

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Office of Air Quality Planning and Standards
Research Triangle Park, North Carolina 27711

6 MAY 1977

Dr. Robert L. Davies
Deputy Assistant Administrator for
Strategic Petroleum Reserve
Federal Energy Administration
1725 M Street, N.W.
Washington, D.C. 20461

Dear Dr. Davies:

This is in response to your request for a determination as to whether EPA's "emission offset" policy (41 FR 55525) applies to FEA's Strategic Petroleum Reserve (SPR) Program and specifically to the Bayou Choctaw salt dome project near Baton Rouge, Louisiana. Based on our understanding of the facts in this case, the Bayou Choctaw project would not be subject to the provisions of EPA's emission offset ruling. However, as you probably know, the Clean Air Act allows the States to be more restrictive than the minimum requirements established by the Act and EPA.

It is our understanding that the emissions from the Bayou Choctaw project would exceed the 100 tons per year major source criterion for a maximum of 28 months. These emissions are largely the result of tanker ballasting and barge loading during the salt dome fill phase, and are what might be termed "construction-related" emissions. It is also our understanding that the Bayou Choctaw project represents a "worst case" scenario for emission analysis, when compared to the other sites which have been selected in the SPR Program.

It was not the intent of EPA's December 21, 1976, Interpretative Ruling to cover situations where emissions occur for only a relatively short period of time and are associated with the construction of a new project. Similarly, EPA does not consider the air quality impacts of the construction - related emissions in implementing its regulations for preventing significant deterioration of air quality (39 FR 42510, December 5, 1974). We are considering amendments to the Interpretative Ruling which would clarify our intent with respect to such temporary construction-related emissions.

Although the Bayou Choctaw project is not subject to the offset requirements, it would be subject to any applicable emission limitations contained in the Louisiana implementation plan

and to EPA's new source performance standards for storage of petroleum liquids (40 CFR Part 60, Subpart K). In addition, we recommend the use of any other reasonable measures to minimize hydrocarbon emissions from tanker ballasting and other emission points (e.g., double seal floating roofs on the surge tanks, mechanical pump seals, and a program for regular inspection, maintenance, and detection of leaks at pump seals and pipeline valves and flanges). We would be happy to provide guidance in determining appropriate control techniques for this project.

Finally, since this determination is based on the assumption that the new FEA dock and pipeline facilities will only be in use during the salt dome fill phase and any emergency drawdown period, any other use of these facilities by FEA or any other party must be reviewed by this Agency to determine whether the offset requirements would be applicable.

If you have any further questions on this matter, please do not hesitate to contact me.

Sincerely yours,

Walter C. Barber
Director
Office of Air Quality Planning
and Standards

cc: John C. White, Administrator, Region VI
G. William Frick, General Counsel
Stanley C. Legro, Assistant Administrator for Enforcement
Ed Tuerk, Acting Assistant Administrator
for Air and Waste Management