

Rule 1109.1 - NOx Emission Reduction for Refinery Equipment

Working Group Meeting #6 January 31, 2019

Agenda

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Progress of Rule Development

RFP Status and Update

WSPA Comment Letter

Control Technology Manufacturer Meetings

Survey Data Update

Next Steps

Progress of Rule Development

Summary of Working Group #5 (11/28/18)

- Presented survey data analysis
- Stakeholders requested more clarity on boiler heater data
 - How are low emissions being achieved? BACT or BARCT?
 - BACT installations or new installs are optimized for control technology performance
 - Manufacturer guarantees should
 - Achieve limits all the time not just some of the time
 - Consider what context (ideal conditions vs. real-world conditions)
 - Be representative of each equipment, since each case is different

Since Last Working Group Meeting

- Revised and updated survey data
- Coke calciner stakeholder meeting #2 (December 14th)
- Met with control system suppliers (catalyst, burners, and SCR system)
- Continuing site visits and meetings with stakeholders
- RFP closed



Request For Proposal Updates

Request for Proposal Update

- Seeking Consultant with:
 - Engineering background
 - Refinery experience
 - Knowledge of NOx control technologies
- Bid Submissions
 - Three bids submitted
 - Fossil Energy Research Corporation
 - Norton Engineering
 - MD Environmental
- Tentative review panel selection
 - Planning
 - Engineering
 - BACT Team
 - Engineer from other air agency



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

REQUEST FOR PROPOSAL P2019-07

Review of BARCT Technology Assessment and Cost Estimates for Proposed Rule 1109.1

The South Coast Air Quality Management District (SCAQMD) requests proposals for the following purpose according to the terms and conditions attached. In the preparation of this Request for Proposals (RFP) the words "Proposer," "Contractor," and "Consultant" are used interchangeably.

PURPOSE

The purpose of this RFP is to obtain proposals from potential qualified contractors with technical expertise and experience in nitrogen oxides (NOx) emissions control technologies to conduct a review of SCAQMD staffs Best Available Retrofit Control Technology (BARCT) technology assessment and cost estimates. The BARCT technology assessment will focus on NOx emission reduction technologies for the following stationary equipment at refineries:

> Fluid catalytic cracking units, Suffur recovery and tail gas treatment units (SRU), Non-SRU incinerators (flares, thermal oxidizers, and afterburners), Boilers and heaters (refineries and hydrogen plants), Gas turbines/duct burners, Primary internal combustion engines, Coke calciner

This project is conducted to provide an independent third party review of staff's BARCT¹ technology assessment and cost estimates for refinery and refinery related equipment for refineries that are currently in the SCACMD's RECLAIM (REgional CLean Air Incentives Market) Program. BARCT NOX emission limits will be incorporated in Proposed Rule 1109.1 – NOX Emission Reductions for Refinery Equipment.

Total funding for this RFP is a maximum of \$100,000. The successful bidder for this RFP will be compensated on a fixed-price basis upon completion of tasks described in the Statement of Work.

¹ Best Available Retrofit Control Technology (BARCT) means an emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts by each class or category of source. (Childrenin Health and Safety Code § 40406)



WSPA Comment Letter

WSPA Comment Letter on 11/6/18

- Comments regarding cost effectiveness calculations
 - SCAQMD uses the more general Marshall & Swift (M&S) Index covering all industry sectors
- Recommends alternative cost indices more representative
 - IHS Market Downstream Capital Costs Index (DCCI)
 - Nelson Farrar (N-F) Cost Index
- Staff preparing formal response

WSPA

Bridget McCann Manager, Technical and Regulatory Affairs

November 6, 2018

Michael Krause Manager, Planning and Rules South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765

Re: Estimation of future costs for equipment covered by SCAQMD Proposed Rule 1109.1, Refinery Equipment

Dear Mr. Krause,

Western States Petroleum Association (WSPA) appreciates this opportunity to provide feedback on South Coast Air Quality Management District (SCACMD or District, Proposed Rule 1109:1, Refinery Equipment. The District has stated that this proposed rulemaking is part of the District's larger project to transition facilities in the Regional Clean Air Incentives Market (RECLAIM) program to a command-and-control structure (i.e., the "RECLAIM Transition Project").

