

**DRAFT SYNTHETIC MINOR OPERATING PERMIT
ENGINEERING EVALUATION REPORT
Shell Chemical LP
Plant Number 12870, Application 28712
10 Mococo Road. Martinez, CA 94553**

1. BACKGROUND

Shell Chemical LP currently operates a catalyst manufacturing plant in Martinez, CA. The facility consists of two main batch processes: Ethylene Oxide (EO) Catalyst and RM-17. The EO Catalyst Process produces a silver-based catalyst that is used by industrial customers to convert hydrocarbons to ethylene oxide. A specially formulated impregnating solution is produced at the facility and adsorbed onto carrier pellets to make the EO Catalyst products. The RM-17 product is used by other Shell Chemical facilities in the process of manufacturing long chain alcohols. It is manufactured by reaction of a secondary phosphine raw material using toluene as a carrier with a heavy olefin in the presence of a liquid catalyst. A series of distillation steps removes the lighter boiling components including toluene.

The facility operates two trains, an "A-train" and a "B-train", within the EO Catalyst Process that are similarly set up and operated with identical chemistries. Catalyst is produced in batches and constrained by the cyclical batch timing and size of preparation vessels. Each train has a solution preparation vessel, catalyst impregnation vessel, catalyst dryer, conveyor, and packaging station.

Historically, A-train sources were older and had lower throughput capacities. In June 2015 the District issued an Authority to Construct under Application 26871 for new and replacement sources at the A-train to increase production capacity at that train. Under permit conditions in effect prior to the changes at A-train the Potential to Emit of CO emissions from two combustion sources, A-6012 and S-1399 (A-1399), was 77 tons per year. The A-train modifications permitted under Application 26871 added emissions from A-6026 which has a Potential to Emit of 26 tons CO per year, bringing the total combined Potential to Emit of CO emission for the facility to at least 103 tons per year.

Regulation 2-6-212.3 defines a Major Facility as a facility with permit conditions that limit emissions to a level that is greater than the Major Facility thresholds (100 tons per year of any regulated pollutant, 10 tons per year of any single Hazardous Air Pollutant (HAP), or 25 tons per year of a combination of HAPs). As such, once the A-train modifications are complete the facility is subject to a Major Facility Review Permit. However, per Regulation 2-6-230 a facility which, by imposition of enforceable permit conditions, has its potential to emit limited to below the threshold levels for a major is not required to apply for a Major Facility Review Permit under Regulation 2, Rule 6.

Shell Chemical is asserting that based on previous years usage data the actual CO emissions from the facility will remain well below 100 tons per year. Therefore, the facility is submitting this application for a Synthetic Minor Operating permit to impose enforceable permit conditions on several sources which will ensure that actual CO emissions from the facility will be less than 100 tons per year.

1.1. Process Description

The facility consists of two main batch processes: Ethylene Oxide (EO) Catalyst and RM-17. The EO Catalyst Process produces a silver-based catalyst that is used by industrial customers to convert hydrocarbons to ethylene oxide. A specially formulated impregnating solution is produced at the facility and adsorbed onto carrier pellets to make the EO Catalyst products. The RM-17 product is used by other Shell Chemical facilities in the process of manufacturing long chain alcohols. It is manufactured by reaction of a secondary phosphine raw material using toluene as a carrier with a heavy olefin in the presence of a liquid catalyst. A series of distillation steps removes the lighter boiling components including toluene.

EO Catalyst Operation Detail

The facility operates two EO Catalyst manufacturing lines, A-train and B-train. The EO catalyst production lines run continuously, but involve a batch process at each vessel/process unit. The EO catalyst process also operates packaging equipment that is used to package final product into bulk bags, drums or tube packs.

1. Solution Preparation Vessel (S-6010): Silver slurry is formed by mixing deionized water, solid silver compounds, oxalic acid and ethylene diamine (EDA) in the vessel. Loading solid silver compounds and solid oxalic acid in to the vessel results in PM₁₀ emissions and loading EDA results in POC emissions due to vapor displacement. The chemical reactions are slightly exothermic and temperature is controlled via external jacket. The solution preparation vessel is vented to thermal oxidizers to control POC emissions during EDA addition. Additionally, during solids loading PM₁₀ emissions are routed to baghouses that are part of the solids offloading system. The duration of the batch process ranges from 900 to 3600 min/batch. The silver solution is held in intermediate solution holding vessels. These holding vessels maintain temperatures <105°F and do not result in emissions.
2. Catalyst Impregnation Vessels (S-6001 and S-6011): The carrier, solid aluminum oxide [Al₂O₃] pellets, are loaded into the impregnation vessel through an automatic closed duct system. PM₁₀ emissions are generated during pellet loading and are routed to a baghouse. The vessel is closed after the pellets are loaded, and a vacuum is applied while silver slurry is added and adsorbed into the pellets in this closed system. Any EDA vapors are condensed out into the vacuum system. Hence, there are no POC emissions from the impregnation vessel.
3. Centrifuge and Catalyst Dryer: Following impregnation, the wet catalyst is dried by routing first through the centrifuge section of the dryer that partially dries the wet catalyst removing excess solution before entering the vibrating tray section of the dryer. In the vibrating tray section of the dryer, hot air from steam, electric, or natural gas heaters is used to completely dry the catalyst. Hot air from steam, electric, or natural gas heaters is blown into the catalyst dryer to completely dry the catalyst. PM₁₀ and POC (EDA vapors) emissions are generated during this step. The dryer is vented to a baghouse to control PM₁₀ emissions, followed by a thermal oxidizer to control POC emissions. At the A-train, NO_x emissions from the thermal oxidizer are controlled with a selective catalytic reduction (SCR) unit.
4. Catalyst Conveyor System: This system consists of bucket elevators and conveyors to transfer dry catalyst from the dryer to packaging station. The conveyance process results in PM₁₀ emissions from material handling. PM₁₀ emissions and are controlled by a baghouse.

