Dear Kathy,

ExxonMobil Pipeline Company appreciates the opportunity to comment on the TCEQ plans to develop rules for the collection of the Section 185 Fees as mandated by the Federal Clean Air Act. ExxonMobil Pipeline Company is aware of various industry group comments, notably TIP, and ExxonMobil Pipeline Company supports TIP's comments. ExxonMobil Pipeline does however, wish to make more specific comments on determination of baseline emissions rates and actual emission rates. Of concern are issues related to factor changes and emissions events.

Factor Changes

TCEQ should provide guidance on Factor changes related to both baseline and actual emission rates. Many sites report emissions based on calculations such as AP-42 or API methods. AP-42 is the most common method used for petroleum tank emissions. The pipeline and terminal industry operate a significant number of tanks. It should be noted that AP-42 was revised in November 2006 to include landing loss emissions, prior to that time there was no standard method of estimating landing loss emissions. In addition, API issued a Technical Report 2568 in 2007 with methods for estimating tank cleaning emissions; 2008 is the first year that operators had the API method available. Use of these factors could show an increase in emissions (with no physical change or operational change at the facility) for the years after approval. ExxonMobil Pipeline Company believes operators should have the option to adjust emissions during the ten year period to the current AP-42 or API factors. This will allow the baseline to be determined on a consistent methodology.

TCEQ initiated the Existing Facility Source permitting program in which "Grandfathered" sources submitted applications in 2003 for the Houston/Galveston/Brazoria Area. Our company experienced several cases where TCEQ required use of piping fugitive factors that were not used at the site historically for emissions inventory purposes. When the permit section directed factors were used for emissions inventory purposes, the net result was large emissions increases and decreases, even when there was no physical change at the site. In some cases, our company noted a five fold increase in emissions. ExxonMobil Pipeline has been working with TCEQ to rectify this issue. ExxonMobil Pipeline Company believes that operators should have the option to adjust emissions during the ten year period (to determine baseline emissions) to use consistent emissions factors.

Emissions Events

TCEQ should provide direction on counting emissions associated with emissions events. TCEQ will not permit emissions events. ExxonMobil Pipeline Company believes emissions events should not be counted in the baseline emissions or be included in actual emissions for 185 fee determination. Furthermore, additional guidance should be given for excess emissions associated with natural disasters or response to natural disasters. ExxonMobil Pipeline Company does not believe emissions associated with natural disasters or the response to those events should be included in the actual emissions used for fee determination or for determination of baseline emissions.

We appreciate the opportunity to provide input into this important rule

making process. This issue is of great interest to ExxonMobil Pipeline Company. Please contact me if you have any questions or would like additional information.

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