Refinery Sector Rule Meeting w/ OMB
October 4, 2012

The Refinery Sector Rule should clearly state that, based on the EPA's Clean Air Act Section 112(f) risk review, the risk from refineries is low and the public is currently protected with an ample margin of safety.

- EPA has conducted extensive data collection and risk modeling to understand and identify whether or not the existing refinery regulations have been effective in reducing emissions and are protective of public health. The modeling of the emission inventory, with its many layers of conservative assumptions, shows that **risk from refineries is low** and the public is protected with an ample margin of safety.
    - Refineries spent more than **$50 million** on the ICR to revise the emission inventories and conduct extensive direct measurement of numerous sources
    - The residual risk models were enhanced, toxicological files updated and, yet, the result remains the calculated risk is acceptable.
- EPA's own analyses, presented to the Clean Air Act Advisory Committee (see attached pre-ICR graph), demonstrates that the petroleum refining sector, relative to other industries that already have final "no further action" risk rules, has low emissions and low risk.

Any additional requirements, based on the Clean Air Act Section 112(d)(6) technology review, must be cost-effective.

- API continues to maintain that the **risk review** should inform the technology review and, lacking a significant and demonstrable reduction in risk to the public through more stringent controls, there should not be additional requirements for refineries unless proven to be cost-effective.
- **SSM provisions** need to be carefully addressed. We are concerned that EPA will propose the same standards that apply during normal operations. This would create infeasible conditions which at best would limit operations and at worst would prevent units from being able to start back up. Emissions during these periods cannot be reliably tested (they are not normal operations). Therefore, achievable work practices are needed.
- The data collected in the ICR to inform the RTR do not support an overly stringent **coker vent** depressurization work practice that could easily cost industry **hundreds of millions of dollars**.
    - Very limited data given the extreme difficulty in testing the source
    - Available data suggests emissions are low and cannot begin to justify a more stringent standard
    - Cost can exceed $20M for an individual unit to meet a 2 psig limit and we believe the potential emission reductions to go from 5 psig to a 2 psig limit are negligible.

- An innovative **fence-line monitoring** approach should be investigated systematically through an ANPRM prior to proposal. Presumably, the Agency has not singled out the petroleum refining category to require fenceline monitoring and it will, ultimately, affect all industry source categories and their initial input should be sought. Furthermore, because the CAA has no direct provision dealing with fence-line monitoring, EPA should seek input from a broad range of stakeholders.

