

Announcement Date: April 7, 2021

REQUEST FOR PROPOSALS

Title	Review of the EPA 2020 NESHAP-OLD Air Quality Rule
LRFP Number	5057.21.01
Project Manager	Alan Sorum
Submittal Deadline	May 14, 2021
Award Announcement	May 21, 2021

Submit Proposals to:

**Alan Sorum PWSRCAC Maritime Operations Project Manager
Prince William Sound Regional Citizens' Advisory Council
Post Office Box 3089 | 130 South Meals – Suite 202
Valdez, Alaska 99686**

or

via email at the following address:
alan.sorum@pwsrcac.org

To verify receipt of proposal, proposer must contact **Alan Sorum** before the submittal deadline.

Proposal submission requirements:

- a. Proposals shall be submitted in electronic form in Adobe Portable Document form (PDF) (Acrobat 7.0 or later). The PDF file for the proposal itself shall be created directly from the authoring application. It is permissible but not preferred for appendices and other attachments to the proposal to be submitted in scanned PDF format.
- b. To assure consideration, proposals must be received by Prince William Sound Regional Citizens' Advisory Council (PWSRCAC) by the deadline. Proposals received after the deadline may be considered but only if they can be accommodated by PWSRCAC's review process. Additional information provided after the deadline may also be considered but only if such information can be accommodated by the review process.

Inquiries regarding this request for proposals shall be directed to the project manager named above via email.

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The Prince William Sound Regional Citizens' Advisory Council (PWSRCAC) is inviting proposals to evaluate the Environmental Protection Agency's (EPA) final rulemaking that amended standards found in the 2004 National Emissions Standards for Hazardous Air Pollutants for Organic Liquids Distribution (NESHAP-OLD) on July 20, 2020. Alyeska Pipeline Service Company (Alyeska) has objected to the rulemaking, arguing provisions of the rules would adversely affect the operation and maintenance of their facility and would not significantly improve local air quality.

The selected contractor will review this EPA rulemaking, ascertain and review research papers and literature related to this topic; evaluate the strengths of APSC's concerns, summarize findings of this review; prepare a written final report; identify gaps in the research on this topic and provide recommendations for future research. The final work product of this effort is a written report and virtual presentation to the PWSRCAC Board of Directors detailing the results of this effort.

ABOUT PWSRCAC

MISSION STATEMENT: Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers.

PWSRCAC was formed following the Exxon Valdez oil spill to advise Alyeska Pipeline Service Company and the public on issues related to oil spill prevention and response and mitigating the environmental impacts of terminal and tanker operations. PWSRCAC also advises oil shippers, regulatory agencies and elected officials on these issues.

PWSRCAC's membership comprises communities affected by the Exxon Valdez oil spill and interest groups with a stake in safe oil transportation in the region. PWSRCAC's 18 member organizations are communities and boroughs impacted by the 1989 Exxon Valdez Oil Spill, as well as Native, commercial fishing, aquaculture, recreation, tourism and environmental representatives.

PWSRCAC was chartered as a non-profit corporation by the State of Alaska on December 26, 1989. PWSRCAC is funded under a contract with Alyeska, and is certified as the alternative voluntary advisory group for Prince William Sound under the Oil Pollution Act of 1990 (OPA90).

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Please note: All of PWSRCAC's products and the products resulting from contracts are considered public information. Proposals and work plans may be distributed throughout the organization for review and comment. Proprietary information should not be submitted in any proposal. PWSRCAC will not knowingly reveal the contents of a proposal that is not subsequently accepted for contract; however, PWSRCAC accepts no liability should such contents inadvertently be revealed to third parties.

1. PROJECT

INTRODUCTION

The Environmental Protection Agency (EPA) finalized its rulemaking that amended standards found in the 2004 National Emissions Standards for Hazardous Air Pollutants for Organic Liquids Distribution (NESHAP-OLD) on July 20, 2020. The proposed changes affect the current air toxics Organic Liquids Distribution (OLD) standards that are in place for hazardous air pollutants (HAPs) emitted by the storage and transfer of crude oil at the Valdez Marine Terminal operated by Alyeska Pipeline Service Company.

On September 3, 2020, Alyeska requested relief from EPA Administrator Andrew Wheeler in a Petition for Rulemaking, Reconsideration, and Stay. This request was that EPA's Final Rule would be stayed for 90 days pending reconsideration under the Clean Air Act. There was no response to the request.

On October 7, 2020, Alyeska filed an appeal with the United States Court of Appeals asking that certain parts of the updated NESHAP-OLD rule not go into effect. Alyeska claims that the updated NESHAP-OLD Rule reflects substantial changes to the regulations governing the emission of HAPs from the Valdez Marine Terminal that will not result in any significant improvement in local air quality. Alyeska's concern is that rule prevents them from "using critical, potentially life-saving pressure relief valves on its storage tanks (called conservation vents) that open only when necessary to prevent catastrophic conditions created by under- or over-pressurization of tanks."

