



ZENITH ENERGY WEST COAST TERMINALS LLC

18000 Studebaker Rd., Suite 960  
Cerritos, CA 90703

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April 3, 2024

Sent via email to Josh Ewell

SCAQMD  
21865 Copley Drive  
Diamond Bar, CA 91765

**Subject: PAR 463 Comments**

Zenith Energy West Coast Terminals (ZEWCT) is pleased to submit the following comments to be considered for PAR 463 rule language.

First, this rule making process has been extremely fast and rushed. The proposed rule language was only recently released and according to the calendar, it does not appear that there will be another iteration before the public hearing in June. ZEWCT would like to propose splitting PAR 463 into two rule-making events. The optical gas imaging inspection (OGI) language is similar to Rule 1178 and has fewer potential issues while the doming of external floating roof (EFR) tanks requires more discussion as the draft rule language seems to be changing more frequently.

OGI related:

PAR 463 (f)(3)(D)(iii)(A):

Conduct a Component Inspection for each floating roof Tank at least ~~once every six months~~ twice per year at 4 to 8 months intervals; and

REASON: It was stated that these inspections would ideally occur at the same time as the semi-annual seal inspections which have a frequency of twice per year at 4 to 8 months intervals in (e)(3)(A).

Also, it would be much clearer if there was an exemption in section (h) for OGI tank farm and component inspections for tanks that store a product of less than 0.5 psia for tanks with a capacity of 39,630 gallons are greater or less than 1.5 psia for tanks with a capacity of 19,815 gallons are greater.

Doming related:

PAR 463 (d)(1)(H):

Beginning three years after [Date of Adoption] the owner or operator shall install a Domed Roof on External Floating Roof Tanks used to store Organic Liquid with a True Vapor Pressure of 3 psia or greater as demonstrated pursuant to subparagraph (d)(1)(I) at the time of the out of service API 653 inspection or the next time the Tank is emptied, ~~and~~ degassed, and cleaned.



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REASON: In the previous presentations, it was emphasized that doming was only cost effective if it occurred during an *out of service* API 653 inspection. Out of service is added for clarification as to the type of API 653 inspection that is to occur. It is during this type of inspection when the tank is not only emptied and degassed but also cleaned (removal of all vapors, liquids, sludge, etc) it is safe for workers to perform major modifications to a tank, such as adding a dome. With a cleaned tank, dome construction can occur on the tank roof which is necessary for large diameter tanks with limited surrounding flat land. If the dome is to be constructed adjacent to the tank, there must be enough flat space next to the tank to construct the dome (of the same tank diameter) and a suitable location for a crane to have the horizontal reach to laterally move and lift the dome to the top of the tank. ZEWCT does not have this kind of room next to our tanks, especially for our 250 and 300 foot diameter tanks.

In the presentation, it was stated that 0.01 tpy of emissions would be reduced due to doming EFR tanks. This amounts to 20 lbs/day. If we were to retire 20 ERCs at \$5,000 each for a total of \$100,000, therefore doming one tank at a cost of \$3 million appears to be unreasonable.

Staff identified only two of our tanks out of the 20 EFR tanks slated to be domed under this program. According to the same parameters used by staff, ZEWCT would have a minimum of 6 EFR tanks and up to a potential of 17 EFR tanks to be domed. According to the staff report, the cost effectiveness for doming EFRs was based on tanks with diameters of 30-144 feet. ZEWCT has three tanks at the upper end of this analysis and 11 tanks above that, including five tanks *more than twice the diameter* size used in the cost effectiveness analysis. According to the exponential Facility Cost Curve equation, the cost to dome our larger EFR tanks would potentially be 2 to 6 times more than what is specified in the staff report as being cost effective. Therefore, it is *not* cost effective for ZEWCT to dome the larger diameter tanks.

Thank you for considering these comments. If you have any questions, please email, or call me at (562) 233-5370.

Sincerely,

CM Cunningham, PE  
HSER Manager  
Zenith Energy West Coast Terminals LLC