



Bureau of Air Quality

Draft Final-form Rulemaking: Commercial Fuel Oil Sulfur Limits for Combustion Units

Citizens Advisory Council
September 18, 2012

Overview of Rulemaking

- Part of PA's efforts to meet 2018 reasonable progress goals for reducing regional haze in Class I areas that may be affected by emissions from the Commonwealth.
- Revisions to Chapter 123 (standards for contaminants):
 - Lowers allowable sulfur content limits of commercial fuel oils;
 - Replaces existing geographic area-specific sulfur content limits for commercial fuel oils with a statewide sulfur limit.
 - Adds sampling/testing and record-keeping/reporting provisions
- Revisions to Chapter 121.1 (definitions) and Chapter 139 (sampling and testing methods)

Schedule

- Proposed September 25, 2010.
- 65-day public comment period, closed November 29, 2010.
- Advance Notice of Final Rulemaking 30-day public comment opened June 23, 2012, closed July 23, 2012.
- Anticipated EQB consideration October 2012.
- Must be provided to IRRC and committees no later than Nov. 29, 2012.

Proposed rulemaking

- Compliance dates: May 1, 2012
- No. 2 oil sulfur limit: 15 ppm (depending on air basin, currently unregulated to 2000 ppm)
- No. 4 oil sulfur limit: 2500 ppm (depending on air basin, currently unregulated to 5000 ppm in Philadelphia County)
- No. 5, 6 oils: 5000 ppm (depending on air basin, currently unregulated to 5000 ppm in Philadelphia County)
- Temporary suspension upon request if insufficient compliant fuel is reasonably available
- Sampling and testing for refiners, procedures for terminals.
- Recordkeeping and reporting for all except ultimate consumer levels based on actual sulfur content.

Comments on proposed rule

- Presentation to AQTAC on June 23, 2011 contains more details.
- Refineries, pipeline company, Pennsylvania Senator White, environmental groups, eight trade groups (petroleum, business, marketers, power generators, highway users), IRRC.
- Supporters cited emission reductions, cost savings for consumers and distributors, regional consistency.
- Main concerns related to the stringency of the sulfur limit and the timeframe. Support for a requirement for lower sulfur fuel contingent upon a less stringent limit and a longer implementation timeframe.

Comments on proposed rule

- SO₂ reductions not significant compared to other sectors.
- Cost of reduction from 500 to 15 ppm is much higher than the reduction from high sulfur to 500 ppm without any added economic benefit to consumers.
- Cost spikes, links to transportation fuels.
- Limits for residual oils too stringent and could cause supply problems.
- Waiver provisions are unclear, could provide disincentives for desulfurization.

The ANFR

- Compliance date: July 1, 2016
- No. 2 oil sulfur limit: 500 ppm
- Same limits as proposed for No. 4, 5, and 6.
- Retained temporary suspension.
- Revised sampling and testing to remove provisions for refiners and terminals, added provision for sampling/testing if a shipment lacks records.
- Recordkeeping and reporting for all except ultimate consumer levels based on actual sulfur content.

Comments on ANFR

Eight commentators; representatives of refineries and distributors, pipeline, an electric generating company and association, a consultant and the Clean Air Council.

LEVEL AND COMPLIANCE DATE

- Refinery commentators supported (or did not object to) the changes in fuel sulfur content level for No. 2 fuel oil and the new compliance date.
- The distributors association and Clean Air Council advocated a No. 2 fuel content level of 500 ppm in 2014 stepping down to 15 ppm by 2016 or 2018.

Comments on ANFR

SAMPLING/TESTING and RECORDKEEPING/REPORTING

- Suggestions from refinery/pipeline representatives so that rulemaking would reflect existing practices and eliminate duplication.
- Focus on classifying sulfur levels rather than actual sulfur content (except at refinery level). Use of “product codes.”

TEMPORARY SUSPENSION

- More specificity on circumstances for granting.
- Time limit.

OTHER

- Revision to § 123.46(1)(i) to eliminate requirement for continuous opacity monitoring for No. 2 fuel oil burning sources.

Final-form rulemaking

- Limits and schedule same as ANFR
- Temporary suspension significantly revised
- Sampling/testing restores refinery section
- Recordkeeping/reporting revised consistent with industry comments for use of maximum sulfur content and use of product codes where appropriate.
- ASTM issue resolved – no change from proposed rule.

AQTAC Action

At this meeting, we will request the CAC's concurrence with the Department's recommendation to move the final-form rulemaking to the Environmental Quality Board for consideration.



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