



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS TX 75202-2733

OCT 29 2010

AIR PERMITS DIVISION
NOV 05 2010
RECEIVED

Mr. Richard A Hyde, P.E., Deputy Director
Office of Permitting and Registration
Texas Commission on Environmental Quality (MC 122)
P.O. Box 13087
Austin, TX 78711-3087

Re: Objection to Title V Permit No. O1420
CITGO Refining and Chemicals Company, Corpus Christi Refinery – West Plant
Nueces County, Texas

Dear Mr. Hyde:

On September 14, 2010, we received the draft renewal of the Title V permit for CITGO Refining and Chemicals Company, Corpus Christi Refinery - West Plant referenced above. As such, EPA's 45-day review period will end on October 29, 2010. We have reviewed this permit renewal, and in accordance with 40 CFR § 70.8(c), EPA objects to the proposed permitting action. Section 505(b)(1) of the federal Clean Air Act (Act) and 40 CFR § 70.8(c) require EPA to object in writing to the issuance of a proposed Title V permit within 45 days of receipt of the draft permit (and all necessary supporting information) if EPA determines that the permit is not in compliance with applicable requirements of the Act or requirements under 40 CFR Part 70. Specific reasons for each objection and a description of the terms and conditions that the permit must include to respond to the objections are enclosed.

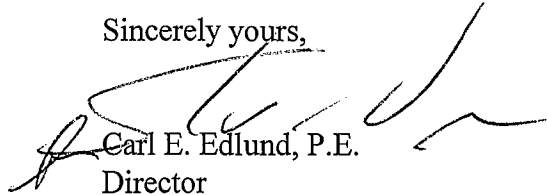
On May 28, 2009, the Administrator of the EPA signed an order (Order) (attached) granting portions of a petition filed by Environmental Integrity Project objecting to the issuance of CITGO's Title V permit O1420, referenced above. In accordance with 40 CFR § 70.8(c)(4) and 30 TAC § 122.360, TCEQ must resolve all objections and issue a revised permit that satisfies EPA's objections. TCEQ submitted a Response to Objection, dated August 13, 2010, and the draft renewal permit received by EPA on September 14, 2010 seeking to address our objections, but EPA continues to have concerns., EPA also has new objections on the draft renewal permit that are also listed in the enclosure.

Section 505(c) of the Act and 40 CFR § 70.8(c)(4) provide that if the permitting authority fails, within 90 days of the date of an objection, to submit a permit revised to meet the objection, then EPA will issue or deny the permit in accordance with the requirements of 40 CFR Part 71. Because the objection issues must be fully addressed within 90 days, we suggest that the revised permit be submitted with sufficient advance notice so that any outstanding issues may be resolved

prior to the expiration of the 90-day period.

We are committed to working with the TCEQ to ensure that the final permit is consistent with the all applicable requirements, including the federally-approved Texas SIP and the Texas Title V air permitting program, and to discuss potential options to avoid future Title V objections. If you have questions or wish to discuss this further, please contact Jeff Robinson, Chief, Air Permits Section at 214-665-6435, or Stephanie Kordzi, Texas Permit Coordinator at (214) 665-7520. Thank you for your cooperation.

Sincerely yours,



Carl E. Edlund, P.E.

Director

Multimedia Planning and Permitting Division

Enclosures

cc: Mark W. Cheesman
Manager, Environmental Affairs
CITGO Refining and Chemicals Company

Mr. Steve Hagle, Director
Air Permits Division
Texas Commission on Environmental Quality (MC-163)

**EPA Objections to CITGO Refining and Chemicals Company,
Corpus Christi Refinery – West Plant
Title V Permit No. O1420
October 29, 2010**

A. Continued Objections From EPA's May 28, 2009 Order (Order)

1. Objection to the Incorporation by Reference of Consent Decree Requirements - Order Responding to Petitioner's Claim at VI.B.2 and 3.

In the Order, EPA granted Petitioners' claims "regarding the incorporation by reference of the terms of the...EPA Consent Decree (CD), to the extent the terms of those documents are related to compliance with the CAA and implementing regulations (i.e., CAA-related requirements)." Order at 12.

