

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

THE PREMCOR REFINING)	
GROUP INC.,)	
)	
Petitioner,)	
)	PCB 2007-30
v.)	PCB 2010-55
)	(CAAPP Permit Appeal)
ILLINOIS ENVIRONMENTAL)	(Consolidated)
PROTECTION AGENCY,)	
)	
Respondent.)	

NOTICE OF FILING

TO: Mr. John Therriault	Carol Webb, Esq.
Clerk of the Board	Hearing Officer
Illinois Pollution Control Board	Illinois Pollution Control Board
100 West Randolph Street	1021 North Grand Avenue East
Suite 11-500	Post Office Box 19274
Chicago, Illinois 60601	Springfield, Illinois 62794-9274
(VIA ELECTRONIC MAIL)	(VIA ELECTRONIC MAIL)

PLEASE TAKE NOTICE that I have today filed with the Office of the Clerk of the Illinois Pollution Control Board **PETITIONER'S RESPONSE TO THE ILLNOIS POLLUTION CONTROL BOARD'S QUESTIONS**, a copy of which is herewith served upon you.

Respectfully submitted,

THE PREMCOR REFINING GROUP INC.,
Petitioner,

Dated: August 2, 2016

By: /s/ Matthew C. Read
 One of Its Attorneys

Katherine D. Hodge
Matthew C. Read
HEPLERBROOM, LLC
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CERTIFICATE OF SERVICE

I, Matthew C. Read, the undersigned, certify that I have served the attached
PETITIONER'S RESPONSE TO THE ILLNOIS POLLUTION CONTROL BOARD'S
QUESTIONS, upon:

Mr. John Therriault
Clerk of the Board
Illinois Pollution Control Board
100 West Randolph Street
Suite 11-500
Chicago, Illinois 60601

Carol Webb, Esq.
Hearing Officer
Illinois Pollution Control Board
1021 North Grand Avenue East
Post Office Box 19274
Springfield, Illinois 62794-9274

via electronic mail on August 2, 2016; and upon:

Robb H. Layman, Esq.
Division of Legal Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

by depositing said documents in the United States Mail in Springfield, Illinois, postage prepaid,
on August 2, 2016.

/s/ Matthew C. Read
Matthew C. Read

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PETITIONER’S RESPONSE TO THE ILLNOIS POLLUTION CONTROL BOARD’S QUESTIONS

NOW COMES Petitioner, THE PREMCOR REFINING GROUP INC. (“Premcor”), by and through its attorneys, HEPLERBROOM, LLC, and responds to the Illinois Pollution Control Board’s (“Board”) questions listed in the Hearing Officer Order dated July 18, 2016.

The Board directs Premcor to respond to questions related to the status and resolution of this appeal. Premcor provides background information and responds to each of the Board’s questions below. While Premcor is committed to resolving this matter as quickly and efficiently as possible, it has concerns about the procedural process proposed to resolve this matter.

As background, Premcor filed a Motion to Stay the Proceeding and Consolidate Cases on January 22, 2016. In response, the Hearing Officer issued an order explaining that the Board required additional information to support a stay. The Board directed Premcor to answer questions related to the status and nature of this case. On February 16, 2016, Premcor filed its response to the Board’s request for additional information, noting that an agreement had been reached with the Illinois Environmental Protection Agency (“Illinois EPA”) on the substantive changes to be made to Premcor’s Clean Air Act Permit Program (“CAAPP”) Permit to address

this appeal. Premcor noted in its response that Illinois EPA discussed preparing a draft CAAPP Permit in the weeks ahead.

The Board stayed the proceeding until July 1, 2016, and consolidated PCB 7-30 and PCB 10-55. However, the Board noted that a motion to stay the appeals beyond that date must be accompanied by a detailed status report of the progress in the appeals and an explanation of why a further stay is needed.

On June 29, 2016, Premcor received a draft CAAPP Permit for review that addresses many of the contested issues in this appeal. After reviewing the draft CAAPP Permit, however, Premcor has significant concerns about the proposed procedural mechanism used to resolve this appeal. In particular, Premcor has been issued multiple construction permits since Illinois EPA issued the CAAPP Permit. These construction permits update or revise numerous conditions in the CAAPP Permit. Therefore, the CAAPP Permit contains many uncontested conditions that are no longer applicable to Premcor's facility or that will need to be revised to reflect changes made in construction permits. Similarly, regulatory references may have changed since Illinois EPA last issued the CAAPP Permit.

In the past, to resolve CAAPP appeals, and at the request of the parties, the Board has lifted the stay on uncontested conditions and remanded CAAPP permits to Illinois EPA. *See Ameren Energy Generating Co., Coffeen Power Station v. Illinois EPA*, PCB 06-64 (Ill.Pol.Control.Bd. Sep. 20, 2012). This allows Illinois EPA to revise CAAPP permits while the Board retains jurisdiction of the contested conditions in order to protect appeal rights.

However, this method of resolving the appeal may not be appropriate in this matter. In the event the Board lifts the stay of uncontested conditions in this case, significant portions of the CAAPP Permit will become effective. Many of these conditions no longer apply to Premcor's

facility and need to be revised because of changes that have been made to the facility pursuant to construction permits. In essence, Premcor will be required to accept a permit that is not representative of its facility and does not contain the correct applicable requirements.

Notably, Premcor cannot certify compliance with such a permit. To receive a permit that accurately reflects Premcor's facility will require a substantial reopening and reworking of the CAAPP Permit.

In response to the Board's questions, Premcor states as follows:

- 1. In its February 16, 2016 response to Board questions, Premcor stated that the Illinois Environmental Protection Agency (IEPA) hoped to submit a draft CAAPP permit to Premcor with a goal to finalize the permit by Spring 2016. Provide information on the current status of the CAAPP permit, including any applicable explanation for delays.**

Response: Following discussions with Illinois EPA, Premcor received a draft CAAPP Permit for review on June 29, 2016. Also, it is Premcor's understanding that, going forward, Illinois EPA will be represented in this case by the Illinois Attorney General's Office ("AGO"). Accordingly, Premcor plans to set a time to discuss the draft permit and the approach for resolution with the AGO.

- 2. In its February 16, 2016 response, Premcor stated that it and IEPA have reached agreement on the substantive changes to be made to Premcor's CAAPP permit. Describe the matters still to be resolved, including a timeframe for resolving those matters.**

Response: While Premcor believes that Premcor and Illinois EPA agree in principle on many of the changes necessary to address appeal matters, Premcor remains concerned with the procedural method for the resolution of this matter.

- 3. Premcor attached to its response a letter from IEPA noting Premcor's desire to address the addition of new Clean Air Act requirements applicable to Premcor's facility. Describe what impact, if any, these additions have on the permit and current permit appeals, including a time frame for resolution.**

Response: Illinois EPA has issued multiple construction permits to Premcor since issuing the CAAPP Permit. The construction permits include new applicable Clean Air Act requirements. Premcor has concerns about accepting a CAAPP Permit that does not incorporate any of these new construction permits or any updates to existing applicable Clean Air Act requirements.

4. Provide an updated timeline of steps to resolving this appeal.

Response: Premcor plans to set a time to discuss these issues with the AGO as soon as the AGO files an appearance in this case.

Respectfully submitted,
THE PREMCOR REFINING GROUP INC.,
Petitioner,

Dated: August 2, 2016

By: /s/ Matthew C. Read
One of Its Attorneys

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