On January 28, 2021 the United States Court of Appeals ruled to hold Alyeska's appeal in abeyance, to allow the involved parties to resolve their appeal of the July 2020 NESHAP-OLD Rule directly with the EPA. At this time, Alyeska's appeal is subject to the EPA's "petition for reconsideration" process, but the involved parties are scheduled to file additional motions with the Court by April 12, 2021.

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Alyeska has challenged the July 2020 NESHAP-OLD Rule in three areas:

1. The repeal of the “safety device exemption” that allows facilities to open vents, or other devices, at any time . . . required to avoid unsafe operating conditions” [1 85 Fed. Reg. at 40,763 (codified at 40 CFR § 63.2346(i))]. Prior to the Final Rule, Alyeska had relied on this safety device exemption to allow it to emit hazardous air pollutants through the conservation vents on its oil storage tanks, without any pollution controls. Alyeska argues that to comply with the elimination of this exemption, it will have to re-engineer its facility, either by (A) converting its storage tanks from fixed-roof tanks to internal floating roof tanks, or (B) Installing a closed-vent system to capture vapors from the conservation vents. The 2020 NESHAP-OLD Rule provides Alyeska until July 2023 – three full years – to comply with the new standards [85 Fed. Reg at 40,746].
2. The “bypass provision” that prohibits operators from filling tanks during periods of planned maintenance when pollution controls are bypassed [85 Fed. Reg. 40,766 (codified at 40 CFR 63.2378(e)(3) & (4))].
3. A work practice standard by which operators can empty and degas storage tanks (“tank degassing standards”) [85 Fed. Reg. at 40,774 (codified at 40 CFR § 63.2346(a)(6))].

Alyeska questions the overall air quality benefit of the updated NESHAP-OLD rule for emissions from the Valdez Marine Terminal. Alyeska claims that the current, existing control system already captures 99.94% of all tank vapors at the Valdez Marine Terminal, while the HAPs reduction goal for the updated NESHAP-OLD rule is 95%. To comply with the rule as written, Alyeska claims they would have to reengineer significant parts of the Valdez Marine Terminal to operate without conservation venting. Alyeska presented two reengineering options in their appeal:

1. Converting its fourteen tanks from fixed-roof tanks to internal floating-roof tanks (estimated cost \$204.5 million).
2. Install a closed vent system (estimated cost \$59.9 million for an additional vapor header system, or \$123.7 million for a redundant vapor control system).

To date, the Council has not carefully examined how the July 2020 NESHAP-OLD Rule would influence air pollution from the Valdez Marine Terminal, nor has the Council evaluated the merit of Alyeska’s appeal pertaining to that regulation. This project would result in a thorough review of both subjects.

GOALS and DELIVERABLES

In its efforts to encourage the environmentally safe transportation of crude oil through Prince William Sound, there needs to be accurate reference documents available to the Council that describe this issue well and are based on well researched facts. This project is intended to provide such reference documents. The purpose of the document or documents generated by this project would be to inform the Council as to whether they should support Alyeska in their appeal of the 2020 NESHAP-OLD Rule and to influence the EPA or the United States Court of Appeals in their decision regarding Alyeska's appeal.

DESCRIPTION of REQUESTED WORK

Scope of Work. This project will be conducted by a qualified contractor or contractors identified through this Request for Proposals process. A contractor may focus on selected areas of interest, shown below, rather than all of them. Contractors may partner with other firms to address the entire scope of work. The scope of work includes, but is not limited to the following four areas of interest:

- A. Evaluate the amount of hazardous air pollutants that are released from the conservation vents and other sources at the Valdez Marine Terminal.
 - a. Provide an analysis of the impact EPA's July 20, 2020 NESHAP-OLD Rule would have on reducing air pollution from the Valdez Marine Terminal (VMT). The analysis should include, but not be limited to, the following:
 - i. What specifically does the new rule (or new interpretation of an existing rule) require?
 - ii. Which HAPs are in question for the VMT?
 - iii. Evaluate the accuracy of Alyeska's estimates of HAPs emissions from the VMT and estimates of its existing vapor control system efficiency. Alyeska claims that the existing control system at the VMT already captures 99.94% of all vapors.
- B. Evaluate the health risks to Valdez residents posed by the uncontrolled releases of hazardous air pollutants both from the conservation vents and residual uncontrolled sources at the VMT, not addressed by the 2004 NESHAP-OLD Rule.
- C. Evaluate the safety, environmental, and engineering issues and costs associated with a closed vent system or other system to control those emissions as mandated by the July 20, 2020 NESHAP-OLD Rule.
 - a. Provide technical and regulatory policy expertise to assist in evaluating Alyeska's proposed redesigned systems at the VMT and the impact such redesign might have on air pollution produced by the redesigned system. The proposed redesign systems

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include internal floating roofs or installing a closed vent system. Are Alyeska's proposed redesigned systems reasonable? Did Alyeska work the right problem? In other words, are there alternative control solutions that were not proposed by Alyeska?