5. Packaging Station: The dry catalyst is loaded into drums or bulk bags. PM₁₀ emissions during the loading process are controlled by baghouse.
6. Catalyst blending and packaging facilities: EO catalyst is offloaded from bulk bags into a conveyor that discharges into a stationary blend hopper. The blend hopper is fed into a screen and then into bulk bagging station or drumming equipment. The blending and packaging process results in PM₁₀ emissions which are controlled by baghouse.
7. Small tube packaging facility: EO catalyst is offloaded from bulk bags into a conveyor that discharges into a surge hopper followed by a weigh hopper. The weighed catalyst is gravity fed into pre-formed small plastic bags and then conveyed through a bag sealer for sealing. The packaging process results in PM₁₀ emissions which are controlled by baghouse.

RM-17 Operation Detail

The RM-17 process consists primarily of processes that are closed to the atmosphere and therefore do not contribute significantly to air emissions. This includes the reaction vessel, distillation and finishing steps. The majority of emissions are from fugitive components (valves, flanges, pumps, etc.) and from material handling (storage tanks and loading) operations.

1. Raw materials are brought to the site in trucks/rail cars and in steel drums. RC-78H is a phosphine raw material containing toluene that is brought in by rail car and transferred to storage vessels via loading rack S-1551. The POC emissions from this transfer activity are abated by waste gas flare S-1398 or thermal oxidizer S-1399 (A-1399). RC-020 is an olefinic raw material with brought in by rail car that is transferred to storage vessels via loading rack S-1550. Peroxide drums are delivered to the facility and stored until needed for direct addition to the reaction vessel. Vacuum oil is also delivered to the facility by truck or rail car. The vapor pressure of RC-020 and the vacuum oil is less than 1 mmHg.
2. The facility operates several storage vessels for the RM-17 process that contain materials with vapor pressures above 0.5 psia and are vented to a waste gas flare, S-1398 or RM-17 thermal oxidizer, S-1399 (A-1399). Additionally, A-1399 is controlled by a venturi scrubber, A-39, and mist eliminator, A-40. The tanks and vessels venting to this abatement system include: S-1337, S-1339, S-1340, S-1341, S-1343, S-1400, S-1401, and S-1402. While S-1338 originally vented to this system, it will be converted to a liquid ammonia storage tank under the A-train permit and will be exempt once that project is complete. All other storage vessels and containers contain materials with a vapor pressure less than 0.5 psia and are therefore not vented to the abatement system.
3. The main RM-17 process is permitted as S-1357. The process includes transferring chemicals to a chemical reactor followed by separation in a distillation column within a closed system. Three streams result from this separation, two waste streams and one RM-17 product stream. The waste streams are transferred to various holding and storage vessels. The RM-17 stream is sent to a series of wipe film evaporators (WFE) for finishing. Standard operation of S-1357 is as a closed system with the only emissions expected to be from fugitive components.
4. The RM-17 final product is loaded into truck, shipping container, or rail cars for delivery to customers via loading rack S-1550. All other materials from the distillation and finishing steps are held in storage tanks prior to loading into tank trucks and shipped offsite. All tank truck loading is done with vapor balance back to the storage tanks. Recovered Chemical Lube Oil (RCLO)

from the finishing step is stored in S-1343, waste RM-17 liquid from the distillation and finishing steps is stored in S-1402; and distilled toluene is stored in S-1337 and/or S-1339.

- The WFEs are cleaned five times per year by adding three 55-gallon drums of n-butyl alcohol (NBA) to vessel 484V which transfers it to clean the WFE. At the end of the cleaning process vessel the waste material is received by vessel 475 and sent to the permitted tank S-1402. While the introduction of NBA into vessel 484V is not performed in a closed environment, the emissions from the open transfer of less than 1,000 gallons of NBA, which has a vapor pressure of 6 mmHg, is considered to be negligible and not included in the calculations below.

2. POTENTIAL TO EMIT

Regulation 2-1-217 defines Potential to Emit as the maximum capacity of a source or facility to emit a pollutant based on its physical and operational design. Any physical or operational limitation on the capacity of the source or facility to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as a part of its design only if the limitation, or the effect it would have on emissions, is enforceable by the District or EPA (or both).

2.1. *Regulated Air Pollutants:*

The facility emits the following regulated air pollutants:

- precursor organic compounds (POC) – from combustion, storage tanks, EO catalyst process, and fugitives
- particulate matter (PM₁₀ and PM_{2.5}) – from combustion, EO catalyst process, and cooling towers
- nitrogen oxides (NO_x) – from combustion
- sulfur dioxide (SO₂) – from combustion
- and carbon monoxide (CO) – from combustion

The potential to emit of each regulated air pollutant from the facility once the Train A project is completed are calculated in the following sections and summarized in the Table 1 below. Except for CO, all criteria pollutants are below the Major Facility emission thresholds identified in the Background section above.

**Table 1
 Facility wide Potential To Emit for Regulated Air Pollutants**

Emission Source Type	Emissions (tons/year)				
	CO	NO _x	PM	SO ₂	POC
Combustion	110.68	33.45	1.634	0.130	1.838
Tanks					0.050
EO Catalyst Process					7.530
EO Catalyst Packaging			15.429		
RM-17 Bulk Transfer					0.039
Fugitive					6.133
Cooling Towers			23.589		
Total	110.68	33.45	40.661	0.13	15.591

2.1.1. Combustion Emissions

Shell Chemical operates several combustion sources; a registered boiler, natural gas process heaters, thermal oxidizers and waste gas flares. One combustion source is controlled with Selective Catalytic Reduction (SCR) units to reduce NOx. The regulated air pollutants emitted from these sources include CO, NOx, PM, SO₂, and POC.

