conoco

Interoffice Communication

To Distribution

From Garrell Bottoms

Date November 12, 1981

Subject Construction Permits - VCM Expansion

The decision to stage the construction of the VCM Plant Expansion (ie, proceed with conversion of oxychlorination, delaying the remainder of the work for an indeterminate time period) requires that we assess our situation regarding permits issued by the Louisiana Enviornmental Control Commission (LECC) and the Enviornmental Protection Agency (EPA). Jim Hall, Joe Ledvina, Brad Raffle and Garrell Bottoms met on November 11 to develop the following status report and action plan.

SUMMARY

1) Our LECC Permit requires reduction of emissions from the oxy vent by May 31, 1983. We currently are scheduled to meet that commitment, subject to problems created by the current operating mode of the plant.

2) The EPA ruled that PSD review was not required for the project as originally submitted. There are specific requirements for construction timing which apparently we can meet, even with a three year delay in project completion. However, there is a possibility that the EPA could rule that we have not complied with the intent as originally proposed. To counter this risk, a program to develop our position and present our case to both the LECC and EPA has been initiated.

   If the Agencies were to rule unfavorably, we would have to undergo PSD review for the expansion phase of the project. This could likely create a requirement for additional fuel handling facilities. ??

3) To meet the requirements of the proposed New Source Performance Standard (NSPS) for fugitive emissions of volatile organic compounds (VOC), we will proceed to modify the existing plant to offset increased fugitive emissions from the oxy conversion. The cost for this work will be included in the oxy revamp project.

   It is proposed that a letter, setting forth our program and calculation methods, be forwarded to the EPA for their review and approval.

CCR 000017690

DISCUSSION

LECC PERMIT

A significant requirement of our agreement with the state is that we reduce hydrocarbon emissions from the oxy vent. We must be in compliance no later than May 31, 1983. Our current schedule forecasts completion of the project in April 1983. This schedule is based, however, on plant shutdowns slated for May 1982 and February 1983. If the current operating mode requires significant departures from the norm, our planned approach to construction could be changed dramatically. We will continue to react to this situation as it occurs, with the intent to minimize cost impact while insuring we meet our commitment to the May 31, 1983 date.

Joe Ledvina stated that if the plant was in a shutdown mode on that date for completion of the oxy conversion, this would fulfill our requirement. In this case our emissions would be nil during the shutdown. On startup, we would be operating at our agreed upon emission rates. unlikely for a month or two.

EPA PERMITS

EPA determined that a PSD permit was not required for the expansion project as originally submitted on April 11, 1980. It is to our advantage to insure that this non-applicability decision is not affected by the delay to portions of the project. If the EPA determined that our approach no longer met the original intent, we could be required to undergo PSD review for the expansion phase. A likely result would require we change from 1% to 0.7% sulfur fuel oil, necessitating the addition of an appropriate handling system. #2 Fuel Oil ?

The exemption from PSD review was contingent on the following:

1) Construction must be commenced by February 7, 1982.

   This requirement has been satisfied. New foundation work, etc, was completed during the August 1981 plant shutdown

2) Construction must not be discontinued for a period of 18 months or more.

   As stated, our current schedule calls for construction completion of the oxy revamp in April 1983. An 18 month hiatus would place construction start (major foundations in place) in October 1984. If the expansion is delayed two years (process engineering completion in 1982, mechanical engineering start January 1983) the October 1984 date will create no problem, however; if the project is delayed three years special efforts must be made to achieve a construction start by that date.]

3) Construction must be completed within a reasonable time.

   Brad Raffle stated there was no legal definition of this term. The interpretation is essentially in the hands of the Agency.

On the surface it appears that we can prudently meet the above requirements, thereby maintaining our permit to build the plant without undergoing PSD review. However, Raffle stated that the EPA could take a position that (1) we had not started construction of the entire project, only a conversion of one segment of the plant, and (2) that our original argument that PSD review, if required, would significantly delay the project no longer applies. To counter these possible objections and maintain our relationship with the State and Federal agencies, the following program was agreed upon:

1) Meet with VCM plant personnel on November 23 to develop specific strategies and arguments for presentation to LECC and the EPA.

2) Set meeting dates with both Agencies in the near future. It is proposed that plant personnel lead in these meetings, and that our current program be explained and justified.

We feel this approach minimizes the risk of obtaining an unfavorable ruling on our desire to proceed with the phased project under the current permit status.

NSPS REGULATIONS FOR VOC FUGITIVE EMISSIONS

This regulation, proposed in January 1981, requires that the VCM plant be in compliance with the regulation upon promulgation. Our oxy conversion triggers the necessity to offset any fugitive emission increase by like fugitive emission decrease or to initiate an extensive monitoring program. Since the law is not yet promulgated it is subject to delay, revision or cancellation. However, Joe Ledvina is confident that the regulation will be finalized and that it will probably continue to require any plant modified after January 1981 to be in compliance. There is a possibility that the Clean Air Act will be revised such that NSPS are only applicable upon promulgation, not when proposed. There again there is no assurance this will be the case.

Plant personnel have calculated that we can offset the increased fugitive emissions from oxy conversion by installation of rupture disks under relief valves discharging to atmosphere. A program to identify the exact valves and modification requirements is underway. The estimated cost for this work will be included in the definitive estimate.

To insure the EPA agrees with our approach, especially the emission factors we are using in our calculations, it is proposed that Joe Ledvina prepare a letter to the EPA for DeBernardi's signature. This would spell out in detail our program and calculation methods, and request their agreement that we will be in compliance with the proposed regulation. This should be done shortly after we meet with the EPA on the PSD question. If no answer in a period of time is it accepted ?

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