In the Order, EPA stated that "because CDs...reflect the conclusion of a judicial or administrative process resulting from the enforcement of "applicable requirements" under the Act, all CAA-related requirements in such CDs...are appropriately treated as 'applicable requirements' and must be included in title V permits, regardless of whether the applicability issues have been resolved in the CD." EPA concluded that the "Applicable Requirements Summary" and the "Periodic Monitoring Summary" in the CITGO permit that was the subject of the Order "do not include any reference to the CAA-related requirements contained in the ...CD, and therefore, they are incomplete." Order at 13.

In reviewing the draft renewal permit, EPA notes that the CD is still in effect, there is no reference to the CD in the applicable requirements summary, and there is no reference to the CD-described alternative monitoring plan for heater No. 527-H2. Therefore, a reference to the CD must be placed in the applicable requirements summary, and, since the CD refers to an alternate monitoring plan for heater No. 527-H2, the CD should be referenced in the Compliance Schedule section for this piece of equipment.

B. Additional Objections to the Draft Renewal Permit

1. Objection for Failure to Include All Applicable Requirements.

The draft Title V permit does not meet the requirements of 40 CFR § 70.6(a)(1), since it fails to include "emission limitations and standards, including those operational requirements and limitations that assure compliance with all applicable requirements at the time of permit issuance." Permits by Rule (PBRs) are included in the definition of "applicable requirement," found at 30 TAC § 122.10(2) of the federally-approved Texas Title V program. The draft Title V permit lists the following PBRs as applicable requirements: 106.261, 106.262, 106.263, 106.454, 106.472, 106.473, 106.478, 106.511, and standard exemption numbers 15, 51, 53, 57, 58, 61, 62, and 63. The Title V permit also lists NSR permits 47421, 8778A, 7741A, and 2523C. However, as described below, the draft Title V permit fails to clearly identify all

applicable requirements for emission units covered by the permit.

The *Applicable Requirements Summary* table fails to include monitoring, recordkeeping, and reporting (MRR) requirements for the following emission units 521-V11, 521-V7, 521-V-9, 522-E10A, 522-V19A/B, 525-V11, 527-V-11, 527-V-1, 527-V-2, 552-S10, 552-TK10001, 553-S-Pit, 553-V8, 554-TK0001, 554-TK0002, 555-S9, 555-TK0001, 555-TK0002, 555-V10, 561-JCMTR, 561-V13, 566-TK0101, 572-TK0002, 572-TK0013A, 572-TK0013B, 572-TK0214, 572-TK0215, 572TK6020, 572TK6021, 572TK6022, 572TK6023, 572-WWT, 581-CT1, 585-TK0104, 585-TK0105, and GASUNLOAD. In addition, emission unit 546-H2 is not listed in the *Unit Summary* table, *Applicable Requirements Summary* table, or *New Source Review Authorization References by Emissions Unit*. This unit is only listed in the *Periodic Monitoring Summary* as the "Control Device ID No." for ID No. 546-V18 and 546-V28. The alternate monitoring plan on pages 132 and 133 has "for 546-H1 & 546-H2" handwritten on it. The Title V permit fails to properly identify this emission unit and refer to the alternate monitoring for 40 CFR Part 60, Subpart J, that has been approved.

The *New Source Review Authorization References* table lists PBR 106.261 (12/24/1998), 106.261 (09/04/2000), 106.262, 106.263, 106.478, 106.511, and standard exemption number 51 (08/30/1988), 57, 63, and NSR permits 47421, and 2523C as applicable authorizations, but the *New Source Review Authorization References by Emissions Unit* table does not list any emissions unit subject to those PBRs, standard exemptions, or NSR permits. NSR permit 2523C is attached to the Title V permit in Appendix B. Permit 2523C appears to cover coke handling facilities. The emission units in 2523C do not appear to be listed in the draft Title V. Additionally, permit 2523C only has three special conditions and the emission units it covers only have emission limits for PM. Permit 2523C does not contain the appropriate MRR to ensure practical enforceability.