Via e-mail at: mkrause@aqmd.gov

WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market perfoleum, petroleum produsts, natural gas and other energy supplies in five western states including California. WSPA has been an active participant in air quality planning issues for over 30 years. WSPA-members companies operate petroleum refineries and other facilities in the South Coast Air Basin that are within the purview of the RECLAIM Program administered by the South Coast Air Quality Management District's (District or SCAOMD) and will be impacted by PR1109.1. We would like to comment on SCAOMD's past use of the Marshall & Swift equipment index (M&S Index) for the estimation of control costs for determining cost effectiveness.

California Health & Safety Code and SCAQMD rules for establishing Best Available Retrofit Control Technology (BARCT) standards require the District of demostrate that a given standard is both technically feasible and cost effective.¹ Cost effectiveness is defined as the annual cost, in dollars, of the control alternative, divided by the annual emission reduced is less than the established cost effectiveness threshold, then the control method is considered to be cost effective. Cost effectiveness evaluations consider both cost part divided with enumers, and installation) and operating (including expenditures associated with utilities, labor, and replacement) costs. SCAQMD has used a variety of cost effectiveness thresholds, but recently has been applying a cost effectiveness threshold to BARCT rulemakings of \$50,000 per ton NO₂, emissions reduced.

¹ California Health & Safety Code §40406, Best Available Retrofit Control Technology ² California Health & Safety Code \$40920.6.



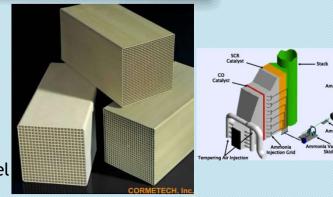
Control Technology Manufacturer Meetings

Control Manufacturer Meetings

- Met with four control technology manufacturers with experience in refinery applications
 - (all with 30+ years experience)
 - Cormetech Catalyst manufacturer (11/28/18)
 - Peerless SCR system manufacturer (11/29/18)
 - Zeeco Burner manufacturer (11/29/18)
 - Babcock Power/Struthers Wells Process heater/boiler manufacturer, heat transfer equipment, burner manufacturer & SCR systems manufacturer (1/15/19)
- Key topics discussed
 - Refinery applications
 - Impacts of refinery fuel gas on NOx emissions
 - Capabilities in achieving NOx reduction with refinery equipment
 - Emission guarantees and performance (conditions)
 - Generalized cost estimates for equipment retrofits
 - Space limitations around equipment will affect costs

Cormetech - Catalyst Manufacturer

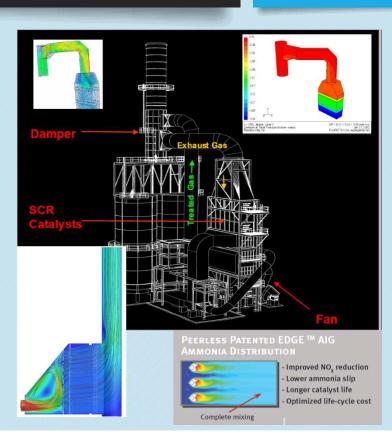
- Specializes in catalyst design and SCR Systems
- Experience with SCR reactor design, ammonia injection grid design, ammonia systems
- The size, cost, and capability of an SCR system are case specific
- Key variables are inter-related and have a cascading affect on performance and cost
 - Key Design Inputs: flue gas flow rate, NOx inlet, flue gas constituents, fuel type, particulate loading, reactor size, geometry, unit type
 - Performance requirements: NOx removal efficiency, ammonia slip, pressure drop, SO₂ oxidation limit
 - Scale up factors: Maldistribution (Ammonia, temperature, velocity)
 - **Catalyst deactivation and catalyst pitch selection:** Fuel type, unit type, ash characteristics, pressure drop
 - Catalyst formulation: Unit type, SO₂ oxidation limit, temperature range, NO/NO₂ ratio, required potential (function of DENOX %, inlet NOx, and slip)
 - Output: NOx emission target, end of life slip





Peerless - SCR System Manufacturer

- Specializes in retrofit applications more than 1,000 SCR installations
- Full service: System design, performance analysis, engineering, fabrication, project and construction management
- SCR systems can achieve 90%+ NOx reduction & <7 ppm ammonia slip
- In-house Computational Fluid Dynamics and cold flow physical model used to optimize duct arrangement and flow devices for:
 - Pressure drop
 - Temperature gradient
 - Velocity distribution
 - Ammonia injection system
 - Mixing uniformity
- Experienced in engineering and building structural steel support
- Provide expert advice on workable design and duct arrangement for tight spaces



Babcock Power/Struthers Wells-TEI

Refinery Experience

- Riley Power manufactures boilers and low NOx gas & oil burners
- Vogt Power International heat recovery steam generators w/ and w/o SCRs
- Struther Wells heat transfer solutions including fired process heaters and once through steam generators
- Thermal Engineering International (TEI) feedwater heaters, condensers, and heat exchangers
- Boiler Tube Company of America (BTA) loose tubes and tube coil modules



One Source. Many Solutions.

