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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

NOV 3 1977

OFFICE OF ENFORCEMENT

SUBJECT: Offset Credit; G.M. Plant, Shreveport, La.
FROM: Director, Division of Stationary Source Enforcement
TO: Howard G. Bergman, Director Enforcement Division
(6EAL)

This is in response to your memo dated October 26, 1977, concerning the proposed G.M. assembly plant to be located in Shreveport, La and the acceptability of their proposed emission offsets. G.M. is considering for offsets two crude oil storage tanks which were equipped with floating roofs in December 1975.

Since the Louisiana SIP does not require the control of storage tanks containing crude oil, the baseline, for emission offset purposes, for the two storage tanks is the actual emissions from the storage tanks at the time the application was submitted (IV. C. I.). Therefore, the previous control of the crude oil storage tanks cannot provide for any emission offsets.

If you have any questions or comments, please contact Rich Biondi (755-2564) of my staff.

Edward E. Reich

cc: Mike Trutna

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

DATE: October 26, 1977
SUBJECT: Offset Credit; G.M. Plant, Shreveport La.
FROM: Howard G. Bergman
Director,
Enforcement Division (GAEL)
TO: Ed Reich
Director, Division of
Stationary Source Enforcement (EN-340)

General Motors applied for a permit under the Louisiana SIP in the summer of 1977. G.M. proposes to build an assembly plant in Shreveport. Offsets for hydrocarbons are required. State and local officials need a decision on whether two certain sources may be used as offsets. It is claimed that they must be counted in order to achieve the total offsets required. Please advise as soon as possible. The following facts exist.

FACT SITUATION

1. Permit application filed summer 1977.

2. Hydrocarbon offsets are required.
3. Sources considered for offsets include two crude oil storage tanks (existing sources).
4. The two crude oil storage tanks were equipped with floating roofs in December, 1975, well before the G.M. application was filed. The floating roofs were added "voluntarily", i.e. not as a result of an SIP requirement, nor to secure offsets for another source ("banking" of offsets not involved).
5. The Louisiana SIP prescribes floating roofs for volatile organic compound storage tanks as one alternative control. (See Section A22.3 of Louisiana regulations, attached). However, certain volatile organic compounds, including crude oil, are exempted from the regulations because they are "virtually unreactive". (See Section A22.2 and A22.10).

Question

If the floating roofs on these two crude oil storage tanks are made enforceable requirements of the Louisiana SIP, may the reduction of emissions attributable to the floating roofs be counted as offsets?

More specifically, can the Louisiana SIP be considered to contain an emission limitation for a source category which include crude oil,

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even though crude oil is exempted from the requirements placed on that source category because of its low reactivity? If it does, then under the provisions of part IV. C. of the Interpretative Ruling it seems that the offsets would be allowable since the baseline would be the SIP. If it does not, then under IV. C. 1. the baseline would be actual emissions at the time the permit request is filed and offsets would not be allowable.

A prompt answer to this request for decision will be very much appreciated.

atmosphere determined at some point upwind of the source. This concentration may be considered as the background level.

- 4.75 Variance. A waiver issued by the Air Control Commission upon the application to allow emissions greater than those allowable under the Regulations of this Act.
- 4.76 Volatile Organic Compounds. Any compound containing carbon and hydrogen or containing carbon and hydrogen in combination with any other element which has a vapor pressure of 1.5 pounds per square inch absolute (77.6 mm Hg) or greater under actual storage conditions.
- 4.77 Waste Classification. Those seven classifications of wastes as enumerated in the I.I.A. incinerator standards.
- 4.78 Weak Nitric Acid. Acid which is 30 to 70 percent in strength.

5.0 MEETING OF THE COMMISSION

- 5.1 The Technical Secretary shall prepare a proposed agenda for each meeting of this Commission and shall submit said proposed agenda to each member of the Commission at least 20 days prior to each meeting.
- 5.2 Each member of the Commission may submit matters to the Technical Secretary for inclusion in an agenda prior to 15 days before any meeting.
- 5.3 Said proposed agenda shall be made final and affected parties notified 10 days prior to any meeting.

5.4 The Commission will not consider any matter which has not been included in the agenda.

5.5 No complaints concerning the existence of undesirable levels will be heard by this Commission until they have been submitted to the Technical Secretary in writing and his investigation has been completed and his formal complaint as called for by R.S. 40:2208 has been placed on an agenda for a meeting of this Commission by the Technical Secretary.

6.0 DEVELOPMENT OF FACTS

Pursuant to the provisions of R.S. 40:2204 (A)(3) concerning