

Dyno Nobel Americas



BY EMAIL (Inhara.Jill@deq.state.or.us)

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RE: Comments on Proposed PM_{2.5} and Greenhouse Gas Regulations

Dear Ms. Inahara:

Dyno Nobel Inc. - St. Helens Plant is a manufacturer and supplier of ammonia, urea, urea ammonium nitrate solution, and carbon dioxide, and as such is subject to the impending regulation of greenhouse gases. Pursuant to the Prevention of Significant Deterioration and Greenhouse Gas Tailoring Rule, the facility will be required to apply for a Title V Operating Permit in July of 2012 due to level of Greenhouse Gases (GHG) emitted by the facility. We appreciate the opportunity to comment on the proposed rules, as the addition of both PM_{2.5} and GHG regulations have the potential to significantly affect the ability of the facility to operate in a cost competitive manner.

Of the options listed on the Oregon Department of Environmental Quality's webpage for New Source Review, Particulate Matter and Greenhouse Gas Permitting Requirements and other Permitting Rule Updates, the Dyno Nobel- St. Helens plant prefers proposed Option 4 for GHGs and proposed Option 1 for PM_{2.5}, provided the option exists for the allowance of actual PM_{2.5} emissions in the baseline period. These options are addressed separately in the statements given below.

GHG Regulations:

The facility would prefer the adoption of the Federal Netting Method for GHG Emissions (Option 4) because it does not place the facility at a competitive disadvantage when compared to other ammonia plants in other parts of the country. Other ammonia plants will have the opportunity to increase their production by the full Significant Emission Rate (SER) without being penalized for production increases that occurred 20 years ago. If the St. Helens facility is required to set the netting basis proportional to the netting basis in effect on 3/1/2011, the facility will be at a competitive disadvantage. Stoichiometrically three carbon dioxide molecules are created for every four ammonia molecules. Thus, because the carbon dioxide is created as a

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co-product there is not a mechanism for reducing carbon dioxide without reducing the production of ammonia.

The intent of the Oregon Prevention of Significant Deterioration (PSD) program is to create an incentive for reducing plant wide emissions. Because this is not an issue of energy efficiency, and instead is a direct consequence of ammonia production, the facility will never be able to reduce the production of carbon dioxide without also reducing the production of ammonia. Because of this, the facility will be penalized for projects that have occurred more than ten years ago. In the federal program, a ten-year look-back has been consistently utilized. By moving in lock-step with the federal program, the Oregon GHG PSD program has the opportunity to remain contemporary and fair when compared with the rest of the country. Oregon is in need of job growth and economic expansion, and a permitting program that puts any company at an economic disadvantage is not advantageous to Oregon.

PM_{2.5} Regulations:

The facility would prefer the adoption of establishing a netting basis that is proportional to the netting basis for other pollutants (Option 1) with the option of establishing actual emissions from the PM_{2.5} baseline period. As proposed, Option 1 would require that a source take the proportionate share of its existing PM₁₀ netting basis for PM_{2.5}. If the source has no PM₁₀ netting basis, then it may take the actual PM_{2.5} emissions from the PM_{2.5} baseline period. The facility would prefer that the department provide optionality regardless of whether or not a PM₁₀ netting basis exists. For the St. Helens facility taking a proportionate share of its existing PM₁₀ netting basis could trigger retroactive PSD permitting because the facility has a relatively small PM₁₀ netting basis. Because the facility's Plant Site Emission Limit for PM₁₀ is 55 tons and the netting basis is 42 tons, the facility would exceed the SER for PM_{2.5} if the facility found that the PM_{2.5} emissions were equal to the PM₁₀ emissions. Thus this proposed regulation would require the reduction of the facility's PM₁₀ emissions by more than 3 tons in order to avoid the arduous and expensive PSD permitting process.

The St. Helens facility provides 60 family wage jobs in Deer Island, Oregon and is one of the few manufacturing facilities that continues to provide jobs in a county that faces an 11.8% unemployment rate. The penalties referenced above in addition to the cost of Title V permitting would greatly increase the cost of doing business in Oregon. Should you have any questions regarding these comments, please call me at 503-397-7502. Thank you for the opportunity to comment.

Regards,



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