In-line SCRs

- Supplier of high performance SCRs through the use of patented mixing technology
- Experience to optimize the system design
 - Life-cycle cost
 - Operational & emissions performance
 - System reliability
 - Construction efficiency
 - Single OEM supplier provides the entire SCR system design under one contract wrapping all guarantees & providing a single point of responsibility reducing overall project risk and cost

Zeeco - Burner Manufacturer

- Specializes in low-NOx burners (LNB) and ultra low-NOx burners (ULNB)
 - Currently have new burners scheduled to be retrofit in two hydrotreater heaters (both 102 MMBtu/hr)
 - 15 ppm guarantee on refinery fuel gas (dependent on heater duty and operating conditions)
- Manufacturer has test facility for burners that uses natural gas and/or hydrogen
 - NOx emissions are typically 10% to 15% higher when using refinery fuel gas (refinery fuel gas contains hydrogen)
 - Burner arrangement and spacing in firebox matters due to flame characteristics of LNB/ULNB and can
 effect performance
 - Manufacturer issues guarantees and performs an analysis of each heater
 - Case by case basis, some retrofits may require more modifications than others
 - Many variables to consider for low-NOx burner or ultra low NOx burner performance
- Burner emission guarantees are over a specified operating heater parameter (excess air, volumetric heat release, burner adjustment)
 - Typically encompasses the design case for the heater
 - Designed in accordance with API 535 and API 560 standards



Burner Control Technology

Burner Technology Revised

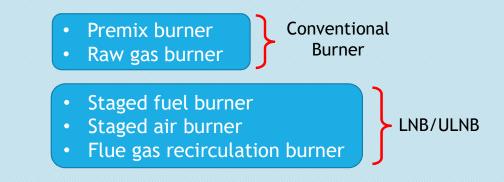
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- No clear definition of what constitutes a LNB and ULNB, so will classify as burner control technology
- Burner performance is dependent upon multiple variables, some include:
 - Burner orientation & arrangement
 - Firebox size & heater type (force or natural draft)
 - Fuel type
- Burner classification does not assure burners will be effective in achieving NOx levels guaranteed
- Burner NOx emissions will vary in real world applications
- Burner control technology can be applied to a majority equipment, but may not apply to some heater or boiler applications
- Newer burner control technology performs better than conventional burners

Burner projects currently in the permitting process

Manufacturer	Guaranteed NOx (ppm)*	Expected NOx (ppm)	(Number of burners) @ rating of each	Total Heater Rating
ZEECO GLSF	15	9	(72) @ 1.42 MMBTUH	102 MMBtu/hr
Callidus/Honeywell	15	9	(64) @ 1.44 MMBTUH	92 MMBtu/hr
Callidus/Honeywell	15	13	(16) @ 4.81 MMBTUH	77 MMBtu/hr
Callidus/Honeywell	15	13	(16) @ 4.38 MMBTUH	70 MMBtu/hr

