

Alaska Oil and Gas Association



121 W. Fireweed Lane, Suite 207
Anchorage, Alaska 99503-2035
Phone: (907)272-1481 Fax: (907)279-8114
Email: crockett@aoga.org
Marilyn Crockett, Executive Director

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Air and Radiation Docket and Information Center
Environmental Protection Agency
Mailcode 6102T
1200 Pennsylvania Ave NW
Washington, DC 20460

Docket ID No. EPA-HQ-OAR-2006-0790

**Re: Comments on Proposed Standards for Hazardous Air Pollutants for Area Sources:
Industrial, Commercial, and Institutional Boilers – Subpart JJJJJ**

The Alaska Oil and Gas Association (AOGA) appreciates this opportunity to submit comments regarding the above proposed rule. The Alaska Oil and Gas Association is a private, nonprofit trade association whose member companies account for the majority of oil and gas exploration, development, production, transportation, refining and marketing activities in Alaska.

Concern No. 1 – Lack of a De minimis Threshold for New Boilers Results in Technically Infeasible and Unduly Expensive Requirements for Small Units

AOGA agrees with EPA's primary basis for establishing a de minimis size threshold of 10 MMBtu/hr for the applicability of numerical standards to existing boilers. On page 31906 of the preamble, EPA indicates that as allowed under the Act, work practice standards are more appropriate than emission standards for such units because standard reference emissions test methods are infeasible for small diameter stacks (less than 12 inches).

However, AOGA is very concerned about the lack of a similar de minimis cutoff for new boilers. As proposed, emission standards will apply to any new boiler regardless of size. New boilers less than 10 MMBtu/hr also have small diameter stacks. In Table 4 of the proposed rule, EPA identifies reference test methods for demonstrating compliance that apply to all boilers subject to numerical standards, but EPA has already concluded that these methods are not feasible for small boilers.

On page 31909 of the preamble, EPA again notes the inapplicability of the reference test methods to small boilers, and also the excessive costs associated with annual testing and monitoring requirements for both new and existing units. However, EPA then goes on to indicate that they will not propose work practice standards for new boilers. EPA's basis for this decision is very unsatisfactory. EPA states that new facilities have the "added flexibility of including compliance costs into their design and planning." AOGA believes that the inconsistency with this line of reasoning is clear: the costs remain

and are still excessive. EPA also states that “a new facility has the option of fuel selection in minimizing their compliance costs.” This statement is clearly not universally true. For example, natural gas is unavailable in rural Alaska and large parts of urban Alaska (e.g., the cities of Fairbanks, and Juneau, Alaska). Existing and new boilers in areas without access to natural gas supplies clearly have no way of “selecting” natural gas rather than distillate fuel to minimize compliance costs.

In summary, AOGA believes that the underlying need for a work practice standard for small boilers clearly applies to both new and existing boilers, and we request that EPA revise the rule accordingly.

Concern No. 2 – Energy Assessment Requirements for Existing Boilers are Unnecessary and Overly Burdensome

EPA’s requirement for an energy assessment as a “beyond the floor control technology” is unnecessary. Boilers requiring an energy assessment are already subject to emissions standards representative of the best controlled sources. Such sources are very likely already implementing the most common energy efficiency best practice identified by EPA in the preamble, i.e., “simply tuning the boiler to the manufacturer’s specification.”

EPA states that the cost of the assessment is minimal compared to the cost of testing and monitoring to demonstrate compliance with an emission limit. This may be true, but the cost of the assessment is incremental to, rather than in lieu of already expensive ongoing compliance costs. AOGA also believes that only well tuned boilers are capable of continuously complying with the rule’s very low CO emission standards, and therefore the energy assessment is unlikely be offset by significantly lower fuel costs as EPA has assumed, or to add any meaningful reductions in HAP emissions.

AOGA requests that EPA reconsider the need for an energy assessment, and rely upon the energy efficiency represented by the boilers used to establish the MACT floor, and the need for all boilers meeting these emission levels (by complying with the emission standards) to operate in an energy efficient manner.

Concern No. 3 – Boiler Tune-up Requirements are Overly Burdensome.

AOGA is very concerned about the overall ongoing cost and associated control cost effectiveness of EPA’s proposed biennial tune-up requirements for existing boilers less than 10 MMBtu/hr. Without a de minimis threshold, the 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 throughout Alaska. As proposed, 63.11222 establishes a significant set of inspection and tuning requirements, and also requires measurements of CO and O₂ in the stack gas.

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/MMBtu/hr. AOGA does not believe that EPA has adequately evaluated the owner/operator cost, HAP emission reductions, and associated cost effectiveness that can be expected by conducting these specific tune-up requirements on small boilers.

EPA's mandate that boilers be tuned to minimize CO may also be inconsistent with already applicable requirements such as NO_x BACT limits, good air pollution control practices, or manufacturer's recommended operating conditions.

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. We also encourage EPA to consider a de minimis size threshold, e.g., 2.0 MMBtu/hr, where no requirements apply based on the very low emission rates of such units.

Concern No. 4 – Area Source Rule Lacks Major Source Rule's Temporary Boiler Exemption

Section 63.7491(j) of the proposed major source rule excludes temporary boilers. Temporary boiler is defined in 63.7575 as “any gaseous or liquid fuel boiler that is designed to, and is capable of, being carried or moved from one location to another. A temporary boiler that remains at a location for more than 180 consecutive days is no longer considered to be a temporary boiler. Any temporary boiler that replaces a temporary boiler at a location and is intended to perform the same or similar function will be included in calculating the consecutive time period.” AOGA believes this exemption is appropriate for both the proposed major source and area source rules. Area sources are even more likely to use such temporary boilers than are major sources, since area sources are less likely to have adequate backup boiler capacity to handle all contingencies than are major sources.

AOGA also suggests that the EPA replace the exclusion for “temporary boilers” with an exclusion for “portable boilers.” All temporary boilers are portable boilers, and almost all portable boilers are relatively small (i.e., less than 10 MMBtu/hr). As written, the definition of temporary boiler implicitly includes portable boilers but only for units that do not remain at a location for more than 180 consecutive days. This applicability criteria is arbitrary and overly narrow, and in conjunction with the lack of any de minimis size threshold, will often require very small temporary/portable units to meet numerical standards. In the rule preamble EPA noted the inapplicability of the reference test methods to small boilers, and also the excessive costs associated with annual testing and monitoring requirements for both new and existing units. Because portable boilers are small by design, a broader exemption for all portable boilers would be consistent with these stated concerns.

In addition, AOGA would stress to EPA that temporary/portable boilers are predominately contractor owned, making compliance with the standards and associated monitoring, recordkeeping and reporting (MR&R) requirements of the rule very difficult for the operator of the stationary source. Because EPA

has not included a de minimis threshold for the applicability of work practice standards, small boilers that have not historically been included in stationary source Title V operating permits because such units are classified as insignificant under the Title V rules will now be subject to Subpart JJJJJ and must be included in permits because Title V rules do not allow otherwise insignificant units subject to NSPS/MACT standards to be classified as insignificant. Again, these small boilers are predominately contractor owned units only temporarily located at the source. Inclusion of contractor owned units in operating permits is very problematic because the MR&R timelines required by the rule do not contemplate the possibility that the affected source is temporary. Operating permits are not an appropriate way to address Subpart JJJJJ compliance for small temporary/portable boilers that are not permanently located at the stationary source. An exemption for such units would largely eliminate our concerns.

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

Sincerely,

A handwritten signature in black ink that reads "Marilyn Crockett". The signature is written in a cursive, flowing style.

MARILYN CROCKETT
Executive Director