Western States Petroleum Association

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Sue Gornick
Manager, Southern California Region

VIA ELECTRONIC MAIL

June 8, 2016

Dr. Philip Fine
Deputy Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

SUBJECT: WSPA COMMENTS REGARDING VOLUNTARY RISK REDUCTION PROGRAM AND PAR 1402

Dear Dr. Fine:

Western States Petroleum Association (WSPA) is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California, Arizona, Nevada, Oregon, and Washington. WSPA-member companies operate petroleum refineries and other facilities in the South Coast Air Basin that will potentially be affected by the changes to PAR 1402 as well as the proposed Voluntary Risk Reduction Program.

WSPA provides these comments in response to your invitation at the May 26, 2016 Working Group meeting. We appreciate staff's efforts to develop the Voluntary Early Risk Reduction program and look forward to working with you to ensure its success.

PAR 1402 Needs Decision and Timeline Flowcharts

WSPA recommends that a decision and timeline flowchart be presented for each of the pathways a facility may be required to follow (i.e. Potentially High Risk Level Facility (PHRLF), VRRP participant, etc.). In some instances, the timeline for various notifications or submittal of documents is unclear. As an example, paragraph (e)(1)(B) states that if a facility has been notified that it is a PHRLF, it has 30 days to submit an HRA. However, it is not clear if the PHRLF has already submitted an ATIR and it had been approved.

Definition for Potentially High Risk Level Facility (PHRLF)

The definition of a PHRLF is expansive, and provides the Executive Officer with broad discretion in the determination process. Of particular concern is the source and use of ambient data. WSPA recommends

that if ambient data is used, some parameters around its use be described in more detail. As mentioned at the Working Group, it is important to identity potential upwind sources from the facility being reviewed as well as the type of data being collected (i.e. particulate matter vs. a specific toxic air contaminant (TAC)) and how it is being used. Perhaps this determination process would be better described in a guideline document.

Additionally, WSPA recommends that an appeal process be provided in the rule for a facility that is notified that it is a PHRLF. Currently, if a facility is deemed to be a PHRLF, there is no recourse to allow challenging this determination on any basis.

Air Toxic Inventory Report (ATIR) Source Test Requirements
PAR 1402 (d)(3) details specific criteria for requiring a source test. However, WSPA understands that for the large majority of facilities, source testing will not be required. WSPA recommends that this specific language be removed, and instead, include rule language that requires the Executive Officer to work with individual facilities to determine facility specific source testing requirements, such as what may be required if a facility is in the review process for the PHRLF determination.

Health Risk Assessment Submittal
WSPA supports staff's addition of language in the HRA section of the rule that cites the Health and Safety Code section allowing for an HRA submittal extension under certain circumstances as discussed at the Working Group.

Voluntary Risk Reduction Plans
WSPA appreciates staff's intent to streamline the review and approval process for a VRRP. However, if a VRRP is rejected for reasons that require remedial work, 14 days may not be enough time to correct the deficiencies. Therefore, WSPA recommends that the timeline to correct a plan deficiency be extended to 30 days if the reason for the deficiency relates to control equipment performance or is design-related. Additionally, WSPA recommends that rule language be included to address a revision process should a facility need to make changes to its VRRP after it has been approved. Lastly, WSPA's understanding is that the completion of the risk reduction measures will be the sole determination for completion of the VRRP; WSPA recommends that facilities be given certainty that completion of these measures will not be re-evaluated at the end of the plan.

WSPA appreciates the staff clarification at the Working Group that if a facility is in the middle of completing a risk reduction plan and their quadrennial report submittal is due, the facility would be allowed to skip the quadrennial report at that time.

Voluntary Risk Reduction Guidelines Risk Score and Notification Level Approach
WSPA supports the elimination of the Risk Score Approach and supports the Notification Risk Level Approach (NRLA) for approving and demonstrating that facility emissions are sufficiently reduced. Since the NRLA is based on a facility's submittal of an ATIR and incorporates details of location of point sources and the associated stack parameters, this approach appears to be somewhat better defined. WSPA would like to discuss this approach in more detail at the next Working Group so that we can fully understand all of the specific elements and how it would be implemented, as well as how confidential business information would be protected.

Staff clarified at the Working Group that the risk score developed using the NRLA would not be the same as what is developed using the full ATIR approach. However, WSPA recommends that staff consider reporting on their website that a facility's risk is less than 10 in a million (i.e. Notification Risk Level) once they have successfully completed their VRRP.

Risk Reduction Plan (RRP) Implementation
WSPA requests that the implementation deadline for completion of a Risk Reduction Plan be 2.5 years from the plan approval date. This would be consistent with what is required for the VRRP. Additionally, it would ensure that there is enough time to implement different or supplementary measures should there be a need for plan modification after submittal. Currently, rule language states that the risk reduction measures must be implemented 2.5 years from plan submittal (i)(1)(A)(i).

It is unclear from discussion at the Working Group if the process for completion of a Risk Reduction Plan is the same as that for the VRRP. For example, will a facility be required to conduct additional risk analysis upon completion of an RRP, or will completion of the measures themselves suffice as with the VRRP. WSPA would appreciate if staff could clarify the completion process for the RRP.

Risk Reduction Time Extensions
Staff's proposal indicates that VRRPs and RRPs must identify how a facility will reduce its health risk in 2.5 years, or earlier. Facilities would be allowed one 2-year extension under certain circumstances. However, CCEEB requested at the Working Group that staff allow a second 2-year extension in the rule; in case one is needed due to potential glitches from implementation of the new risk reduction processes. Staff stated that a second 2-year extension, although available in the current rule, had not been requested in the past, so this would be a contingency measure only. WSPA supports CCEEB's request for a second 2-year extension.

Public Notification for VRR Participants
WSPA recommends that any public notification of an extension be similar to the original notification given when the facility entered the VRRP program.

Thank you for your consideration of these comments and we look forward to the next Working Group meeting for further discussion.

Sincerely,

Suzanne E. Gornicki

cc: Susan Nakamura, SCAQMD