Additional inconsistencies in the identification of applicable requirements in the draft Title V permit are associated with PBRs 106.262 and 106.263, for which registration is required. No registration is shown in the TCEQ New Source Review Air Permits database for PBRs 106.262 for 12/24/1998 or 106.263 for emission units covered by this draft Title V permit (regulated entity number RN100238799).

Pursuant to 40 CFR § 70.8(c)(1), EPA objects to the issuance of the Title V permit since it is not in compliance with the requirements of 40 CFR § 70.6(a)(1). To resolve this objection, TCEQ must revise the draft Title V permit to identify each emission unit covered by the Title V permit and reference the specific emission limitations, applicable monitoring and testing, recordkeeping, and reporting requirements for each such unit, including the relevant and appropriate PBRs associated with each emission unit.

2. **Objection for Failure to Identify Specific Compliance Option.**

The *Applicable Requirements Summary* table fails to list the sections of 40 CFR Part 60 Subpart GGGa that apply to compliance options for emission unit FUG-ULSD.

Failure to include these requirements in any unit-specific tables makes the compliance obligations of the facility unclear. The lack of specific monitoring and testing requirements creates ambiguity, raises applicability concerns, and renders the permit unenforceable as a practical matter. In addition, the lack of detail detracts from the usefulness of the permit as a compliance tool for the facility. Pursuant to 40 CFR § 70.8(c)(1), EPA objects to the issuance of the Title V permit since it does not comport with the requirements of 40 CFR §§ 70.6(a)(1) and (3). To resolve this objection, TCEQ must revise the draft Title V permit to identify each emission unit subject to Subpart GGGa, and identify the specific emission limitations, standards, applicable monitoring and testing, recordkeeping, and reporting requirements for each unit.

3. Objection to Special Condition 4.

Pursuant to 40 CFR § 70.8(c)(1), EPA objects to the issuance of the Title V permit since Special Condition 4 is not in compliance with the requirements of 40 CFR § 70.6(a)(1) and 70.7(a)(5). To resolve this objection, TCEQ must revise Special Condition 4 of the draft Title V permit to list (or otherwise specifically identify) the specific stationary vents that are subject to the specified requirements of 30 TAC Chapter 111 and provide an explanation in the Statement of Basis for the legal and factual basis for the Special Condition.

In TCEQ's June 30, 2010 Response to Objection and proposed revised Title V permit for Flint Hills Resources' (Corpus Christi, Texas) East Refinery (Permit No. O1445), the permit provided an identification of stationary vents that EPA found to be adequate. A similar provision incorporated into this Title V permit would adequately resolve the objection.

4. Objection to Incorporation by Reference of PSD Permits.

Pursuant to 40 CFR § 70.6(a)(1), each title V permit must include, among other things, "[e]missions limitations and standards, including those operational requirements and limitations that assure compliance with all applicable requirements at the time of permit issuance."

All applicable requirements (including BACT limits, NSPS limits, MACT limits, SIP-required control limits, appropriate application representations, and the applicable monitoring, recordkeeping, and reporting (MRR) requirements) must be included in the permit.

However, ensuring the references are clear and unambiguous to the applicable emission units in the draft renewal permit has not been accomplished. The Appendix B to the Title V permit on pages 137-188 provides information on the PSD/NSR authorizations for the emission units. However, when there are several applicable requirements to such authorizations, without a crosswalk, the review of the permit becomes a tedious maze and not practically enforceable. Not only is it a time consuming process for the public to complete review of the FOP in 30 days, but the ambiguity in obtaining and identifying the applicable requirements to the emission unit does not meet the approved program requirements of 40 CFR Part 70. There are options to address this issue. For example, a narrative-type permit organized by emission

points that provides the emission limitations for each emission point with their assigned monitoring, recordkeeping, and reporting would be adequate. Or, provide a crosswalk table for each emission point identified in the Title V permit NSR/PSD authorization table linked to the specific conditions and emission limits with monitoring, recordkeeping, and reporting requirements is required. In the Title V permit issued by TCEQ for Southwestern Public Service Company, Harrington Station Power Plant (Permit No. O15), the permit featured a crosswalk table that EPA found to be adequate. A similar table incorporated into this Title V permit would resolve the objection.