

API Comments on: EPA's Petroleum Refinery Sector Risk and Technology Review and New Source Performance Standards

EPA Public Hearing, Wilmington, CA

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API Comments at the July 16, 2014 EPA Public Hearing on the Proposed Petroleum Refinery Sector Risk and Technology Review and New Source Performance Standards

Good morning. My name is Howard J. Feldman and I'm speaking today on behalf of the American Petroleum Institute. API represents over 600 oil and natural gas companies, leaders of a technology-driven industry that supplies most of America's energy, supports more than 9.8 million jobs and 8 percent of the U.S. economy, and, since 2000, has invested nearly \$2 trillion in U.S. capital projects to advance all forms of energy, including alternatives.

Our members are dedicated to continuous efforts to improve the compatibility of our operations with the environment and our communities while economically developing energy resources and supplying high quality products and services to consumers. We recognize our responsibility to work with the public, the government, and others to develop and to use natural resources in an environmentally sound manner while protecting the health and safety of our employees and the public. Many of our members will be directly impacted by the proposed Refinery Sector Rule which is the focus of today's public hearing.

I have three key points that I would like to make today.

1. Air quality in the United States has improved significantly, continues to improve, and our industry is doing its part to contribute to this success.
2. After significant effort, the US EPA has concluded in this rulemaking that the public is protected with an ample margin of safety.
3. The safe operation of our refineries to protect our workers and the community is our number one priority.

My first point is that air quality has improved significantly, continues to improve and our industry is contributing to these improvements. According to the EPA Report on the Environment, mean benzene concentrations have dropped by 66% from 1994-2009 nationwide. Locally, the improvement has even been more dramatic. California Air Resources Board data show that from 1990 - 2012, right near here in North Long Beach, mean benzene concentrations have dropped by 89%! And the U.S. oil and natural gas industry has been a key part of that improvement, investing over \$268 billion since 1990 toward improving the environmental performance of its products, facilities and operations. In the year 2012 alone, approximately \$14.9 billion was expended on environmental protection.

My second key point is that the EPA has concluded in this rulemaking that the public is protected with an ample margin of safety from refinery emissions.

Once again, EPA has reached this conclusion, this time after developing an entirely new protocol for refineries to report their emissions and a multimillion dollar information collection request, including data collection from every refinery for all emission sources and direct emission testing for a number of emission sources. All of this information is then processed through conservative risk modeling which has determined that communities around refineries are protected with an ample margin of safety from refinery emissions.

While this is my final point today, it goes without saying that the safe operation of our refineries to protect our workers and the community is our number one priority. As such, API will be taking a close look to ensure these proposed regulations don't compromise the safety of our workers and the community. For example, in this rule, EPA has proposed requirements prohibiting the use of equipment whose sole purpose is to prevent over-pressuring of equipment and avoid potentially catastrophic damage. This prohibition will not only increase safety risk but will require many additional flares. Obviously, this part of the proposal needs to be revised from a safety perspective. Our written

comments will address this provision in greater detail, as well as other parts of the proposal.

In closing, API appreciates the opportunity to provide this testimony on this important rulemaking for our industry. I'd like to reiterate that:

1. Air quality in the United States has improved significantly, continues to improve, and our industry is doing its part to contribute to this success.
2. After significant effort, the EPA has concluded in this rulemaking that the public is protected with an ample margin of safety from refinery emissions.
3. The safe operation of our refineries to protect our workers and the community is our number one priority.

We will be submitting detailed comments to the docket to ensure that the final regulation doesn't inhibit the safe operation of our refineries, doesn't *increase* emissions from any sources, and is cost-effective.

Thank you.