*Over specific operating conditions





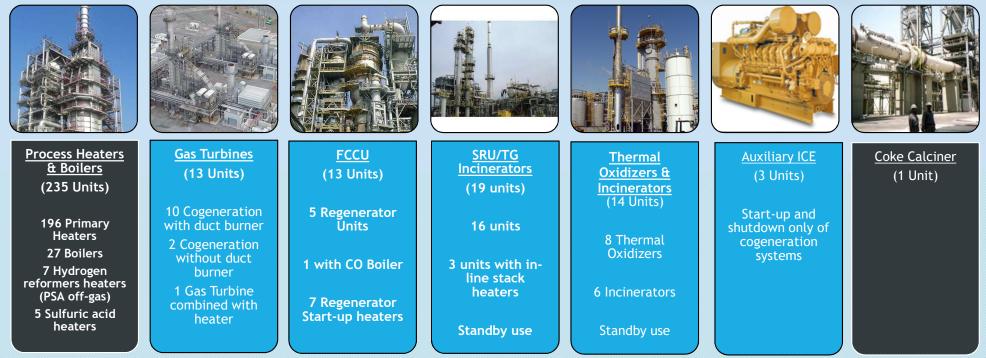
Survey Data Update



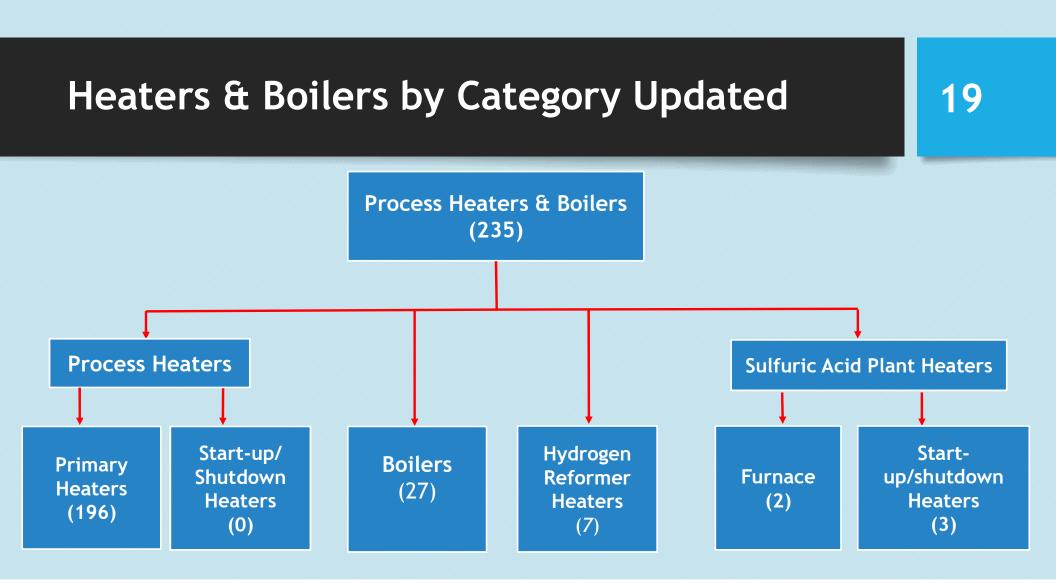
Survey Data Revised Process Heaters & Boilers

Categories Summary and Update

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 Adequate control information from survey already made available for most categories, but more clarity requested for heaters/boilers



Process Heaters & Boilers Categories

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Process Heaters

• Primary Heaters: All direct-fired heaters used in a majority of refinery processing units fueled by RFG or NG

Start-up/Shutdown Heaters: Heaters used for start-up and shutdown only (excludes FCCU start-up heaters)
Hydrogen reformer heaters that use refinery gas a primary fuel (6 heaters)



Boilers (steam generation)

- Fuel-fired boilers that produce plant steam from boiling water
- Excludes heat recovery steam boilers and CO boilers (heat input is from heat recovery)



Hydrogen Reformer Heaters

- Primary fuel is PSA off gas
- Trim fuel can either be refinery gas or natural gas



Sulfuric Acid Plant Heaters

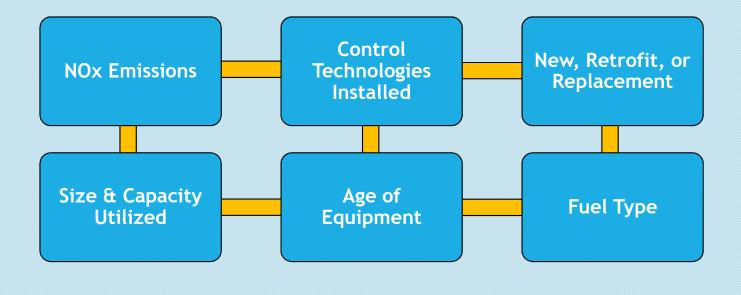
- Furnaces: Spent acid and/or hydrogen sulfide is decomposed by combusting with air and fuel gas
- Start-up/Shutdown Heaters: Used as preheat during start-up, shutdown, maintenance activities and heater exhaust gases are aggregated with furnace

