

US EPA ARCHIVE DOCUMENT



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street

San Francisco, CA 94105-3901

JUN 20 2017

Ms. June Christman  
Environmental Staff Engineer  
Tesoro Refining & Marketing Company LLC  
Los Angeles Refinery – Carson Operations  
2350 E. 223<sup>rd</sup> Street  
Carson, California 90810

Re: The Applicability of the Clean Air Act's Prevention of Significant Deterioration Program to the Los Angeles Refinery Integration and Compliance Project

Dear Ms. Christman:

This letter responds to a request from the Tesoro Refining & Marketing Company LLC (Tesoro) that the United States Environmental Protection Agency (EPA) Region 9 concur with Tesoro's analysis regarding the applicability of the Clean Air Act's Prevention of Significant Deterioration (PSD) program to Tesoro's Los Angeles Refinery Integration and Compliance project (LARIC Project) in California's Los Angeles Air Basin. As described below, EPA has determined that the LARIC Project is not a major modification that requires a PSD permit under 40 CFR 52.21.

The LARIC Project consists of equipment modifications to integrate Tesoro's adjacent Carson and Wilmington refineries. In response to EPA questions regarding the LARIC Project, Tesoro has provided additional information on multiple occasions from July 1, 2015 up through the most recent revised analysis submitted on March 7, 2017. This March 7 analysis was supplemented with additional information provided on June 14 and 15, 2017.

EPA Region 9 and the South Coast Air Quality Management District (District) have established a partial delegation of PSD authority to allow the District to issue initial and modified PSD permits under 40 CFR 52.21, except for applications for modifications seeking to determine PSD applicability using the calculation methodologies described in 40 CFR 52.21(a)(2)(iv)(c). We have reviewed Tesoro's updated and revised PSD Applicability Evaluation and the supporting calculations. Tesoro's calculations utilize, in part, calculation methodologies under 40 CFR 52.21(a)(2)(iv)(c). Based on information provided in the March 7, 2017 submittal, EPA Region 9 agrees with Tesoro's overall conclusion, set forth on pages 1-2 of its PSD Applicability Evaluation, that the project is not a major modification that requires a PSD permit under 40 CFR 52.21. However, in one version of its analysis, Tesoro excluded emission increases from the Fluid Catalytic Cracking Unit Regenerator and Pre-Heater at its Carson Operations, claiming that these emission increases were due to demand growth rather than resulting from the LARIC Project. EPA Region 9 considers it inappropriate to exclude these emission increases because they do not meet both criteria set forth at 40 CFR 52.21(b)(41)(ii)(c).

We further note that Tesoro acknowledges on pages 24-25 of its PSD Applicability Evaluation that it is subject to monitoring, recordkeeping and reporting requirements under 40 CFR 52.21(r)(6), and we understand that Tesoro commits to comply with those requirements as applicable. In addition, the LARIC Project continues to be subject to all applicable District rules and regulations. If you have any questions, please call me at (415) 972-3183, or contact La Weeda Ward at (213) 244-1812 or [Ward.Laweeda@epa.gov](mailto:Ward.Laweeda@epa.gov).

Sincerely,

  
for Elizabeth J. Adams  
Acting Director, Air Division

cc: Laki Tisopulos, South Coast Air Quality Management District