deck cover, a pole wiper, and a pole float.
 - b) A gasketed deck cover, a pole wiper, and a pole sleeve.
 - c) Covering the EFRT with a fixed roof (typically an aluminum dome).
Approximately half of the EFRTs listed above have been covered with domes and converted to IFRTs.