

Alaska Oil and Gas Association



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Marilyn Crockett, Executive Director

May 20, 2011

Lisa Jackson, Administrator
U.S. EPA Headquarters
Ariel Rios Building (11011A)
1200 Pennsylvania Ave., NW
Washington, DC 20460

**Re: Petition for Reconsideration - 40 CFR 63 Subpart
JJJJJ Standards for Hazardous Air Pollutants for Area
Sources: Industrial, Commercial, and Institutional Boilers
(Docket ID No. EPA-HQ-OAR-2006-0790)**

Dear Ms. Jackson:

In a letter dated August 23, 2010, the Alaska Oil and Gas Association (AOGA) submitted comments regarding the above rule, as proposed. In conjunction with the final version of 40 CFR 63 Subpart JJJJJ, promulgated on March 21, 2011, EPA provided notice of a proceeding for reconsideration of the final rule (76 FR 15266). In response, AOGA hereby petitions EPA for reconsideration of the issues identified below which were initially addressed in our comments on the proposed rule and discussed in a conference call with Mr. Jim Eddinger of EPA on March 23, 2011.

Issue No. 1 – Boiler Tune-up Requirements

As EPA is aware, allowances for cost and economic impact are appropriate for GACT. AOGA is very concerned about the overall ongoing cost and associated control cost effectiveness of GACT biennial tune-up requirements under 63.11223 for existing boilers less than 10 MMBtu/hr. Without a de minimis threshold, the GACT requirement applies to any boiler regardless of size. Small distillate fired boilers in the size range of 0.5 to 3.0 MMBtu/hr are commonly used at facilities in Alaska.

Based on EPA's published emission factors (AP-42), total potential HAP emissions from distillate boilers are 0.01 tpy per MMBtu/hr of input capacity. What reduction in HAP does EPA reasonably expect from the tune up procedure? Assuming a 10% reduction, HAP emissions would be reduced by 0.001 tpy per MMBtu/hr. In the public record AOGA cannot find where EPA has evaluated the owner/operator cost, HAP emission reductions, and associated cost effectiveness that can be expected by conducting these specific tune-up requirements on very small boilers.

AOGA encourages EPA to consider replacing the proposed biennial tune-up requirements with a simpler work practice standard where good combustion practice is ensured by a requirement to maintain boiler tuning according to the manufacturer's specifications or an appropriate operator's maintenance plan. Such an approach for GACT has already been utilized by EPA (e.g., RICE MACT), and importantly, would eliminate the problematic units EPA is addressing via the current GACT, i.e., boilers that have not been properly maintained/tuned.

We also encourage EPA to consider a de minimis size threshold, below which no requirements apply due to the very low uncontrolled emission rates of such units. EPA could reasonably use insignificance thresholds authorized under Part 71, e.g., Alaska regulations define diesel-fired boilers with a heat input rating of less than 1.7 MMBtu/hr as insignificant. Such an approach would help eliminate the Title 5 compliance issues discussed below.

Issue No. 2 – Area Source Rule Lacks a Temporary Boiler Exemption, Complicating Title 5 Compliance

Section 63.7491(j) of the major source rule excludes "temporary boilers" as defined in 63.7575. AOGA believes this exemption is appropriate for both the major source and area source rules.

Alternatively, AOGA also suggests that the EPA consider an exclusion for "temporary boilers" rather than an exemption for "portable boilers" in the area source rule. All temporary boilers are portable boilers, and almost all portable boilers are relatively small (i.e., less than 10 MMBtu/hr). As written under 63.7575, the definition of temporary boiler implicitly includes portable boilers but only for units that do not remain at a location for more than 12 consecutive months.

