

**Local
Government
Advisory
Committee**



October 22, 2014

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The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

Dear Administrator McCarthy:

The Local Government Advisory Committee (LGAC) appreciates the opportunity to work with you and the U.S. Environmental Protection Agency on a wide range of issues of interest and concern to local governments. Over the past few years, the LGAC has submitted numerous letters centered on air quality and emissions. From wood stoves to power plants, we have been happy to continue the conversation with you as we move forward to protect human health and our environment.

Specifically, the LGAC is grateful to have the chance to comment on the May 15, 2014 proposed rule under the Clean Air Act reviewing petroleum refinery sector risk and technology, which incorporates New Source Performance Standards and Maximum Achievable Control Technology. This proposed rule is part of a trend we have seen in which public health and improved air quality are given a high priority when analyzed with other concerns. This is a trend that the LGAC supports, as “public health” is more than just a buzzword to the local communities that face very real health challenges. An updated regulatory framework is critical to the communities we represent on the LGAC, and we support EPA’s endeavors.

Part of the Clean Air Act (CAA) is a requirement to review and revise toxic emission standards based on the idea that practices and technologies are developing over time, and the standards should develop with them. First and foremost, the LGAC endorses the process used by EPA to formulate these proposed amendments, as it is one based on sound science and careful analysis including detailed surveys of the individual refineries. (As referenced in detail in the Federal register publication of the rule on June 30, 2014.

Thus, the LGAC presents for your consideration some of our findings and recommendations:

Reducing Harmful Air Emissions

The proposed rule covers several areas: further tank regulations; combustion efficiency standards for flares; control of delayed coke cutting steam venting emissions; removing emission exemptions for startup, shutdown, and malfunction; and work practice standards for monitoring benzene concentrations at fence-line of refineries. The analysis of the rule estimates that volatile organic compounds (VOCs) will be reduced by 52,000 tons/year, and air toxics by 5,600 tons/year.

Refineries emit a wide range of pollutants with potential acute or chronic health effects ranging from eye irritation to respiratory tract impacts to cancer. The resulting reduction in health risks such as respiratory problems and cancer are welcome benefits, and these benefits are magnified for communities closer to refineries. The number of individuals that have an increased risk of developing cancer from exposure to harmful air emissions will decrease by 1 million. Additionally, the plan will reduce carbon emissions as a co-benefit, consistent with the President's Climate Action Plan. (EPA Webinar presentation June 14, 2014)

Another key point of the proposal is "fence-line monitoring," in which facilities will have to track how much benzene pollution escapes the premises and integrates into local communities. This is an important step to protect those who live and work in the surrounding area and thus are impacted by the pollution the most heavily. Additionally the rule proposes to remove startup, shutdown, and malfunction exemptions to emission limits which will also be more fully protective of health and air quality.

The LGAC members are very fortunate to have access to people who can help us understand the rules and provide clarity on the technical aspects of the rule, such as the costs, the benefits and the risks to the general population which are all critically important. Many oil and gas officials have been opposed to the rules, not as much because of the cost or nature of the regulation, but because the specifics are difficult to understand.¹ This goes both ways, however, as many environmental groups have called for stricter regulations than those proposed on refineries.

Recommendation: The LGAC is generally supportive of the proposed rule and recommends EPA pursue a regulatory framework to reduce air toxics and to prevent harmful pollution from impacting our citizens' health.

Recommendation: The LGAC agrees that fence-line monitoring is critical for data gathering to minimize the risk and exposure of toxic emissions on communities adjacent to and nearby to refineries.

Recommendation: The LGAC recommends that the EPA provide outreach materials that translate the more technical aspects of the rule into layperson terms so that the general public and citizens at risk can understand, and then lend support to the proposed rule.

Economics and Outreach

Like the EPA, LGAC members also weigh the economic impacts of a proposal. At \$240 million capital costs annualized to approximately \$40 million, due to this proposed rule, many local economies could be impacted although the costs are spread over many refineries. That being said, we are comforted by the analysis that the cost of petroleum products won't rise noticeably.

The LGAC strives to in our analysis to present a balanced perspective of economic impacts and health benefits. The proposed rule provides a timeline for industry compliance. For example, the petroleum

¹ <http://www.scp.org/news/2014/07/17/45397/epa-hears-testimony-in-wilmington-on-proposed-refi/>

industry will have approximately three years to construct a plan for compliance, once the final rule is issued. This will not only help with economic adjustments but will also move the industry toward a cleaner environmental record.

The importance of outreach on the proposed rule cannot be understated. In fact, public comment meetings have been held in California and Texas, the two states with the largest number of refineries. On that same note, as local government officials we urge you to expand the geographic scope of your public meetings. There are 33 states which have a refinery within their borders, and travel may be difficult for many of those who desire to weigh in on and provide feedback to the EPA. Yet, these states where refineries are located have the most at stake in these policy decisions.

The LGAC would also like to note that one of our focus points has been on environmental justice issues, and the proposed rule addresses some of these issues. The populations living near petroleum refineries have more minority, low income, and low education people as a percentage than the rest of the nation². Thus these EJ and vulnerable communities are, on the whole, at a greater risk of cancer, and other potential health issues.

Recommendation: The LGAC agrees with the intent and focus of this proposed rule, especially in regard to Executive Order 12898, which directs federal agencies to include environmental justice in their missions.

Recommendation: The LGAC recommends that the EPA provide a more detailed economic analysis that outlines each of the impacted regions and each community's share of the burden. For example, the LGAC is concerned that small communities which have refineries, may have more economic impact and could be disproportionately impacted in comparison to larger cities.

Recommendation: The LGAC believes that communities need to understand these issues and the intent of this proposed rule should be clear in communicating these scientific issues to local communities. It is critical to explain the discrete impacts on local communities, as well as what the refineries will mean to industry and local governments. This can include further explanation of definitions and impacts, as well as more public outreach, particularly to the communities that most rely on petroleum refineries.

Recommendation: The LGAC also recommends that the EPA expand the scope of the public outreach and meetings beyond just the States of California and Texas.

In summary, the LGAC appreciates the EPA's efforts to reduce and prevent the harmful impacts to human health and the environment from oil refineries. We look forward to working with the EPA to provide a pathway that protects the health and well-being of all our communities.

Sincerely,



Mayor Bob Dixon
Chair



Commissioner Carolyn Peterson
Chairwoman, Air, Climate and
Energy Workgroup

² <https://www.federalregister.gov/articles/2014/06/30/2014-12167/petroleum-refinery-sector-risk-and-technology-review-and-new-source-performance-standards>