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PL Propylene LLC
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Houston, TX 77017

January 11, 2010

Mr. Devon Ryan
Texas Commission on Environmental Quality
Office of Legal Services, MC 205
P.O. Box 13087
Austin, Texas 78711-3087

Subject: Submittal of Comments – Rule Project Number 2009-009-101-EN Chapter 101 General Air Quality Rules, 34 Tex Reg 6989

Dear Mr. Ryan,

PL Propylene LLC (PL Propylene) appreciates the opportunity to provide comments on the proposed rule implementing Sections 185 and 182(f) of the Federal Clean Air Act. PL Propylene is a member of the Texas Chemical Council (TCC) and supports the comments submitted by that organization. PL Propylene is additionally submitting the following comments:

Background

In 2008, PL Propylene purchased the Houston Olefins Plant (HG-0035-U) from ExxonMobil Oil Corporation. The plant is an existing major source for NOx, VOC, SO2, and CO. The plant was temporarily idled in 2005 and deinventoried in 2006. In 2007, PL Propylene applied for an amendment to the new source review permit to modify production technology from thermal cracking to catalytic dehydrogenation to produce a more targeted olefins product. The amended permit was received from the TCEQ in April, 2008, and construction on the project began in December, 2008.

Rule Proposal Comment

Subsection §101.103(a) of the proposed rule, Baseline Amount Calculation, limits a major source's baseline emissions to the lower of three options: the total amount of baseline emissions in the attainment year; the total emissions allowed under the source's authorization(s), including emissions from maintenance, shutdown and startup activities, applicable to the source in the attainment year; or the total average baseline emissions as calculated under subsection §101.103(b). Subsection §101.103(b) allows an alternative method for determining baseline emissions using a historical perspective of annual, maintenance, start-up, and shutdown emissions and was inserted for the regulated entity that has emissions that are irregular, cyclical, or otherwise vary significantly from year to year. In addition, the January 5, 2010 *EPA*

Guidance on Developing Fee Programs Required by Clean Air Act Section 185 for the 1-hour Ozone NAAQS provides for the calculation of the baseline amount as the lower of the average actual emissions or average allowable emissions over a period of more than one year in cases where a source's emissions are irregular, cyclical or otherwise vary significantly from year to year.

Since PL Propylene's Houston plant was shut down in 2007 for an authorized modification, the total amount of baseline emissions in the attainment year is zero. As currently written in the proposed rule, PL Propylene's plant would be required to set its baseline emissions to zero, even though the plant's emissions varied significantly from the previous years of operation, This would result in payment of Section 185 fees on 100% of its emissions once the facility restarts operation later this year, notwithstanding its qualification under §101.103(b) and EPA's Guidance to use an alternative methodology for the calculation.

PL Propylene believes such a result, which conflicts both with apparent intent of §101.103(b) and EPA's Guidance is a drafting error, and requests that specific provisions be added to the regulation to address this situation for existing major sources that were not in operation during the baseline emissions period.

Proposed Change

PL Propylene requests that the following language be added to the rule to clarify that facilities that were shutdown during the baseline emissions period are eligible for the look back provisions in Subsection §101.103(b). The proposed wording is as follows:

> §101.103(f) – A major stationary source that is not in operation during the baseline emissions period due to the construction of an authorized modification that resulted in a NOx or VOC emission reduction may request from the executive director to use the total average baseline emissions methodology provided under paragraph (b) of this section for the historical period when the plant was operating.

PL Propylene wishes to reiterate its appreciation for the TCEQ's efforts in improving the functionality of this regulation. Please feel free to contact me with any questions you have.

Sincerely,

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