

US EPA ARCHIVE DOCUMENT

From: [Knowles, Daren](#)  
To: [Aisling, Kathleen](#)  
Subject: Flint Hills Resources West Domestic Crude Project Settlement Agreement  
Date: Wednesday, January 08, 2014 2:45:58 PM  
Attachments: [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[20131210094951936.pdf](#)

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Kathleen,

As you requested, attached is the settlement agreement that FHR recently entered into with Environmental Integrity Project and the University of Texas School of Law Environmental Clinic regarding the West Refinery Domestic Crude Project. Because much of the agreement is not relevant to the GHG PSD permitting process, I have included below those portions of the settlement agreement that are contemplated for inclusion in the GHG PSD permit. Note that the CO<sub>2</sub>e emission limits listed below are consistent with the limits proposed in the permit application, although we recognize that any changes to the calculation methodologies resulting from your review of the application (or to reflect the recent changes in the global warming potentials) could require revision of these limits. Please let me know if you have any questions regarding these settlement terms or the settlement agreement in general.

Regards, Daren

1. Permit Terms and Conditions.
  - a. FHR will use commercially reasonable efforts to include the substance of the permit terms and conditions set forth in this paragraph 1 in the Domestic Crude Project PSD construction permit to be issued by USEPA, the state pre-construction permit to be issued by TCEQ, or other state permit authorizations as appropriate. To the extent USEPA or TCEQ decline to include any term or condition set forth in this paragraph 1, FHR agrees to comply with the excluded terms and conditions set forth in this paragraph 1 as a condition of this Agreement.
  - b. Unless lower limits are established in any final permit issued by USEPA or TCEQ, FHR agrees to the ton per year CO<sub>2</sub> limits on each new and modified heater, not to exceed:
    - i. Saturated Gas #3 Hot Oil Heater (SATGASHTR): 230,610 tons CO<sub>2</sub>e per 365-days (rolling)
    - ii. CCR Hot Oil Heater (39BA3901, EPN JJ-4): 70,478 tons CO<sub>2</sub>e total per 365-days (rolling)
  - c. In order to demonstrate compliance with the Saturated Gas #3 Hot Oil Heater and CCR Hot Oil Heater 365-day CO<sub>2</sub>e limits, FHR agrees to use either Tier 3 or Tier 4 calculation methodologies, as described by 40 C.F.R. § 98.33, to calculate the CO<sub>2</sub> emissions and the appropriate methodologies as described by 40 C.F.R. § 98.33(c) to calculate the CH<sub>4</sub> and N<sub>2</sub>O emissions.
  - d. FHR shall report, in its Quarterly Excess Emissions and CEMS Report, any exceedances of the rolling 365-day average of CO<sub>2</sub>e emissions for the Saturated Gas #3 Hot Oil Heater and CCR Hot Oil Heater.
  - e. FHR agrees to limit the stack gas exit temperature on the Saturated Gas #3 Hot Oil Heater and the CCR Hot Oil Heater to 350 degrees F on a 365-day rolling average basis, excluding periods of heater start-up, shutdown, and low firing rates (<60% of maximum design capacity).

f. In order to demonstrate compliance with the Saturated Gas #3 Hot Oil Heater and the CCR Hot Oil Heater stack gas exit temperature limit, FHR agrees as follows:

- i. FHR will continuously monitor each heater's stack exit temperature. Stack exit temperatures recorded during periods of monitoring instrumentation malfunction and maintenance shall be excluded from consideration provided monitoring operation downtime does not exceed 5% of any 365-day rolling period.
- ii. Monitoring operation downtime in excess of 5% of any 365-day period shall be reported in FHR's Quarterly Excess Emissions and CEMs Report.
- iii. A stack exit temperature above 350 degrees F on a 24 hour average basis, excluding periods of heater start-up, shutdown, and low firing rates (<60% of maximum design capacity), is an excursion that requires corrective action. The 24 hour average stack exit temperature for each heater shall be determined using the following formula:

$$\text{24 hour Average Temperature} = \frac{\text{Sum of Valid Temperature Readings in a 24-hour Period}}{\text{Quantity of Valid Temperature Readings in a 24-hour Period}}$$

- iv. Upon detecting an excursion, FHR will restore operation of the heater to its normal or usual manner of operation as expeditiously as practicable in accordance with good air pollution control practices for minimizing the period of any excursion and taking any necessary corrective actions to restore normal operation. Such actions may include heater adjustments or equipment maintenance.
- v. FHR will report excursions and a summary of response actions in FHR's Quarterly Excess Emissions and CEMS Report.
- vi. Excursions are events that require a response. Excursions shall not be considered out of compliance with the limit unless the stack gas exit temperature is above 350 degrees F on a 365-day rolling average basis, excluding periods of heater start-up, shutdown, and low firing rates (<60% of maximum design capacity). The 365-day rolling average stack exit temperature for each heater shall be determined using the following formula:

$$\begin{aligned} \text{365 day Average Temperature} \\ = \frac{\text{Sum of Valid Temperature Readings in a 365 day Period}}{\text{Quantity of Valid Temperature Readings in a 365 day Period}} \end{aligned}$$

- vii. FHR will limit excess O<sub>2</sub> in the Saturated Gas #3 Hot Oil Heater and the CCR Hot Oil Heater exhaust to 4% or less on a 365-day rolling average basis, excluding periods of heater start-up, shutdown, and low firing rates (<60% of maximum design capacity). The 365-day rolling average excess O<sub>2</sub> level in each heater's exhaust shall be determined using the following formula:

$$\begin{aligned} \text{365 day average excess O}_2 \text{ level} \\ = \frac{\text{Sum of Valid excess O}_2 \text{ readings in a 365 day Period}}{\text{Quantity of Valid excess O}_2 \text{ Readings in a 365 day Period}} \end{aligned}$$