Emissions are calculated based on emission factors derived from source tests, vendor guarantees, standard natural gas combustion factors reported in US EPA AP 42, or specific permit conditions limiting the emissions. It is assumed that all combustion sources operate 24 hours/day, 365 days/year (8,760 hr/year). Combustion emissions are calculated and summarized below.

**Table 2a
 Detailed Combustion Calculations**

Source	Description	Maximum Operating Rate	Pollutant	Emission Factor	Emission Factor Basis	Emissions (ton/yr)
S-1398	Fare 17-F	1.1 MMBtu/hr	CO	0.31 lb/MMBtu	AP-42 Chapter 13.5	1.494
			NOx	0.068 lb/MMBtu	AP-42 Chapter 13.5	0.328
		0.00106 MMscf/hr	PM	7.6 lb/MMscf	AP-42 Chapter 1.4	0.035
			SO ₂	0.6 lb/MMscf	AP-42 Chapter 1.4	0.003
			POC	0.14 lb/MMBtu	AP-42 Chapter 13.5	0.675
S-1399 (A-1399)	Thermal Oxidizer 20-F	12 MMBtu/hr	CO	0.79 lb/MMBtu	Condition 19945 (350 ppm @ 15% O ₂)	41.522
			NOx	0.18 lb/MMBtu	Condition 19945 (50 ppm @ 15% O ₂)	9.461
		0.01152 MMscf/hr	PM	7.6 lb/MMscf	AP-42 Chapter 1.4	0.383
			SO ₂	0.6 lb/MMscf	AP-42 Chapter 1.4	0.030
			POC	5.5 lb/MMscf	AP-42 Chapter 1.4	0.278
Exempt Heater 22-F	B-Train Heater for Dryer	3 MMBtu/hr	CO	84 lb/MMscf	AP-42 Chapter 1.4	1.082
			NOx	50 lb/MMscf	AP-42 Chapter 1.4	0.644
		0.00288 MMscf/hr	PM	7.6 lb/MMscf	AP-42 Chapter 1.4	0.098
			SO ₂	0.6 lb/MMscf	AP-42 Chapter 1.4	0.008
			POC	5.5 lb/MMscf	AP-42 Chapter 1.4	0.071
A-6012	B-Train Thermal Oxidizer	10 MMBtu/hr	CO	8 lb/hr	Condition 15316	35.040
			NOx	4.6 lb/hr	Condition 15316	20.148
		0.00960 MMscf/hr	PM	7.6 lb/MMscf	AP-42 Chapter 1.4	0.320
			SO ₂	0.6 lb/MMscf	AP-42 Chapter 1.4	0.025
			POC	5.5 lb/MMscf	AP-42 Chapter 1.4	0.231
A-6026 A-6029	A-Train Thermal Oxidizer/SCR	15 MMBtu/hr	CO	0.39 lb/MMBtu	Condition 26292 (175 ppm @ 15% O ₂)*	25.623
			NOx	0.39 lb/hr	Condition 26292 (10 ppm @3% O ₂)**	1.708
		0.01440 MMscf/hr	PM	7.6 lb/MMscf	AP-42 Chapter 1.4	0.479
			SO ₂	0.6 lb/MMscf	AP-42 Chapter 1.4	0.038
			POC	5.5 lb/MMscf	AP-42 Chapter 1.4	0.347
S-6025	Registered Boiler	3 MMBtu/hr	CO	84 lb/MMscf	AP-42 Chapter 1.4	1.082
			NOx	50 lb/MMscf	AP-42 Chapter 1.4	0.644
		0.00288 MMscf/hr	PM	7.6 lb/MMscf	AP-42 Chapter 1.4	0.098
			SO ₂	0.6 lb/MMscf	AP-42 Chapter 1.4	0.008
			POC	5.5 lb/MMscf	AP-42 Chapter 1.4	0.071
S-6028 (exempt)	A-Train Heater	6.5 MMBtu/hr	CO	0.17 lb/MMBtu	Vendor Guarantee, Condition 26293	4.840
			NOx	0.018 lb/MMBtu	Vendor Guarantee permit 26871	0.512
		0.0064 MMscf/hr	PM	7.6 lb/MMscf	AP-42 Chapter 1.4	0.212
			SO ₂	0.6 lb/MMscf	AP-42 Chapter 1.4	0.017
			POC	5.5 lb/MMscf	AP-42 Chapter 1.4	0.154

* from A-6026 TO
 ** from A-6029 SCR

Table 2b
Summary of Combustion Emissions

Combustion Source	Emissions (tons/yr)				
	CO	NOx	PM	SO2	POC
S-1398	1.494	0.328	0.036	0.003	0.675
S-1399 (A-1399)	41.522	9.461	0.383	0.030	0.278
Exempt Heater 22-F	1.082	0.644	0.098	0.008	0.071
A-6012	35.040	20.148	0.326	0.026	0.236
A-6026 & A-6029	25.623	1.708	0.490	0.039	0.354
S-6025 (registered)	1.082	0.644	0.098	0.008	0.071
S-6028 (exempt)	4.840	0.512	0.212	0.017	0.154
Total	110.683	33.445	1.643	0.130	1.838

2.1.2. Tanks and Storage Vessels

Tanks storing volatile organic materials with a vapor pressure greater than or equal to 0.5 psi are considered to emit more than a negligible amount of POC. Potential emissions from storage tanks handling such materials are calculated using the guidance and equations in *AP-42 Chapter 7 Liquid Storage Tanks*. While the tanks do not have individual throughput limits, Condition 19945 does impose the following limits on the overall operation:

- 450,000 gallons per year of RM-17 Finished Product
- 125,000 gallons per year of Toluene received in the raw material RC-78H

The throughput for each tank is based on the maximum throughput identified in Application 3814 which established the operational limits in Condition 19945. Emissions are summarized below.