Heaters & Boilers Categories Revised

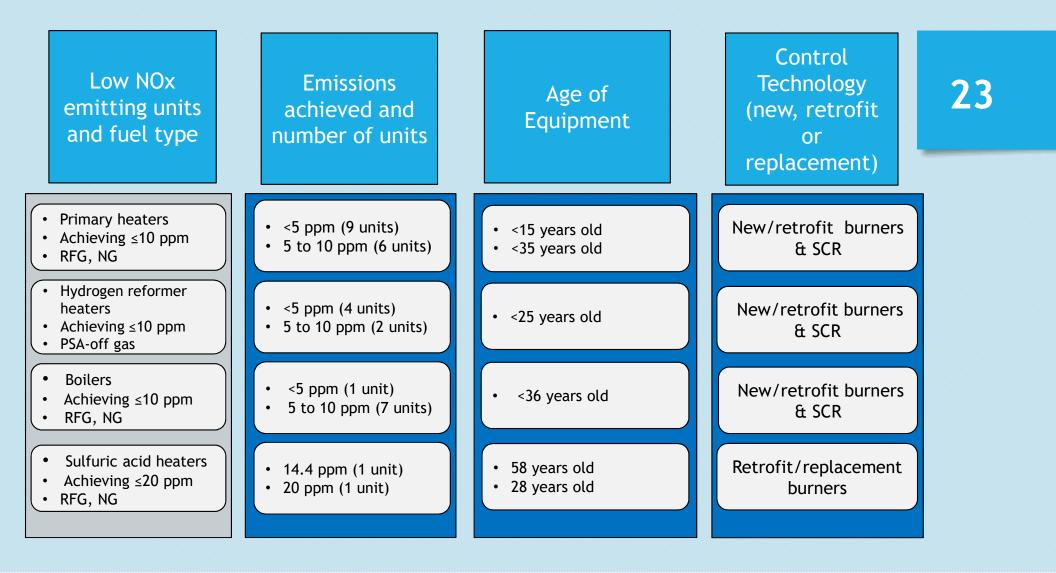
Size/Capacity (MMBtu/Hr)	Не	aters		Hydrogen	Sulfuric Acid I		
	Primary Heaters	Start-up & Shutdown Heaters	Boilers	Reformer Heaters (<i>PSA off-gas</i>)	Furnace	Start-up & Shutdown Heaters	Total
<20	23		2			1	26
20 to 40	55		3		0		58
>40 to 110	68		3		2	2	75
>110	50		19	7	0		76
Total	196		27	7	2	3	235

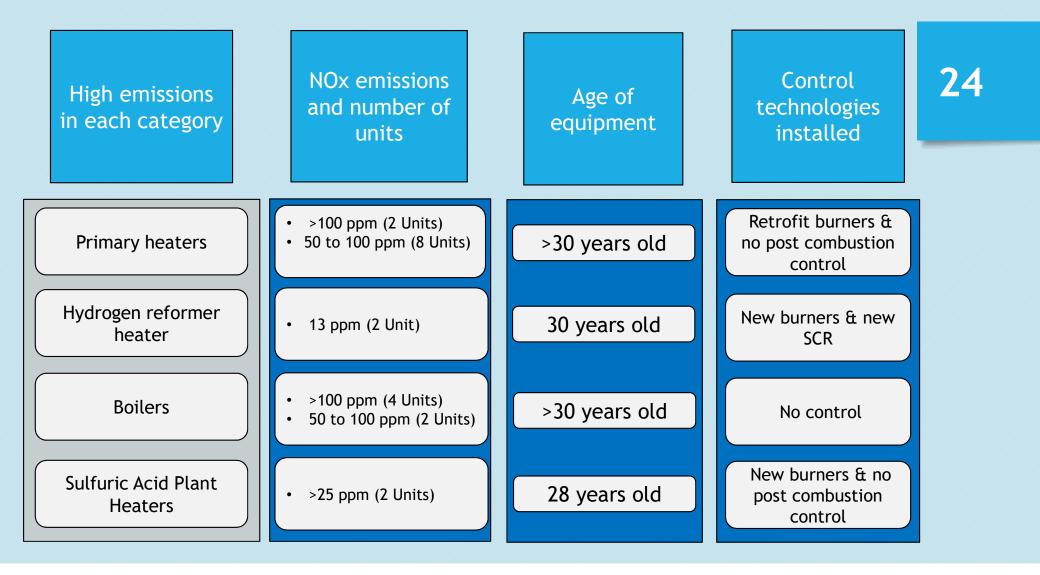
Process Heaters & Boilers Considerations

