

Re: Air Permit Requirements for Dockside Vessel Emissions

Attachment B.2 outlines plans to develop guidance for implementation of full state NSR permit review for dockside vessel emissions (other than fugitive particulate from open vessel hatches and lightering/barging/bunkering emissions) to be implemented on September 1, 2001. This will allow the regulated community opportunity to review and time to plan for implementation. As a result of implementation, the commission practice will be consistent with the statute. Applicants may use other flexible NSR permit options (qualified facilities, flexible permits, voluntary emission reduction). Applicants may have to provide additional controls. Reductions in volatile organic compound emissions in the gulf coast counties should result. Vessels may take more dock time because of vapor collection connect/disconnect time and the Coast Guard flow limitations on vapor collection systems.

Attachment B.3 outlines plans to work with companies to develop quality controlled and quality assured data for saturation levels of displaced vapors and to continue studying possible permit requirements for lightering/barging/bunkering and fugitive particulate from open vessel hatches for future consideration by the commission. The results of this work may provide better information for staff to perform emission calculations. It will also provide better information and data to determine whether and how to require permitting of lightering and dry bulk vessel fugitive emissions from open hatches.

Option 2 Do not implement the plans as proposed in Attachment B.

Pros/Cons: Whether the Chapter 116 rulemaking and Chapter 122 rule interpretation are initiated or not, APD can continue its practice of including dockside vessel emissions for PSD, NA, and Title V permitting. This is based on the PSD delegation, and the common definitions for PSD, NA, and Title V permitting. However, the confusion about including dockside vessel emissions may continue which will lengthen permit review time frames and may require more involvement by EPA on those projects. The partial PSD delegation for permits involving marine vessels would continue which means that those permits should be signed by EPA after review.

Not implementing plans for full state NSR review, outlined in Attachment B.2, will mean that the benefits listed under Option 1 will not be achieved. However, applicants and vessel operators may support this option for no additional permitting requirements.

Not participating in efforts to obtain quality controlled and quality assured data for emission calculation techniques will mean that emission calculations will continue to be done with the current calculation approach that applicants claim overestimate emissions. In addition, not continuing to study lightering/barging/bunkering and fugitive particulate from open hatches will mean that the commission will not have the best information to determine whether and how to require permitting of lightering/barging/bunkering and dry bulk vessel fugitive emissions from open hatches.

Attachment A Stakeholder Process

Stakeholder Meetings:

July 20 Stakeholders: Environmental groups, Consultants, Attorneys, Industry,
Legislators, Ports, Cities, Coast Guard, Army Corp, EPA
Invited over 100 by fax; 72 attendees
Requested comments by August 18; extended to September 1

August Smaller meetings with Chemical Carriers and Liquid Bulk Handling; Dry Bulk
Handling; Shipyard Blasting and Painting; EPA

September Smaller meetings with EPA; Coast Guard

Stakeholder Comments:

- a. Received 14 written comments from:
One attorney, two consultants, two ports, eight individual companies, and one trade association (Chemical Carriers Association)

- b. Issues Stakeholders commented on:
 - 1. What dockside activities the onshore facilities “substantially control”?
 - 2. What property line should be used on the waterside for impacts analysis?
 - 3. How emissions should be calculated ?
 - 4. What will be Permit Processing Procedures for State Permits?
 - 5. Does Chapter 116 rulemaking need to be done to correct PSD/NA definitions to include dockside vessel emissions?
 - 6. Do other states have rules similar to what TNRCC is proposing?
 - 7. Will the TNRCC do an independent cost/benefits analysis with input from affected stakeholders before implementation?
 - 8. Will another stakeholders meeting be held?

- c. EPA Region 6 has not identified any issues with the proposal to revise Chapter 116 to correct NA and PSD definitions related dockside vessel emissions.

- d. Coast Guard has not identified any issues with a commission requirement that additional vessels use the Vapor Collection System designed and operated consistent with Coast Guard specifications.

Attachment B
Staff Proposed Implementation Plans

1. Dockside vessel emissions in Federal Permitting applicability determinations

(PSD, NA, and Title V)

- a. For PSD and NA, perform rulemaking to make Chapter 116 consistent with Federal requirements to include dockside vessel emissions in applicability determinations. (Projected completion date: July 2001)
- b. For Title V, issue Rule Interpretation to clarify Chapter 122 applicability to be consistent with Federal requirements to include dockside vessel emissions in applicability determinations. (Projected completion date: December 2000)

2. Dockside vessel emissions in state NSR permit review

- a. Develop Guidance for implementation of new Minor NSR permit requirements for dockside vessel emissions including:
 - 1) Dockside Vessel Permit Requirements Guidance
 - 2) Revised Modeling Protocol Guidance
 - 3) Document Effects Review Guidance(Draft complete by February 2001)
- b. Hold a stakeholders meeting to present draft guidance in March 2001.
Request stakeholder comments by May 2001.
Finalize documents by July 2001.
- c. Status report to Commissioners as necessary.
- d. Implement requirement for full State NSR permit review of dockside vessel emissions effective September 1, 2001

3. Other supporting projects

- a. Offer to initiate study of displaced gas saturation level with volunteer companies.
- b. Continue to evaluate possible permit requirements for fugitive particulate emission from open vessel hatches and lightering/barging/bunkering.