Table 3a
POC Emissions from Tanks

Source	Description	Maximum Annual Throughput (gal/yr)	Abated POC Emissions (tons/yr)
S-1337	Tank 392-V Recycled Toluene Storage	100,000	0.005
S-1339	Tank 438-V Recycled Toluene Storage	100,000	0.005
S-1340	Tank 439-V RC-78H Storage (30% Toluene)	250,000	0.010
S-1343	Tank 472-V Recovered Lube Oil Storage	250,000	0.010
S-1400	Tank 480-V RC-78H Storage (30% Toluene)	250,000	0.010
S-1401	Tank 481-V RC-78H Storage (30% Toluene)	250,000	0.010
S-1402	Tank 482-V Waste Liquid Storage	30,000	0.001
			0.050

Tanks storing materials that have a vapor pressure < 0.5 psi are not considered to emit a significant amount of POCs. The Martinez Catalyst Plant operates many storage tanks containing materials that will have negligible emissions because they store materials with a vapor pressure less than 0.5 psi. In addition, MCP operates several storage tanks and vessels that handle materials that do not contain any POC. Emission estimates are not calculated for these storage tanks and vessels due to the negligible POC emission rates. These storage tanks and vessels are listed in Table 5 below.

Table 3b
Storage Tanks and Vessels with Negligible POC Emissions

BAAQMD Source Number	Status	MCP Description
S-1203	Exempt	198-T Fixed roof tank, 5K gal, Aluminum, 7 ft diam Ammonia Compound Solution
S-1204		199-T Fixed roof tank, high throughput, 10K gal, 7 ft diam
S-1209	Exempt	227-T Fixed roof tank, 10 K gal, Aluminum, 10 ft diam RM-17
S-1210		228-T Fixed roof tank, 10 K gal, Aluminum, 10 ft diam crude RM-17
S-1211		229-T Fixed roof tank, 10 K gal, Aluminum, 10 ft diam crude RM-17
S-1212		230-T Fixed roof tank, 10 K gal, Aluminum, 10 ft diam
S-1213	Exempt	231-T Fixed roof tank, 7K gal, Aluminum, 10 ft diam
S-1214		237-T Fixed roof tank, 10K gal, Aluminum, 10 ft diam, icos-I-ene
S-1215		238-T Fixed roof tank, 10 K gal, Aluminum, 10 ft diam, icos-I-ene
S-1216	Exempt	239-T Fixed roof tank, 10 K gal, Aluminum, 10 ft diam icos-I-ene
S-1218		241-T Fixed roof tank, 60K gal, Aluminum, 21 ft diam crude RM-17
S-1219		242-T Fixed roof tank, 9996 gal, Aluminum, 10 ft diam crude RM-17
S-1220		250-T Multi-liq Fixed roof tank, 10.5K gal, Aluminum, 10 ft diam
S-1221		251-T Multi-liquid 10 K gal, 10 ft diam Fixed Roof Tank
S-1222	Exempt	252-T Multi-liquid Fixed roof tank, 10.5K gal, Aluminum, 10 ft diam
S-1223		253-T Fixed roof tank, 10.5K gal, Aluminum, 10 ft diam., Chemical storage tank
S-1335		390-V Vertical Vessel tank, 10 K gal, Sand, 10 ft diam EDA
S-1336		391-V Vert. Vessel tank, 10 K gal, Sand, 10 ft diam EDA
S-1338	Exempt	393-V Vert. Vessel tank, 10 K gal, Sand, 11queous ammonia
S-1341	Exempt	440-V Vert. Vessel tank, 10 K gal, Aluminum, 10 ft diam
S-1369	Exempt	187-T MJSC-HDLG> Storage 10 K gal, 10 ft diam, DI Water
S-1376		1240-T RM-17 Fixed roof tank, 100K gal, Aluminum, 27 ft diam
S-6007		1417-T Multi-liquid Fixed Roof Tank
N/A	Exempt	185-T Ammonia Compound Solution Fixed Roof Tank
N/A	Exempt	195-T EO Effluent Fixed Roof Tank
N/A	Exempt	200-T DI Water Fixed Roof Tank
N/A	Exempt	314-T Sodium Sulfate Fixed Roof Tank
N/A	Exempt	315-V Effluent Vessel
N/A	Exempt	316-V Recycle Solution Storage Vessel
N/A	Exempt	350-V Carrier Treatment Fixed Roof Tank
N/A	Exempt	389-T TBT Fixed Roof Tank
N/A	Exempt	395-V United Dirty Fighter Soap Fixed Roof Tank
N/A	Exempt	475-V Mixed Use Processing Vessel (covered under S-1357)
N/A	Exempt	485-V Lube Oil Fixed Roof Tank
N/A	Exempt	1215-T EO Effluent Fixed Roof Tank
N/A	Exempt	25116-T Lube Oil Fixed Roof Tank
N/A	Exempt	518-V EO Catalyst Solution Holding Vessel