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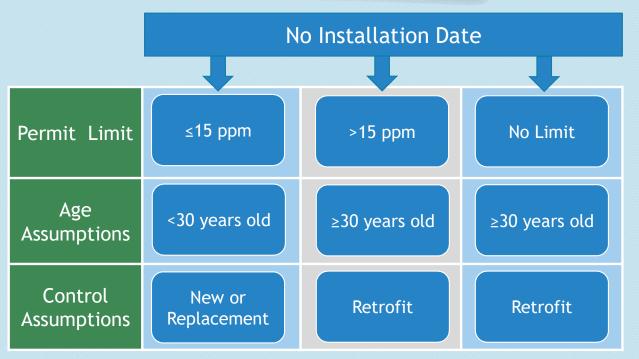
AB 617 requires the "highest priority to those permitted units that have not modified emissionsrelated permit conditions for the greatest period of time."





Data Assumptions

- Determining new, replacement, or retrofit requires an installation date
- Not all installation dates provided in survey, either missing or not available
- Engineering and permitting division looking to verify installation dates
- If no dates available, assumptions were made based on other data provided
- Assumed data highlighted in dark red



Primary Heaters (<20 to 40 MMBtu/hr)

Post-Combustion **Primary Heaters Combustion Control** Representative NOx NOx Control % Ammonia Original New, Retrofit, Emissions Permit Age Year NOx Fuel Capacity Limit Installation or Size/Capacity Range Number @3% O2 Type Limit (years) Emissions Installation Control Installation Utilized Replacement (ppm) Date (MMBtu/hr) Control of (tons/yr) (ppm) (ppm) Date Date Type **Burners** 4.4 5 5 41 RFG <30 Retrofit No SCR 2007 0.1 Low NOx 10 75 30 1983 35 0.8 <20 NG No No Control **High NOx** 0.7 58 55 NG 41 1975 43 No **No Control** 5 3.8 44 RFG 5 2007 11 New Yes SCR 2007 0.1 Low NOx 7.8* 90 RFG No Limit 20 48 SCR 1.8 ≥30 New No 20 to 40 10.1 20 RFG 15 2005 13 New Yes 1 2005 No Control 0.5 53 93 NG 60 1969 49 No **No Control** 4.4 **High NOx** 97 96 RFG No Limit 1979 39 Yes 12 1979 No Control 23.0 New

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*Share a common SCR

Primary Heaters (40 to >110 MMBtu/hr)

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Primary Heaters Size/Capacity Range (MMBtu/hr)		NOx	%		NOx	Ammonia	Original		New,Retrofit,	Cor	mbustion	Control	Post-Combu	stion Control	Representative
		Emissions @3% O2 (ppm)	Capacity Utilized	Fuel Type	Permit Limit (ppm)	Limit (ppm)	Installation Date	Age (years)	or	Control	Number of Burners	Installation Date	Control Type	Installation Date	Year NOx Emissions (tons/yr)
		1.3	44	RFG	5	9		<30	New/Replace	Yes	8		SCR	2003	0.3
	Low	1.7*	60	RFG	5	9		<30	New/Replace	Yes	18		SCR		0.4
	Low NOx	2.8	55	NG	5	5	2006	12	New	Yes		2006	SCR	2006	0.4
	NOA	2.8	24	RFG	5	5		<30	Retrofit	Yes	1		SCR	2008	0.4
>40 to 110		7.2	50	RFG	12	20		<30	Retrofit	Yes	1		SCR		1.6
>40 (0 110		83	69	RFG	No Limit			≥30		No	48		No Control		22
	High NOx	84	34	RFG	No Limit			≥30		No	16		No Control		18
		85	49	RFG	No Limit			≥30		No	16		No Control		22
	NOA	105	78	RFG	No limit		1957	61		No			No Control		24
		154	77	RFG	No Limit			≥30		No	8		No Control		38
		1.5	78	RFG	5	20		<30	Replacement	Yes	384	2000	SCR		8.4
	Low	1.7*	72	RFG	5	9		<30	New/Replace	Yes	24		SCR		0.7
	Low NOx	2.6	92	RFG	20	20	1994	25	New	Yes	15	1994	SCR	1994	9.7
>110	NOA	5.9	88	NG	No Limit	20		≥30	Retrofit	Yes	32		SCR		8.0
		7.9*	78	RFG	No Limit	20		≥30	Retrofit	Yes	64		SCR		6.7
	High	66	64	RFG	No Limit		1981	37	Retrofit	Yes		2001	No Control		93.0
	NOx	70	34	RFG	40		1967	51	Retrofit	Yes	136	2006	No Control		159.0

