



**Shell Oil Products US**  
Carson Distribution Terminal  
20945 S. Wilmington Ave.  
Carson, CA 90810-1039

March 10, 2023

Melissa Gamoning  
Air Quality Specialist  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

**Re: SCAQMD Proposed Rule Changes to Rule 1178**

Dear Ms. Gamoning:

Thank you for this opportunity to submit these comments on the Proposed Amended Rule (PAR) 1178. Shell appreciates the opportunity to participate in the South Coast Air Quality Management District (SCAQMD) PAR 1178 public workshops. Shell operates four facilities in the South Coast Air Basin that will be impacted by the SCAQMD's PAR 1178.

SCAQMD has presented the proposed amendments to Rule 1178 during various public workshops with the most recent on March 1, 2023. Shell offers the following comments:

**1. SCAQMD is proposing to remove the true vapor pressure (TVP) threshold in Rule 1178.**

The proposed rule as currently written requires OGI monitoring of all tanks subject to the rule, including low TVP tanks such as diesel. But section (j)(2) exempts tanks storing low vapor pressure liquids ( $\leq 0.1$  psia) from any type of control requirements. Therefore, if visible emissions were discovered on a low TVP tank, the regulation does not require repair. Visible emissions would not be expected during OGI inspections of low TVP tanks and in our discussions with folks who have done these inspections, they have not ever observed visible emissions from equipment in diesel service. It is likely that the only time an OGI inspection would find visible emissions at a tank in low-TVP liquid service would be if the liquid in that tank was not below 0.1 psia. To ensure that the low TVP tanks really are low TVP tanks, the rule already requires a demonstration of low TVP twice per year. This should be adequate to ensure all tanks that need to be monitored with OGI are monitored with OGI. Shell requests that the requirement to perform OGI inspections on low TVP liquids be removed from the rule.

**2. SCAQMD has shared high level data in the cost-effectiveness analysis. Shell would like to better understand and gain more clarity on the extent of this cost-effectiveness analysis.**

Can SCAQMD share additional cost-effectiveness data to better help understand documented conclusions in the rulemaking? What other items did SCAQMD evaluate in the analysis other than what has been made available? The available analysis data did not make it clear whether items such as repair costs, lost productivity costs, and practical life of the equipment were addressed or captured.

- 3. SCAQMD is proposing exemptions for tanks storing organic liquid with TVP <0.1 psia, as demonstrated semi-annually, from all requirements except OGI inspections and associated reporting.**

Exemption (j)(2) specifies requirements provided the owner or operator demonstrates that Organic Liquid stored has a TVP of 0.1 psi absolute or less under actual storage conditions semi-annually. The rule does not specify what an acceptable form of demonstration is. Are published TVP values acceptable? SDS? Vapor pressure measurements of distillate products such as jet fuel and diesel are not typically taken while the products are in storage.

Shell appreciates the opportunity to provide these comments related to the proposed amendments to Rule 1178. We look forward to continued discussion of this important rulemaking. If you have any questions, please contact me at (310) 816-6025 or via e-mail at [christopher.sherman@shell.com](mailto:christopher.sherman@shell.com).

Sincerely,



Christopher Sherman  
Environmental Advisor

Cc: Rodolfo Chacon, SCAQMD  
Mike Morris, SCAQMD  
Michael Krause, SCAQMD