BAAQMD Source Number	Status	MCP Description
N/A	Exempt	302-V EO Catalyst Solution Rundown Vessel
N/A	Exempt	V-20007 Liquid Dropout Pot
N/A	Exempt	V-25010 EO Catalyst Solution Holding Vessel
N/A	Exempt	338-V EO Catalyst Solution Recycle Solution Storage Vessel
N/A	Exempt	846-V EO Catalyst Solution Holding Vessel
N/A	Exempt	V-12068 light ends vessel RM-17 Storage Vessel
N/A	Exempt	V-12069 light ends vessel RM-17 Storage Vessel
N/A	Exempt	484-V NBA Processing Tank (covered under S-1357)
N/A	Exempt	490-V waste oil surge vessel
N/A	Exempt	Tk1270 Water Tank (RM17 Tempered Water System)
N/A	Exempt	495-V recovered 78H Recycle Accumulator
N/A	Exempt	351-V TBT Storage
N/A	Exempt	318-V
N/A	Exempt	329-V Flare Water Seal Vessel
N/A	Exempt	494-V RM-17 Reactor Vessel
N/A	Exempt	496-V Accumulator
N/A	Exempt	305-V
N/A	Exempt	500
N/A	Exempt	501
N/A	Exempt	502
N/A	Exempt	478-V
N/A	Exempt	429-V
N/A	Exempt	476
N/A	Exempt	24116-T Vacuum Pump Oil Tank
N/A	Exempt	479-V Cooler Vessel
N/A	Exempt	25170 Tempered Water Tank
N/A	Exempt	905-V Condensate Receiver
N/A	Exempt	XT-1417 Out of Service Tank
N/A	Exempt	536-V Vacuum KO Pot
N/A	Exempt	V-25015 Vacuum KO Pot
N/A	Exempt	V-12057 1st Stage Knock Out Vessel
N/A	Exempt	V-12058 2nd Stage Knock Out Vessel
N/A	Exempt	V-12059 3rd Stage Knock Out Vessel
N/A	Exempt	SP-25050 Hotwell Pots
N/A	Exempt	SP-25051 Hotwell Pots

2.1.3. EO Catalyst Process

There are PM₁₀ and POC emissions from the solution preparation, impregnation and drying steps of the EO Catalyst production process. The POC emissions estimates are based on detailed emission calculations conducted when the A-Train EO Catalyst process was permitted under Application 26871 in May 2016.

**Table 4
 POC Emissions from EO Catalyst Process**

Source	Description	Maximum Operating Rate	Emission Factor ¹	Abatement Efficiency (%) ³	Emissions (ton/yr)
S-6010	Solution Preparation A & B Train	460,266 gal/year	0.273 lb/1,000 gal	95	0.003
S-6001	Catalyst Impregnation A Train	304,696 gal/year ²	0.273 lb/1,000 gal	0	0.042
S-6011	Catalyst Impregnation B Train	155,570 gal/year	0.273 lb/1,000 gal	0	0.021
S-6025	Catalyst Dryer A Train	12,960 tons/year	32.84 lb/ton	99	2.128
S-6012	Catalyst Dryer B Train	6,500 tons/year	32.84 lb/ton	95	5.337
					7.530

¹ Emission Factors are taken from BAAQMD Application 26871
² A-Train processes 66.2% of the solution from S-6010 per BAAQMD Application 26871
³ Condition 15316, Part 5; Condition 26292, Part 10

2.1.4. EO Catalyst Packaging

After the EO Catalyst leaves the dryers it is transported via conveyor systems S-6026 and S-6019 to packaging and blending operations at S-6018, S-6019, S-6020, S-6021, S-6022, S-6023, S-6024 and S-6027. Each of these sources is abated by a baghouse. Except for A-6027 and S-6028, PM₁₀ emissions are calculated using grain loading limits contained in operating conditions or vendor specifications (Table 5b). For A-6027 and S-6028 PM₁₀ emissions are calculated based on a mass emission limit contained in operating conditions (Table 5a).

**Table 5a
 PM₁₀ Emissions from EO Catalyst Packaging**

Source	Description	Abatement Device	Emission Limit	Emissions (ton/yr)	Emission Limit Basis
S-6010	Solution Preparation A & B Train	A-6027 or A-6028	9 lb/day	1.643	Application #26871, Condition 26921, Part 6

Table 5b
PM₁₀ Emissions from EO Catalyst Packaging

Source	Description	Abatement Device	Grain Loading Emission Factor (grains/dscf)	Flow Rate (dscfm)	Emissions (ton/yr)	Emission Factor Basis
S-6001, S-6011	Catalyst Impregnation A and B Trains	A-616	0.035	6000	7.884	Application #18250
S-6025	Catalyst Dryer A Train	A-6025	0.0017	8483	0.541	Application #26871
S-6012	Catalyst Dryer B Train	A-615	0.006	5000	1.126	Application #17809
S-6013, S-6018, S-6026, S-6027	Catalyst Packing Stations	A-602	0.007	2400	0.631	Application #26871
S-6019, S-6020, S-6021, S-6022, S-6023	Catalyst Bagging and Drumming	A-6019	0.01	6000	2.253	Application #24130, vendor spec
S-6024	Catalyst Tube Packaging	S-6024	0.01	3600	1.352	Application #26085; Condition 25801, Part 1
Total of Tables 7a and 7b					15.429	

2.1.5. RM-17 Bulk Transfer Operations

For RM-17 production, MCP transfers raw material, waste material and finished product to and from the facility by rail car, trucks and drums. Loading Rack S-1550 is used to receive raw material, RC020, and load the finished product, RM-17, into trucks, shipping containers, or rail cars for delivery to customers. Vacuum oil is delivered to three tanks by tank trucks or rail cars. Finally, peroxide is delivered to the facility in drums and transferred from the drums directly to the reaction vessel at S-1357. The vapor pressure of each of these material is less than 0.5 psia; as such, POC emissions from these bulk transfer activities are negligible.

Loading rack S-1551 is used to receive raw material, RC-78H, which contains 30% toluene. The POC emissions estimate for S-1551 is calculated based on emission factors found in *AP-42 Chapter 5.2 Transportation and Marketing of Petroleum Liquids* table 5.2-5 for tank truck loading of naphtha using vapor balance. The POC emissions estimates for transferring the RCLO, waste RM-17 liquid, and distilled toluene from storage tanks to tank trucks for transport off-site are calculated based on emission factors found in *AP-42 Chapter 5.2 Transportation and Marketing of Petroleum Liquids* table 5.2-5 for tank truck loading of naphtha using vapor balance. In addition, the emissions estimates have been adjusted to account for the 95% abatement requirement in Parts 5 and 6 of Condition 19945. Emissions are summarized below:

Table 6
POC Emissions from RM 17 Bulk Transfer Operations

Source	Description	Max Throughput (K gal/yr)	POC Emission Factor (lb/K gal)	Abatement Efficiency (% dest)	POC Emissions (ton/yr)
S-1550	Bringing in RC-020 via loading rack	500	0	0	0
S-1550	Sending out RM-17 via loading rack	420	0	0	0
N/A	Bringing in vacuum oil via tank truck or drums	60	0	0	0
N/A	Bringing in peroxide via drums	5	0	0	0
S-1551	Bringing in RC-78H via loading rack	250	2.5	95	0.016
S-1337/-1339	Transfer toluene from tank to tank truck	100	2.5	95	0.006
S-1402	Transfer RM-17 Waste from tank to tank truck	30	2.5	95	0.002
S-1343	Transfer RCLO from tank to tank truck	250	2.5	95	0.016
					0.039

2.1.6. Fugitive

MCP has provided a fugitive component count for the entire facility. The POC emissions estimate for fugitive components are calculated using the California Air Pollution Control Officer Association (CAPCOA) correlation equations with a screening values and delay of repair allowance per BAAQMD 8-18. Emission factors and emissions are summarized in the tables below:

Table 7a
Fugitive Component POC Emission Rate

Component	Correlation Equation per Component (kg/hr)	Screening Value SV (ppm)	Emission Rate per Component (lb/hr)	Max Leak Rate for DOR (lb/day)	Allowable DOR %	DOR Emission Rate (lb/hr)	Emission Rate per Component (lb/hr)
Valves	$2.27E-06*(SV)^{0.747}$	100	1.56E-04	5	0.15%	3.1250E-04	4.69E-04
Pumps	$5.07E-05*(SV)^{0.622}$	500	5.34E-03	5	0.50%	1.0417E-03	6.38E-03
Pressure Relief Valve	$8.69E-06*(SV)^{0.642}$	500	1.04E-03	5	0.50%	1.0417E-03	2.08E-03
Connectors	$1.53E-06*(SV)^{0.736}$	100	1.00E-04	5	0.05%	1.0417E-04	2.04E-04
Drains	$8.69E-06*(SV)^{0.642}$	10000	7.09E-03	-	-	-	7.09E-03

Table 7b
Fugitive Component POC Emission Calculation

Component	Emission Rate per Component (lb/hr)	Count	Emissions			
			Emissions (lbs/hr)	Emissions (lbs/day)	Emissions (lbs/yr)	Emissions (tons/yr)
Valves	4.69E-04	1051	0.493	11.82	4,314	2.157
Pumps	6.38E-03	19	0.121	2.91	1,061	0.531
Pressure Relief Valve	2.08E-03	31	0.064	1.55	564	0.282
Connectors	2.04E-04	3329	0.680	16.31	5,955	2.977
Drains	7.09E-03	6	0.043	1.02	372	0.186
Totals			1.400	33.61	12,267	6.133

2.1.7. Cooling Towers

MCP operates two cross flow induced draft cooling towers, S-1352 and 1355. A source test detected neither toluene nor benzene in either the cooling water supply or the cooling water return stream. POC emissions from these sources are negligible. There are particulate emissions resulting from the drift droplets leaving the tower that evaporate leaving behind fine particulate matter formed from the dissolved solids in the circulating water. Particulate emissions are calculated using emission factors in *AP-42 Chapter 13.4 Wet Cooling Towers*. Emission factors and particulate emissions are summarized below:

Table 8
Cooling Tower PM₁₀ Emissions

	S-1352	S-1355	Total
Maximum throughput (gal/min)	72,000	60,000	/
Drift Factor (lb/MMgal) ^a	1,700	1,700	
Total Dissolved Solids (lb/10 ⁶ lb H ₂ O) ^b	24,000	24,000	
PM₁₀ (ton/yr)	12.87	10.72	23.59

^aFrom AP-42 Table 13.4-1

^bFrom AP-42 Table 13.4-2 Cross Flow

The cooling towers are currently listed as exempt sources. However, these sources were installed prior to the adoption of Regulation 2-1-319 which established backstop exceptions to permit exemptions contained in Sections 2-1-114 through 2-1-128. One of these exceptions, contained in Section 2-1-319.1, requires sources that emit more than 5 tons per year, after abatement, of any regulated air pollutant to secure a permit to operate per Regulation 2-1-302. As shown in the above emission calculation, PM₁₀ emissions from each cooling tower exceeds the 5 tons per year backstop threshold and should be permitted as stationary sources. The cooling towers will be permitted as loss of exemption sources under a separate application.

2.2. Hazardous Air Pollutants:

Hazardous Air Pollutants (HAPs) are emitted from the combustion sources, and contained in the POC emissions from storage tanks, RM-17 bulk transfer operations, and fugitive components. Toluene is the only HAP contained in the POC emissions from these operations and it is conservatively assumed that 100% of the POC emissions are Toluene. There is ammonia emitted at a storage tank (A-1398) and the SCR (A-6029) and the BAAQMD considers ammonia a Toxic Air Contaminant for the purposes of complying with Regulation 2-5, New Source Review of Toxic Air Contaminants. However, ammonia is not identified as a HAP in the EPA Clean Air Act and therefore ammonia emissions will not be included in this PTE calculation.

The potential to emit of HAPs from the facility once the A-Train project is completed are calculated and explained in the following sections and summarized in the Table 9 below. HAP emissions are below the Major Facility emission thresholds of 10 tons per year of any single HAP and 25 tons per year of a combination of HAPs.

**Table 9
 Hazardous Air Pollutant PTE**

Emission Source Type	HAPs Emitted	Emissions (lb/year)				
		Benzene	Formaldehyde	Hexane	Naphthalene	Toluene
Combustion	Yes	0.86	30.66	735.84	0.25	1.39
Tanks	Yes					100.42
EO Catalyst Process	No					
EO Catalyst Packaging	No					
RM-17 Bulk Transfer	Yes					78.75
Fugitive	Yes					12,267
Cooling Towers	No					
Total		0.86	30.66	735.84	0.25	12,448

2.2.1. Combustion Emissions

HAP emissions are calculated based on standard natural gas combustion factors reported in US EPA AP 42, or specific permit conditions limiting the emissions. It is assumed that all combustion sources operate 24 hours/day, 365 days/year (8,760 hr/year). Combustion emissions are calculated and summarized below.