*Share a common SCR

Primary Heaters Summary

- Observations/characteristics
 - Equipment can emit lower than what is permitted
 - Higher NOx emissions
 - Have no control
 - Older units
 - Highest NOx(154 ppm) is from oldest equipment with no control
 - New installation vs. retrofit
 - New install units (<25 years old) with burner control technology and SCR combination achieve the lowest NOx emissions (<5ppm and 5 ppm ammonia slip)
 - Retrofit units can also achieve low NOx emissions with burner control technology and SCR combination (<5 ppm and 5 ppm ammonia slip)
 - Units with SCR control only are also capable of achieving low NOx emissions (<5 ppm and 5 ppm ammonia slip)
 - Multiple heaters with burner control can share a common SCR system

Hydrogen Reformer Heaters

All hydrogen reformer heaters fueled by PSA off-gas in category

Hydrogen Reformer Heaters	NOx	%	%	%	%	%	%	%		NOx	Ammonia	Original	Age	New, Retrofit,		mbustion	Control		mbustion ntrol	Representative Year
Size/Capacity Range (MMBtu/hr)		Capacity Utilized	Fuel Type	Permit Limit (ppm)	Permit Limit (ppm)	Installation Date	(years)	or Replacement	Control	Number of Burners	Installation Date	Control Type	Installation Date	NOx Emissions (tons/yr)						
	3.5	68	PSA off-gas	5	20	1996	22	New	Yes	117	1996	SCR	1996	15.0						
	3.7	71	PSA off-gas	5	5	2004	14	New	Yes	360	2004	SCR	2004	17.0						
	3.8	30	PSA off-gas	7	20	1994	24	New	Yes		1994	SCR	1994	4.7						
>110	4.9	48	PSA off-gas	9	20	1999	19	New	Yes	132	1999	SCR	1999	21.0						
	5.1	33	PSA off-gas	12	20		<30	Retrofit	Yes	55		SCR		11.8						
	7.2	25	PSA off-gas	12	20		<30	Retrofit	No	27		SCR		6.8						
	13	61	PSA off-gas	40.0		1988	30	New	Yes	108	1988	SCR	1988	15.0						

Hydrogen Reformer Heaters Summary

- Observations/characteristics
 - Large units (>110 MMBtu/hr)
 - All, except one, are equipped with burner control technology
 - All equipped with SCR
 - 5 new installation
 - 2 retrofit
 - Newest units achieve low emissions (<5ppm and <20 ppm ammonia slip)</p>
 - Combination control can achieve 5 ppm or less
 - Retrofit units achieve 9 ppm or less
 - New burner control technology and SCR combination achieve the lowest NOx emissions

Boilers (Steam Generation)

Boilers		NOx Emissions	° Constitu		NOx	Ammonia	Original		New, Retrofit,	C	ombustion C	ontrol		mbustion ntrol	Representative
Size/Capacity Range (MMBtu/hr)			% Capacity Utilized	Fuel Type	Permit Limit (ppm)	Permit Limit (ppm)	Original Installation Date	Age (years)	or Replacement	Control	Number of Burners	Installation Date	Control Type	Installation Date	Year NOx Emissions (tons/yr)
<20		30	53	NG	40.0			≥30	Retrofit	Yes	1		No Control		1.7
20 45 40		6.4	17.4	NG	9.0		Prior 1989	>29		No			No Control		0.06
20 to 40		6.5	50	NG	9.0		2007	11		No			No Control		0.3
×40 to 110		71	3.4	RFG	No Limit			≥30		No			No Control		0.5
>40 to 110		105	47	RFG	No Limit			≥30		No			No Control		13.5
		4.4	69	RFG	17	20	1982	36	Replacement	No			SCR	1992	3.1
		5.5	85	RFG	9	20	2006	12	New	Yes		2006	SCR	2006	8.5
	Low NOx	5.7	32	RFG	9		1993	25	New	Yes	2	1993			6.4
	LOW NOX	6.2	60	RFG	12			<30	Retrofit	Yes		2003	No Control		10.3
>110		7.1	47	RFG	9		1994	24	New	Yes	2	1994	No Control		16
>110		10.1	48	RFG	12	5		<30	Retrofit	Yes		2001	SCR		12.1
		96	38	RFG	No Limit			≥30		No			No Control		30
	High NOx	103	80	RFG	No Limit			≥30		No			No Control		39
	ingii NOX	114	98	RFG	No Limit			≥30		No			No Control		56.0
		126	51	RFG	No Limit		1965	53	Replacement	Yes	4	1986	No Control		133.0

