

From: [Hunt, Cameron R](#)
To: [Dec Air Comment](#)
Cc: [Sullivan, Casey E](#); [Textor, Marise L](#)
Subject: 18 AAC 50.078 - Marathon Petroleum Corporation Comments - Attention- Cindy Heil
Date: Friday, July 26, 2019 12:16:24 PM
Attachments: [072619-CRH-MPC 18 AAC 50.078 response.pdf](#)

Ms. Heil,

Please find attached Marathon Petroleum Corporation's comments regarding 18 AAC 50, Air Quality Control specifically related to 18 AAC 50.078. A hardcopy has been sent today, July 26, 2019, as well.

If you have any questions, please contact Casey Sullivan at (907) 261-7221 or CSullivan1@MarathonPetroleum.com.

Thank you,
Cameron

Cameron Hunt

General Manager - Kenai Refinery
Western Refining Operations
CRHunt@marathonpetroleum.com

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July 26, 2019

Cindy Heil
Division of Air Quality
Alaska Department of Environmental Conservation
555 Cordova St.
Anchorage, AK 99501

Submitted by email: dec.air.comment@alaska.gov

Re: Comments from Marathon Petroleum Regarding 18 AAC 50, Air Quality Control, Public Comment Draft, May 10, 2019, Comments Specifically Related to 18 AAC 50.078

Dear Ms. Heil:

The Marathon Kenai Refinery ("Marathon Kenai"), owned by a Marathon Petroleum Corporation ("MPC") subsidiary, is Alaska's longest running refinery. Operating since 1969, the refinery has a crude oil capacity of 68,000 barrels per calendar day and employs approximately 220 Alaskans. The refinery processes mainly Alaska domestic crude to manufacture gasoline, distillates, heavy fuel oil, asphalt, and propane. Product delivery occurs through our terminals in Nikiski, Anchorage, and North Pole via pipeline, truck, rail, and ships.

Marathon Kenai appreciates the opportunity to provide these comments regarding the Alaska Department of Environmental Conservation (ADEC) proposed state implementation plan for PM_{2.5} control in the Fairbanks serious nonattainment area. Our comments specifically relate to the proposed new 18 AAC 50.078 including new control measures related to diesel fuel use.

If adopted, the proposed 18 AAC 50.078 would establish a new requirement for liquid fuel for individuals or businesses whose activities emit PM_{2.5} or PM_{2.5} precursor pollutants within the Fairbanks and North Pole PM_{2.5} nonattainment area such that "[b]eginning July 1, 2020, only Diesel #1, containing no more than 896 parts per million sulfur, may be sold or purchased for use in diesel-fired equipment, including space heating devices". The proposed rule excludes from the Diesel #1 (896 ppm) requirement any mobile diesel-fired equipment already subject to federal diesel fuel sulfur requirements (15 ppm sulfur) or major stationary sources subject to Best Available Control Technology determinations.

Marathon Kenai does not understand the purpose of the 896 ppm sulfur limit for this fuel, which is not a standard fuel specification. This limit may not achieve the State's goal of attainment and will cause additional regulatory burden for the reasons described below.

First, we surmise that the 896 ppm sulfur content was derived from testing fuels available in the local Fairbanks/North Pole marketplace. While this sulfur concentration may be typical of a fuel

currently offered in the nonattainment area, enshrining the status quo in regulation may not sufficiently support the goal of reaching attainment through reduced sulfur emissions.

Secondly, Terminal operators typically require fuel to meet industry standards. Industry standard fuel for heating is sold at maximum sulfur concentration specifications of 15 ppm ("S15"), 500 ppm ("S500"), and 5000 ppm ("S5000"). Standardization of fuels sulfur content promotes commerce and avoids the complications of maintaining separate transportation, storage, and testing of non-conforming fuel. MPC owns a fuels terminal in North Pole which allows fuels from various shippers to be commingled. By introducing a non-standard fuel specification, this will create an additional compliance burden to manage another sulfur specification for both terminals and home heating fuel providers in the Fairbanks and North Pole marketplace.

Lastly, many other areas of the country that have nonattainment areas shifted to lower sulfur fuels for residential and commercial heating, and used one of the standardized fuels as discussed above. For example, Maine, New Jersey, and Vermont, all first transitioned to S500 in 2014 and have since transitioned to S15 in 2019. Additionally, Pennsylvania is also currently considering a rule to reduce the maximum allowable Fuel Oil from S500 to S15.

Therefore, Marathon Kenai recommends that ADEC choose a standard fuel of standard sulfur content for this rule. Using standard fuel specifications will reduce confusion and other regulatory burdens.

Furthermore, Marathon Kenai believes that the choice of "Diesel #1" as the name for this new fuel with a new sulfur specification will create confusion among consumers, as "Diesel" typically indicates engine fuel rather than fuel oil for heating. Consumers may erroneously decide that because the material is "Diesel" they may burn it in on-road or off-road vehicles in violation of 40 CFR Part 80, thus leading to increased sulfur dioxide pollution and particulate due to sulfur dioxide emissions.

Lastly, Marathon Kenai believes that allowing use of only "Diesel #1", i.e., Fuel Oil #1 for use in the specified heating systems, would preclude using Fuel Oil #2 at a lower sulfur content and more beneficial to the PM_{2.5} nonattainment problem in Fairbanks and North Pole. This would be an unintended and undesirable consequence of the wording of the regulation. The State should consider removing the "Diesel #1" reference and replace with a label such as "Fuel Oil with a maximum allowable sulfur concentration less than or equal to x ppm."

Thank you very much for considering our comments. If you have any questions, please contact Casey Sullivan at 907-261-7221 or CSullivan1@MarathonPetroleum.com.

Sincerely,



Cameron Hunt
General Manager, Kenai Refinery
Tesoro Alaska Company LLC
Marathon Petroleum Corporation