

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

APR 5 1978

MEMORANDUM

SUBJECT: PSD Determination - Pittston Petroleum
Refinery, Eastport, Maine

FROM: Director
Division of Stationary Source Enforcement

TO: Thomas W. Devine, Chief
Air Branch - Region I

This is in response to your memo dated March 24, 1978 concerning the Pittston Refinery proposed to locate in Eastport, Maine, and the applicability of the regulations for the Prevention of Significant Deterioration (PSD). The Pittston Refinery is to be located in close proximity to a Class I area and ships en route to and from this facility may have some adverse impact on the Class I air quality increment.

Petroleum refineries have been identified both under the existing PSD regulations as well as the proposed revisions as one of the source categories requiring a review, prior to construction, to avoid significant deterioration of air quality. The PSD regulations are applied on a source category basis, thus necessitating a review of the entire stationary source's effect on the PSD requirements. Since the emissions of the ships, which service the refinery in its normal operation will have an affect on the air quality increment, it is the opinion of this office as well as the Office of General Counsel (see attached) and the Office of Air Quality Planning and Standards, that such emissions must be included in the PSD evaluation. In reaching this conclusion, I would like to explore the specific issues raised in your memo.

1. We have discussed this question with other regions who have had similar types of facilities locate in their areas. Their responses were as follows:

Regions III and VI did include the emissions from the tanker loading and unloading operations in order to determine the degree of hydrocarbon emission offset which

would be necessary to satisfy the Interpretative Ruling. Although neither Region considered the sulfur dioxide or particulate matter emissions from the tankers, it was the opinion of both Regions that these emissions would not have interfered with the PSD requirements.

Region IX is considering the particulate and sulfur dioxide emissions from the ships servicing the SOHIO project. Their rationale being that once it was determined that the refinery was a major source that the tanker emissions be included in the PSD analysis. At the request of Region IX and the California Air Resources Board SOHIO developed their own emission factors and conducted an air quality impact analysis in accordance with the PSD requirements.

2. Although these emissions are not directly under the control of the source, EPA would require that any permit issued to the refinery contain requirements that any ships servicing the refinery comply with specific criteria, or that the Maine SIP be revised to restrict the emissions from the tankers. EPA, has in the past, required that ships used for hauling oil meet certain specific criteria when loading and unloading this material. We have included in this analysis that only ships equipped with specific control capabilities be allowed to service these refineries.

3. It is our opinion that the issue of whether a ship is registered under the law of a foreign state has no bearing on this determination. The fact that a particular source is owned by a foreign state does not exempt its emissions from PSD review if the source is located within the territorial United States. Your letter implies that the vessels in question do not impact on the Class I area until they pass within 1.5 KM. of the shore. At this point the vessel is well within the jurisdiction of the U.S. Therefore, even assuming that the Maine SIP contained an approved PSD plan, the Governor could not discount these emissions pursuant to S163(C)(1)(D) of the Act. For this reason, the question of whether such emissions are to be counted against the source must be resolved in accordance with EPA's general policy, as discussed elsewhere in this determination.

4. Requirements which can be included in order to limit the ship's emission can include emission limitations, as well as operating and design criteria. These requirements should all be included within the PSD permit issued to the refinery or contained in a SIP revision and would be enforceable against the refinery or the ship operators, respectively.

These requirements could include sulfur in fuel restrictions, speed restrictions which may effectively limit fuel consumption, and any other requirement which could effectively limit the emissions in conformance with the PSD regulations.

If you have any additional questions or comments, please contact Rich Biondi (755-2564) of my staff.

15/ Johnson
for Edward E. Reich

cc: Mike Trutna - CPDD w/o attachment
Peter Wyckoff - OGC w/o attachment