AOGA would stress to EPA that small, temporary/portable boilers are predominately contractor owned. The owner/operator of any facility where the equipment is used is subject to significant compliance liability because under Part 70/71 rules, the Subpart JJJJJJ work practice standards and associated monitoring, recordkeeping and reporting (MR&R) requirements are ultimately the obligation of the stationary source owner/operator. Note also that a typical contractor owned boiler will be used at different stationary sources that are under different ownership. Therefore,

the compliance liabilities alternate between the contractor and multiple stationary source owners rather than to the contractor and a single stationary source owner.

Compounding the problem, small boilers (typically temporary/portable units) are not currently included in stationary source Title V operating permits because such units have historically been classified as insignificant under Part 70/71. However, in the area source rule EPA has not included a de minimis threshold for the applicability of work practice standards (or an exemption for temporary/portable units), and these small boilers, regardless of size, must now be included in operating permits because Title V rules do not allow emission units that are subject to a federal requirement but that are otherwise insignificant to be omitted from permits.

The work practice standards and MR&R timelines required by Subpart JJJJJ simply do not contemplate the possibility that the affected source is temporary, raising several issues that we do not believe EPA adequately considered during the development of the rule. How will stationary source owner/operators certify compliance with Subpart JJJJJ requirements that apply on a unit-by-unit basis, to each individual temporary/portable boiler that is brought to, operated at, and subsequently removed from the stationary source? How will stationary source owners conduct biannual work practice requirements on portable/temporary boilers that may have been located at the source when the operating permit was issued (or the permit application filed), are therefore listed in the permit, but were subsequently removed, or replaced? How will the required records be maintained on each individual Subpart JJJJJ affected source when it is permitted at multiple stationary sources?

Based upon these complexities, AOGA does not believe that Title V operating permits are an appropriate way to address Subpart JJJJJ compliance for small temporary/portable boilers that are not permanently located at a stationary source. We envision a very high risk of noncompliance and a burdensome paperwork exercise that provides no environmental benefit.

An exemption for such units would largely eliminate these concerns.

Issue No. 3 – Area Source Rule Lacks a Definition of Process Heater

Whether equipment at an area source is a boiler or a process heater is critical in determining rule applicability. However, 63.11237 does not provide a definition of process heater. AOGA encourages EPA to amend 63.11237 by including either the major source definition of process heater in 63.7575 or a similar definition.

We also suggest EPA consider adding the following clarifying language to the definitions of boiler and process heater (underlined):

Boiler means an enclosed device using controlled flame combustion in which water is heated to recover thermal energy in the form of steam or steam and hot water. Controlled flame combustion refers to a steady-state, or near steady-state, process wherein fuel and/or oxidizer feed rates are controlled. Waste heat boilers are excluded from this definition.

Process heater means an enclosed device using controlled flame, and the unit's primary purpose is to transfer heat indirectly to a process material (liquid, gas, or solid; raw, intermediate or finished) or to a heat transfer material (e.g., glycol or a mixture of glycol and water) for use in a process unit (including process or storage tanks), instead of generating steam. Process heaters are devices in which the combustion gases do not come into direct contact with process materials. A device combusting solid waste, as defined in § 241.3, is not a process heater unless the device is exempt from the definition of a solid waste incineration unit as provided in section 129(g)(1) of the Clean Air Act. Process heaters do not include units used for comfort heat or space heat, food preparation for on-site consumption, or autoclaves.

The proposed changes are intended to help differentiate between boilers and process heaters. Consider a piece of equipment used to heat a 50-50% mix of glycol and water. The glycol mixture (i.e., the heat transfer material) is routed via hard-piping to a process tank where it is circulated in heating loops contained in the tank, to maintain the temperature of the liquid in the tank (the process material) at a given set point.

Although the example equipment heats a mixture containing water, AOGA believes that it functions as a process heater not a boiler because it is intended to transfer heat to a process and is not designed to generate steam. The current definitions appear to allow this classification but our proposed language would eliminate unnecessary confusion when making rule applicability determinations.

If you have any questions on these comments, please do not hesitate to contact me.

Sincerely,



MARILYN CROCKETT
Executive Director

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