**Table 10a
 Combustion Fuel Usage**

Combustion Source	Maximum Operating Rate (MMBtu/hr)	Annual Fuel Usage (MMBtu/yr)
S-1398	1.1	9,636
S-1399 (A-1399)	12	105,120
Heater 22F	3	26,280
A-6012	10	87,600
A-6026	15	131,400
S-6028	6.5	56,940

Table 10b
HAP Emissions from Combustion Sources

Toxic Air Contaminant	AP-42 Emission Factor (lb/MMcf)	Emission Factor (lb/MMBtu)	Source						Total Emissions (lb/year)	Total Emissions (tpy)
			S-1398	S-1399 (A-1399)	Heater 22F	A-6012	A-6026	S-6028		
Benzene	2.1E-03	2.1E-06	1.98E-02	2.16E-01	5.41E-02	1.80E-01	2.71E-01	1.17E-01	0.86	0.000
Dichlorobenzene	1.2E-06	1.2E-09	1.13E-05	1.24E-04	3.09E-05	1.03E-04	1.55E-04	6.70E-05	0.00	0.000
Formaldehyde	7.5E-02	7.4E-05	7.09E-01	7.73E+00	1.93E+00	6.44E+00	9.66E+00	4.19E+00	30.66	0.015
Hexane	1.8E+00	1.8E-03	1.70E+01	1.86E+02	4.64E+01	1.55E+02	2.32E+02	1.00E+02	735.84	0.368
Naphthalene	6.1E-04	6.0E-07	5.76E-03	6.29E-02	1.57E-02	5.24E-02	7.86E-02	3.41E-02	0.25	0.000
Toluene	3.4E-03	3.3E-06	3.21E-02	3.50E-01	8.76E-02	2.92E-01	4.38E-01	1.90E-01	1.39	0.001
Total PAHs*	1.0E-03	1.0E-06	9.80E-03	1.07E-01	2.67E-02	8.91E-02	1.34E-01	5.79E-02	0.42	0.000

2.2.2. Tanks and Storage Vessels

The tanks and storage vessels with POC emissions are part of the RM-17 process which uses toluene as the carrier for RC-78H and therefore total HAP emissions are equivalent to total POC emissions for tanks and storage vessels.

2.2.3. EO Catalyst Process

The POC emissions from the EO Catalyst Process are EDA vapors evaporated from the process. EDA is not a HAP and therefore there are no HAP emissions from the EO Catalyst Process.

2.2.4. EO Catalyst Packaging

The particulate emissions from the EO Catalyst Packaging are from handling aluminum oxide and silver. Neither material is a HAP and therefore there are no HAP emissions from the EO Catalyst Packaging operations.

2.2.5. RM-17 Bulk Transfer

The only POC compound in the RM-17 Bulk Transfer operations is Toluene and total HAP emissions are equivalent to total POC emissions for RM-15 Bulk Transfer operations.

2.2.6. Fugitive Components

While there are EDA emissions included in the total POC emissions from fugitive components, it is conservatively assumed that POC emissions from fugitive components is 100% toluene and therefore HAP emissions are equivalent to total POC emissions for fugitive components.

2.2.7. Cooling Towers

There are no HAP emissions from the cooling towers.

3. STRATEGY TO LIMIT EMISSIONS

In order to be eligible for a synthetic minor permit, a site must either have a maximum potential to emit that is less than each Title V emission threshold (less than 95 tons per year of NO_x, CO, POC, PM₁₀, and SO₂, less than 9 tons per year of any single hazardous air pollutant (HAP), and less than 23 tons per year of all HAPs combined) or must accept conditions limiting the site to less than these emissions thresholds (Regulation 2-6-423). Shell Catalyst has proposed federally enforceable emissions limitations such that CO emissions will be less than 95 tons per year.

As shown in Section 2.1, the potential to emit for NO_x, PM₁₀, SO₂ and POC are well below major source thresholds. For CO, the potential to emit of 110.683 tpy is above the threshold. Shell Chemical has proposed to modify permit conditions to limit CO emissions to less than 95 tons per year. All CO emissions are from combustion devices. Shell Chemical is proposing that the following CO emission rates be included as CO emission limits in permit conditions for two abatement devices. Source tests of these abatement devices show that emission rates are achievable.

Table 11a
Proposed CO Emission Rate

Source	Source Tests			Proposed CO Emission Rate (lb/MMBtu)	CO Emission (TPY)
	Date	CO Emissions (lb/hr)	CO Emissions (lb/MMBtu)		
S-1399 (A-1399)	10/2/2013	0.181	-	0.5	26.28
A-6012	9/17/2000	0.74	0.38	0.5	21.90

The CO potential to emit based on these limited emission rates will be 82.301 tons per year and meet the requirements in Regulation 2, Rule 6.

Table 11b
Synthetic Minor CO Potential to Emit

Source	CO Emission (TPY)
S-1398	1.494
S-1399 (A-1399)	26.280
Exempt Heater 22-F	1.082
A-6012	21.900
A-6026 & A-6029	25.623
S-6025 (registered)	1.082
S-6028 (exempt)	4.840
Total	82.301

4. SYNTHETIC MINOR PERMIT CONDITIONS

The following synthetic minor condition and modifications to conditions 19945 and 15316 will ensure that emissions at Shell Chemical remain below the major source thresholds.

