

From:	Hill, Russell
To:	Robinson, Jeffrey; Magee, Melanie
Cc:	Williamson, Shelly; Joe Ibanez
Subject:	RE: Diamond Shamrock Refining Company, L.P Valero McKee Refinery - GHG Draft Permit Comments
Date:	Tuesday, June 11, 2013 3:19:52 PM

Melanie and Jeff,

Thank you for your patience. I do not think that we need more time to work on this permit application as you suggest. Hopefully this e-mail will bring clarity to the issue and address your concerns.

The thermal oxidizer mentioned in the comments on page 13 is <u>not</u> a new piece of equipment and is currently authorized under the Maintenance, Startup and Shutdown (MSS) portion of Permit No. 9708/PSDTX862M2. This equipment is typically provided by our tank cleaning contractor for controlling emissions that would otherwise be emitted to the atmosphere during tank cleanouts (completed once every 5 to 10 years depending on the tank). The thermal oxidizer helps meet the existing MSS control requirements (<10% LEL) currently required in the permit. The current permit provides the refinery the flexibility to use any one of multiple portable combustion devices such as thermal oxidizer, flare or engine. The refinery has historically used the thermal oxidizer in lieu of a portable flare given safety concerns with maintaining an open flame on a flare located in the product storage tank farm.

Section 4.5 of the GHG PSD permit application, currently under your review, addresses BACT related to MSS activity emissions. This analysis was originally, in part, included with the permit application since the proposed project involves adding two new crude storage tanks that will eventually require maintenance. We have since determined that the crude tanks will not store unstabilized crude oil and therefore, removed those from the application. However, considering a thermal oxidizer will still be used to control VOC emissions during MSS activities related to the new tank, we felt it was appropriate to keep Section 4.5, which we believe adequately addresses BACT related to "the portable combustion device." For your convenience, Section 4.5 is restated below.

4.5 Maintenance, Startup, and Shutdown (MSS) - GHG BACT

New EFR tanks for the project will require maintenance, startup and shutdown (MSS). Specifically, the tanks will be landed, purged, cleaned and inspected on what may be a less than an annual frequency. In accordance with state MSS permit requirements the purging of the tanks will be controlled by a portable combustion device, which will result in emissions of CO_2e . For the

sake of completeness, these emissions are calculated and included in this application (Tables B-23, B-24), even though the total emissions are less than 0.002% of total emissions (insignificant compared to total). BACT for CO_2e emissions from the portable combustion device is good combustion practices, such as ensuring that minimum heating value will be met. BACT is specified in this section because tank MSS resulting from the new tanks is considered a new source of CO_2e ; however, BACT is identical to BACT for existing EFR tank MSS as required by the

special conditions in state NSR Air Quality Permit Number 9708. Hence, it is considered unnecessary to re-state BACT for this source in a "top-down" analysis because: (1) the MSS activity for each new tank is intermittent, (2) the emissions are insignificant, and (3) the CO2e emissions are the result of complying with state permit requirements intended to protect public health and welfare.

If you have any additional questions or would like to discuss further, please give me a call at your convenience. Thank you for your prompt attention to this issue and your continued commitment in moving this permit along quickly.

Respectfully,

Russell Hill