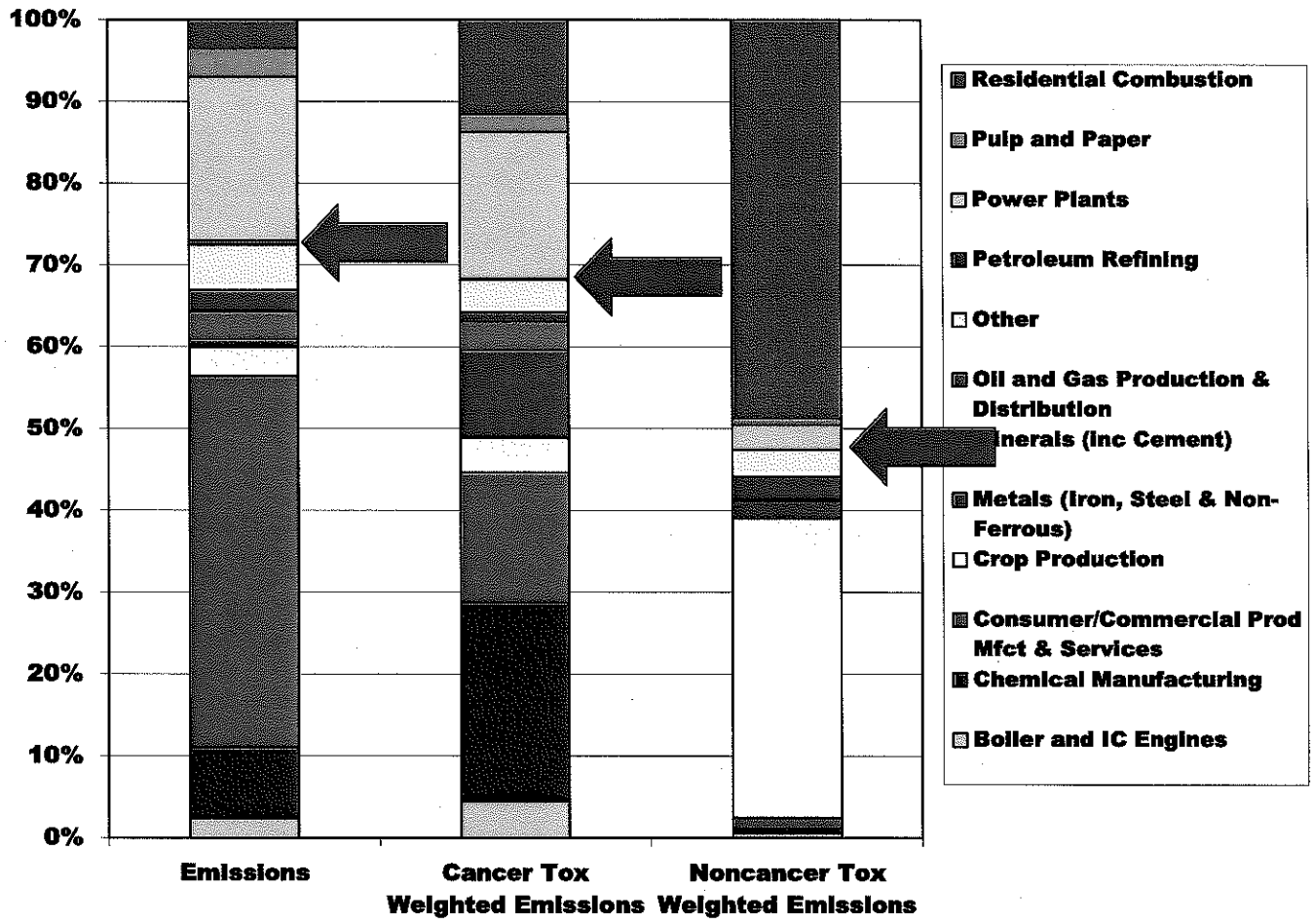
The Refinery Sector Rule should not reference the proposed Uniform Emissions Standards.

- On March 26, 2012, EPA proposed a very stringent and costly set of Uniform Emission Standards. These extreme Standards did **not undergo OMB review** because the Agency believes that, because no existing source category references these rules now, there is no impact. We respectfully disagree.
    - Estimated capital costs to install wireless **monitoring systems on PRDs** range from $13 to 18M (100-400 systems) per refinery, yet EPA acknowledges that installation of such monitors is not expected to reduce emissions.
    - Installing **PV vents on diesel tanks** costs greater than **$130,000/ton VOC** reduced for a medium-sized tank. This doesn't include costs associated with possible plant shutdown during install.
    - Expanding the leak **repair program to cover connectors** handling streams with 5 to 10% VOC, will cost greater than **$1 million/ton** VOC reduced.
    - A change in EPA policy results in **violations for fugitive emissions** detections, where current regulatory requirements allow for repair of the leak.

- Implementation of the Uniform Standards effectively bypasses the Part 60 NSPS and Part 63 NESHAP rulemaking processes by establishing free-standing rules for which the justification would have to be "reverse engineered" in any subsequent standard. This is a distant approach from the clear obligation for EPA to establish NSPS and NESHAP standards from the ground up, using emissions data and other relevant information from the category being regulated. The only outcome from this approach is the **most stringent and costly requirements for *all* source categories.**

- EPA intended, through the UES approach, to **streamline** regulatory review and revision and compliance for industry. However, we believe **just the opposite** will occur. Affected sources will now have to piece together four or five separate regulations to figure out what is required. This creates far more problems than it solves and this scenario will only be further complicated if the UES were to require future changes themselves.

Combustion and Chemical Facilities Pose Highest Risks From Stationary Sources



Source: June 9, 2011 EPA CAAAC Meeting