New Synthetic Minor Condition # 26751

Shell Chemical
10 Mococo Road
Martinez, CA 94535
Plant 12870

Shell Chemical, Plant 12870, is operating under a synthetic minor operating permit. This permit covers all sources at the facility, including exempt sources. The following conditions establish the federally enforceable permit terms that ensure the facility is classified as a Synthetic Minor Facility under BAAQMD Regulation 2, Rule 6 – Major Facility Review and ensure it is not subject to the permitting requirements of Title V of the Federal Clean Air Act as amended in 1990 and 40 CFR Part 70. Any revision to a condition establishing this facility’s status as a Synthetic Minor Facility or any new permit term that would limit emissions of a new or modified source for the purposes of maintaining the facility as a synthetic minor must follow the requirements of Regulation 2, Rule 6, Section 423. The basis for the synthetic minor conditions is an emission limit for regulated air pollutants of 95 tons per year, an emission limit for a single HAP (hazardous air pollutant) of 9 tons per year, and an emission limit for a combination of HAPs of 23 tons per year.

1. The owner /operator shall in no event emit from this site exceeding any of the emission limits listed below, totaled over any consecutive twelve-month period.

NOx95 tons/year
CO95 tons/year
POC95 tons/year
PM₁₀95 tons/year
SO₂95 tons/year
Any Single HAP 9 tons/year
Combination of HAPs ...23 tons/year

(basis: Regulation 2-6-423.2)

2. The owner/operator shall demonstrate compliance with the emission limit for CO as outlined below:

The owner /operator shall use hours of operation or fuel firing rate and emission factors listed below for each source or the emission factors from the most current source test reports to calculate CO emissions.

S-1398:	0.31 lb/MMBtu
S-1399 (A-1399):	0.5 lb/MMBtu
A-6012:.....	0.5 lb/MMBtu
A-6026:.....	0.39 lb/MMBtu
Registered Boiler.....	0.082 lb/MMBtu
S-6028 (exempt):.....	0.17 lb/MMBtu
Heater 22-F (exempt):....	0.082 lb/MMBtu

Emissions of CO from each source shall be calculated and recorded on a monthly basis. Annual emissions shall be summarized on a rolling 12-month basis. All records required by the Synthetic Minor Operation Permit shall be kept on site and be available for inspection by BAAQMD personnel for at least 5 years from the date that a record was made.
(basis: Regulation 2-6-423.2).

3. The owner/operator shall develop and maintain monitoring tables to clearly demonstrate compliance with the CO Synthetic Minor Operating Permit limits on a rolling 12-month basis beginning with the first calendar month after the issuance of the Synthetic Minor Operating Permit. All monitoring tables shall be updated as applicable when equipment is added to or removed from the facility. A copy of the monitoring tables and CO emission calculation report demonstrating compliance with the CO Synthetic Minor Operation Permit Limits shall be submitted to the District's Compliance & Enforcement Division on an annual basis to coincide with the annual update request.
(basis: Regulation 2-6-423.2).
4. The requirement for temperature and fuel meters for Sources S-1398, S-1399 (A-1399), A-6012, A-6026, S-6028 and for source testing for CO in Condition 19945, Part 7a and Condition 15316, Part 15 are part of this synthetic minor condition.
(basis Regulation 2-6-503).

The following changes will be made to Condition #15315 for A-6012:

10. The owner/operator shall ~~not emit from~~ operate A- 6012 within the following emission limits (except during periods of breakdown relief or variance granted by the District):
exceeding
a) 4.6 pounds of NOx per hour or
b) 8.0- 5 pounds of CO per hour (except during periods of breakdown relief or variance granted by the District).

The NOx emission limit may be adjusted administratively based on source test data demonstrating to the satisfaction of the APCO that the NOx contribution from the vent gas would make the NOx limit technically unfeasible.

(Basis: RACT)

15. The owner /operator shall perform a source test on A-6012 to determine compliance with emission limits listed in part 10 not later than 60 days after A-train startup and at least once every 36 consecutive months thereafter. The owner/operator shall obtain approval for all source test

procedures from the District's Source Test Section prior to conducting any tests. The owner/operator shall comply with all applicable testing requirements as specified in Volume V of the District's Manual of Procedures. The owner /operator shall notify the District's Source Test Section, in writing, of the source test protocols and projected test dates at least 7 days prior to testing.

The following changes will be made to Condition #19945 for S-1399 (A-1399):

7. Except during periods of breakdown relief or variance relief granted by the District, the owner/operator shall operate S-1399 (A-1399), RM-17 Thermal Oxidizer, such that the POC destruction efficiency is at least 95% by weight. (Basis: cumulative increase)
 - a. The owner/operator shall perform a source test on S-1399 (A-1399) to determine compliance with POC verifying its required abatement efficiency and emission limits listed in Part 13 at least once every 36 consecutive months.
13. The owner/operator shall operate S-1399 (A-1399) such that NOx ~~and CO~~ emissions do not exceed 50 ~~and 350~~ ppmvd @ 15% oxygen, and CO emissions do not exceed 0.5 lb/MMBtu except during periods of breakdown relief or variance relief granted by the District. (Basis: RACT)

5. PUBLIC COMMENT

In accordance with Regulation 2-6-423.3 and 2-6-423.4, the District's preliminary decision to issue a Synthetic Minor Operating Permit to Shell Chemical, Plant #12870 is subject to a 30-day public comment period and a 30-day EPA review period.

6. RECCOMENDATION

Because Shell Chemical is voluntarily accepting practically enforceable permit conditions that will limit the potential to emit for CO to no more than 95 tons per year the facility will meet the requirements of Regulation 2-6-423.2. Therefore, the District is proposing to issue a Synthetic Minor Operating Permit to Shell Chemical, Plant #12870. At the conclusion of the aforementioned comment period, the District will consider all comments received and make a final decision on issuing a Synthetic Minor Permit to Shell Chemical.

Anne C. Werth,
Senior Air Quality Engineer

Date