Canadian Energy Pipeline Association
Association canadienne de pipelines d'énergie

June 6, 2011

Ms. Lynne Patenaude
Manager, Natural Gas and Crude Oil
Oil, Gas and Alternative Energy Division
351 St-Joseph Blvd. -9th Floor
Gatineau, Quebec K1A 0H3

Dear Ms. Patenaude:

Re: Proposed Application of Requirements for On-Shore Aboveground Storage Tanks (VOC BLIERS)

On behalf of the Canadian Energy Pipeline Association (CEPA), thank you for the opportunity to comment on the *Proposed Application of Requirements for On-shore Aboveground Storage Tanks* (VOC BLIER).

CEPA represents Canada's transmission pipeline companies. Our members transport 97% of Canada's daily crude oil and natural gas production from producing regions to markets throughout Canada and the United States.

The Association is dedicated to ensuring a strong and viable transmission pipeline network in Canada in a manner that emphasizes public safety and pipeline integrity, social and environmental stewardship and cost competitiveness. CEPA is fully supportive of government efforts to manage air emissions that are of concern to Canadians. Over the past several years our members have spent considerable time and resources addressing both air emissions and climate change issues. We believe the development of Codes of Practice to manage specific types and sources of emissions is an efficient and cost effective approach to benefit the environment.

CEPA appreciates the invitation to participate in the ongoing discussions and review of the proposed regulatory changes being put forward. While it is early in the consultation process, CEPA does have specific concerns which are discussed below as well as suggestions to be considered in the upcoming meetings.

Our members own and operate a more than 250 above ground storage tanks throughout Canada, and anticipate being significantly impacted by VOC BLIER requirements. We have four major concerns that we would like to highlight.

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Proposed Implementation Schedule

Retrofitting tanks that were not originally required to meet the CCME guidelines for controlling emissions of volatile organic compounds from aboveground storage tanks can be a significant undertaking that restricts the operation of member company facilities. As such, we would propose that major retrofits of existing tanks should be scheduled with ongoing tank maintenance and inspection, other already planned major tank modifications, or other regulatory requirements such as API 653. API 653 tank inspections are currently performed on tanks during service every 5 years and out of service every 20 years. The out of service API tank inspection period lends itself to scheduling of major modifications to equipment such as changing primary seals on floating roof tanks as well as performing inspections on internal floating roofs proposed by the current CCME guide. Additionally, CEPA suggests that additional work is required prior to finalizing any inspection requirements, as the proposed requirements and frequencies for tank inspections may not be feasible or appropriate in all situations.

Process should allow for tank exemption from BLIER compliance

While CEPA supports the intent of the BLIER, we believe where the expected environmental benefit of major modifications can be demonstrated to be minimal, cost excessive or where the BLIER requirement conflicts with other regulatory requirements or special circumstances apply; a process to obtain a tank-specific waiver from the regulating jurisdiction should be developed as a component of this BLIER process.

Clear scientific explanation should be used to guide BLIER development

CEPA suggests for increased public acceptance and assurance that the required operating practices and equipment modifications will produce significant VOC reductions at facilities, proven scientific rationale and engineering practices must be the basis for BLIER development. An example of a proposed operating practice that could be reviewed for potential inclusion in the exemption process is the required practice of painting all tanks a reflective color such as white. In some areas tanks have been painted a less vibrant color to reduce visual impact for nearby residents.

Adoption of US standards to BLIER is not appropriate

CEPA is very concerned about the proposed approach of adopting EPA requirements for application in the Canadian context. The entire framework under which the EPA regulates tank emissions is different from that proposed by Environment Canada. In the US, emissions from storage tanks are regulated under the Federal Clean Air Act, as well as state regulations. This is a very complex and prescriptive system, with specific design, construction, operating and compliance requirements. This approach is fundamentally different than the BLIERS approach. The proposed adoption of requirements that reference U.S. EPA requirements and U.S. definitions, e.g. deck fittings, operating practices and inspections, particularly without stating the specific citations that will be used to form the requirements, significantly limits CEPA's ability to review and comment on their applicability and impact on facilities. An explanation as to why these requirements are better than the current guidelines and how they are shown to reduce emissions would assist in demonstrating the need for the upgrade. CEPA suggests that it would be more appropriate to develop standards specific to the Canadian context. These could be built drawing on best management practices from the EPA, and other jurisdictions.

CEPA appreciates the opportunity to provide these comments and looks forward to continued discussion on the development and implementation of approaches to effectively manage air emissions from Canadian energy pipeline systems.

Sincerely,

[Signed Electronically]

Brenda Kenny
President & CEO