



February 7, 2014

Bechara Choucair, M.D.  
Commissioner  
Department of Public Health  
333 South State Street, Room 200  
Chicago, IL 60604

**RE: Air Pollution Control Proposed Rules and Regulations for the Handling and Storage of Bulk Material Piles – AMENDED COMMENTS**

Dear Commissioner Choucair:

BP Products North America appreciates the opportunity to comment on the City of Chicago's "Air Pollution Control Proposed Rules and Regulations for the Handling and Storage of Bulk Material Piles."

BP's Whiting Refinery, located in Northwest Indiana, is a major supplier of refined products to the Midwest and other parts of the United States. Our Whiting Refinery ("Whiting") started operations in 1889 and is currently the sixth largest refinery in the U.S. With a capacity to process more than 400,000 barrels of raw crude oil per day, Whiting produces up to 15 million gallons of refined products daily. Approximately three million U.S. consumers rely on Whiting for fuel. In 2012, Whiting employed nearly 10,000 full-time and contract personnel, hundreds of whom are Illinois residents. The recently completed Whiting Refinery Modernization Project invested in excess of \$3.8 billion to modernize Whiting by reconfiguring or replacing the end-of-life crude distillation and coking units and adding world-class hydro-treating, sulfur recovery and coking capacity. BP has been and continues to be a long-term business presence in Chicagoland, employing more than 2,500 people in Chicago and the western suburbs.

Petroleum coke, known as petcoke, is a solid fuel that is produced by the coker during the process of refining crude oil. Petcoke is produced from all types of crude oil, including light, sweet crude and Canadian crude. Material Safety Data Sheets (MSDS) for petroleum coke indicate it is non-toxic and non-carcinogenic. The U.S. Environmental Protection Agency does not consider petcoke to be a hazardous product.

Like all fuel supply chain participants, petcoke producers like Whiting rely on third-party terminal operators to hold their products prior to delivery to marketers and end-users. BP currently contracts with KCBX in Chicago for terminal services and handling of petcoke fuel produced at Whiting.

BP has reviewed the City of Chicago's proposed "Air Pollution Control Rules and Regulations for the Handling and Storage of Bulk Material Piles." We appreciate the opportunity given to potentially affected industry to review and comment on the proposed rules and regulations. BP supports implementation of regulations that result in the desired effect of reducing dust emissions without imposing unreasonable regulatory burdens on industry.

We understand and support the overall scope and purpose of the proposed regulation, which is “to prescribe reasonable...practices...to minimize emissions of airborne particulate matter,” and many of the proposed regulations will likely improve operations in the bulk products industry by adopting standardized practices.

As with many materials, petroleum coke handling does require adequate fugitive dust plans to manage the impacts of dust. There are many different ways that can be achieved. However, some of the proposed regulations have timelines for implementation and other significant requirements that create unreasonable burden and expense without contributing to the goal of reducing fugitive dust emissions. For example:

- Open-ended nature of the proposed regulations: The clause, “The Department reserves the right to impose dust control requirements, in addition to the requirements set forth in these Rules and Regulations, as conditions of the facility’s certificate of operation,” causes us concern. Regulatory certainty is critical to making informed business investment decisions. The imposition of additional dust controls should be based on a specific facility’s failure to minimize fugitive dust using the regulations as evidenced by the Department’s citations.
- Throughput restrictions: Throughput restrictions included in the draft regulations are a fraction of the KCBX terminal’s projected throughput from Whiting alone, let alone from all of the terminal’s customers combined. The current proposed restriction of 10,000 tons maximum received volume in five days amounts to a 730,000-ton throughput limit per year until an enclosure is built. BP’s volume alone is projected to be 5–6,000 tons per day of production. The throughput restrictions should be adjusted to reflect actual volumes.
- Timing of implementation: As with any business decision that involves a large capital expenditure, time is needed to evaluate the economics of the new regulations and to account for external factors affecting timing. Some of the timelines set forth in the regulation may not allow the storage facilities to remain viable.
- Setback: It is doubtful that the affected storage terminals will be able to comply with the setback requirement as written. If the setback requirement is modified to be “the edge of a storage pile” instead of “the facility’s property boundary,” the affected terminals may be able to comply.
- Impermeable base or pad: The requirement for an impermeable base is being imposed without evidence of a condition that merits this level of protection. This requirement will simply add additional costs without adding any protections against a demonstrated health concern.
- High Wind: The definition of high wind conditions should remain consistent with current Illinois regulations (Section 212.314) that were based on Illinois-specific weather conditions. The current regulations establish a one-hour average of 25 mph whereas the proposed regulations reduce that to 15 mph.

- Fugitive Dust Monitoring: Without consideration of ambient wind direction and speed, the measurement of PM concentration has little correspondence with the source of PM. Regional meteorological data has a poor correlation with local conditions.
- Transportation: As currently written, the vehicle tarping rule would require a terminal to immediately stop all outbound shipments of barges (the largest outbound transportation mode) and rail from the facility as the terminal explores tarping options, performs safety assessments and secures tarping and covering equipment. This may lead to an unintended short-term inventory build-up at the terminal until a compliant solution is in place. Similarly, the vehicle tarping rule as written appears to have the effect of requiring a producer to immediately stop all shipments to a terminal while the producer explores tarping options, performs safety assessments and secures tarping and covering equipment. Providing for an interim period to allow terminals and producers time to review dust control alternatives in lieu of tarping, which could include chemical surfactant, covers, etc., would be a more reasonable approach. We suggest the following:
  - Remove the tarping requirement for railcars and barges
  - Modify truck tarp language to meet current Illinois highway regulations (Section 212.315):

*No person shall cause or allow the operation of a vehicle of the second division as defined by 625 ILCS 5/1-217 or a semi-trailer as defined by 625 ILCS 5/1-187 without a covering sufficient to prevent the release of particulate matter onto the atmosphere, provided that this rule shall not pertain to automotive exhaust emissions.*

- Create alternative covering review process, subject to approval, with demonstrated dust control effectiveness
- Allow facilities ample time to install spray systems

Additionally, the rule as written requires the use of chemical stabilizers and water even when no dust is present. This is potentially wasteful, and we suggest modifying this requirement.

These are illustrative examples only. There are other technical issues that should be explored, and thus other affected businesses have raised other significant concerns with and objections to the proposed regulations, which we adopt and incorporate to the extent applicable to BP.

BP remains committed to Chicagoland and complying with all laws and regulations. We urge the City to adopt appropriate regulations that reduce dust emissions while minimizing unreasonable regulatory burdens on Chicago businesses that provide key interim storage and terminal services for petroleum coke, coal and other products.

Sincerely,

*William J. Hollis*

William J. Hollis  
BP Products North America  
Head of Supply  
East of Rockies Fuels Value Chain

by *Stacy Adema*