Boilers Summary

- Observations/characteristics
 - <20 MMBtu/hr: High ppm due to no SCR and high permit limit</p>
 - 20 40 MMBtu/hr: Low NOx ppm likely due to NG and permit limit (no controls)
 - 40 110 MMBtu/hr: High NOx due to no control and no limit
 - >110 MMBtu/hr:
 - Low NOx due to burner control (new/retrofit)
 - Higher NOx due no control and age
 - Highest NOx emissions
 - Older boilers
 - Larger boilers (>110 MMBtu/hr)
 - New boilers with burner control technology and/or SCR achieve the low NOx emissions
 - Can retrofit older boilers with control technology to achieve low NOx emissions

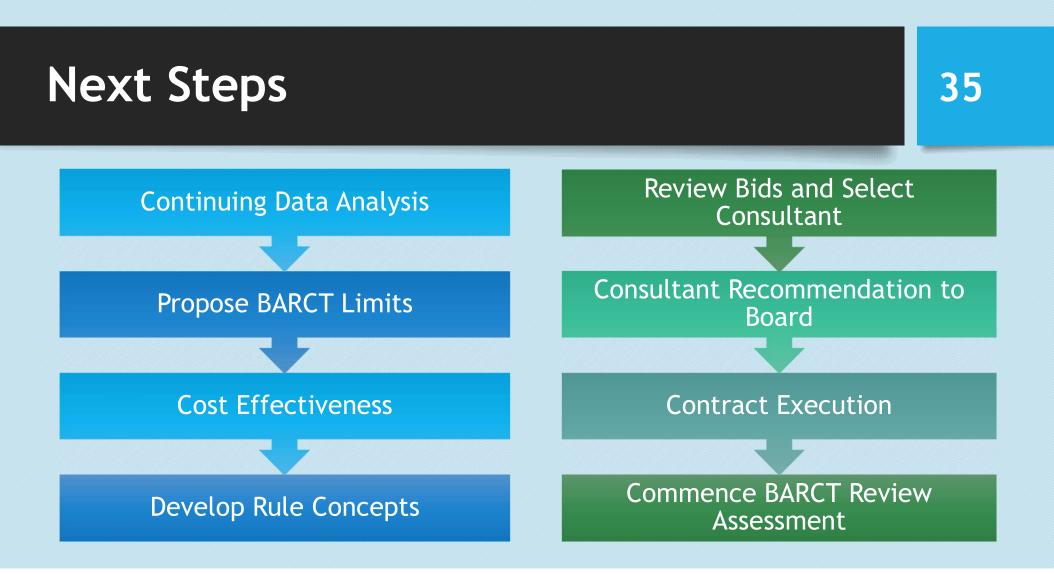
Sulfuric Acid Plant Heaters

All sulfuric acid heaters/furnaces in category

Sulfuric Acid Furnaces &Heaters	NOx Emissions %	Emissions @3% O2	NOx Emissions @3% O2				NOx	Original			C	ombustion Co	ontrol	Post-Combus	tion Control	Representative
Size/Capacity Range (MMBtu/hr)				@3% O2 Utilized	Fuel Type	Permit Limit (ppm)	Installation Date		New, Retrofit, or Replacement	Control	Number of Burners	Installation Date	Control Type	Installation Date	Year NOx Emissions (tons/yr)	
<20		Start-up	NG	190	1993	25	New/Replace	Yes			No Control		0.05			
	14.4	59	RFG	No Limit	1960	58	Retrofit	Yes			No Control		10.3			
	20	49	NG	No Limit	1988	30	Replacement	Yes	2	2009/2013	No Control		25			
>40 to 110	29.6	Start-up	NG	37	1990	28	New	Yes	1	1990	No Control		0.2			
	94	Start Up	NG	102	1990	28	New	No	1	1990	No Control		0.3			

Sulfuric Acid Plant Heaters Summary

- Observations/characteristics
 - Older units (>30 years old)
 - Equipped with burner control only
 - No post combustion control (e.g., SCR)
 - Start-up and shutdown heaters
 - High NOx
 - No control
 - Low use/low emitting
 - Low NOx achieved with burner control and no SCR



Rule 1109.1 Staff Contacts

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