- b. Provide technical analysis of Alyeska's claims that the specific redesigns (i.e., internal floating roofs or installing a closed vent system) introduces safety risks. Identify and examine all significant risks. Identify any satisfactory alternatives or mitigation measures to reduce the identified risks. Provide an evaluation of the safety, environmental protection, and maintenance strategies associated with the redesigns.
 - c. Provide technical analysis of the details of Alyeska's "work" on producing their cost estimates for installing internal floating roofs and a closed vent system. How valid is their estimate?
- D. Evaluate the Valdez Marine Terminal's Title V Air Permit and how it addresses, or does not address, management of releases from the conservation vents, controls during planned maintenance, and work practices for emptying and degassing the storage tanks.

A report from Breck Tostevin concerning Alyeska's two legal actions challenging parts of EPA's July 7, 2020 NESHAP-OLD Rule; the regulatory history of the Rule; the likely procedural path forward concerning Alyeska's legal actions and the Council's options for participation in their resolution is included in the resource documents available online to support this RFP:

<https://pwsrccac.net/committees/toem/neshap-old-documents/>

Contractors are encouraged propose additional work or scope that would improve the outcome and effectiveness of this project.

Schedule and Completion Date

Award Announcement: May 21, 2021

Review of Draft Report: July 16, 2021

Completion of Final Report: July 30, 2021

2. GENERAL REQUIREMENTS

PWSRCAC Costs. PWSRCAC is not liable for any costs incurred by the proposer during the proposal preparation.

Insurance. It should be noted that PWSRCAC requires its contractors to carry \$1 million in business liability insurance listing PWSRCAC as an additional insured on the policy. Contractors are required to hold workman's compensation and other forms of insurance as required by law.

Single Point of Contact. The contractor will designate one person as the project manager and point of contact with PWSRCAC. In the case of multiple investigators, one shall be designated as the lead to serve as the project manager and point of contact.

Subcontracts. Proposers may subcontract minor portions of the contract. However, the proposer must have the major elements of expertise in house and demonstrate the ability to manage the subcontractor.

Schedule. Progress reports shall be submitted to the contract manager upon completion of each phase described in the scope of work. At a minimum, progress reports shall include:

- a. An introduction;
- b. An overview of progress to date;
- c. Identification of any difficulties encountered in accomplishing the work;
- d. A schedule for completion of the remaining tasks; and
- e. Specific recommendations concerning the matters addressed.

Final Report. The contractor shall submit a written final report. The final written report shall include an executive summary and be of a professional quality suitable for release.

The Final report must be submitted in an electronic file in PC format in MSWord, and data in Excel or Access. In addition, the final report shall be submitted in a portable document format (pdf) version optimized for web viewing and created directly from the authoring application using Adobe Acrobat 7.0 or later. Project maps, photos or other graphics shall be included as part of the digital submittal in a common graphic format. Any data or collection of information resulting from work done under the contract is the property of PWSRCAC and shall be submitted either on flash or hard drive in Microsoft Access or Excel to PWSRCAC.

Oral Report. The contractor will be asked to deliver a virtual presentation at a Council meeting upon completion of the work.

Final Payment. A portion of the total payment to the contractor will be withheld until all requirements are met. No interest will be paid on any withheld payments.

3. REQUIRED PROPOSAL CONTENTS

Any submitted proposal shall include the following as appropriate to the requirements of the scope of work:

Cover Sheet

- Name, address, telephone number and facsimile number of proposer
- RFP Title and Number
- Name of Principal Consultant(s)
- Cost of Proposal

Table of Contents. May include a list of Tables and Figures if appropriate.

Introduction. This section shall include the RFP title and number, brief general discussion of the problem and the proposed project. Scientific and technical terms shall be clearly defined and a list of pertinent enclosures included.

Goals and Deliverables. Describe how the proposer intends to address the specific goals and provide the deliverables of the work requested, as listed above.

Materials and Methods. Describe in detail the methods to be used and how they will produce the deliverables. Cite references and provide background information where applicable and as needed.

Project Duration and Work Schedule. Describe the schedule in which the proposed work will be completed. Include specific milestones, work phase completion dates and the timing of progress reports. Indicate what will be achieved by the completion of each milestone or phase of work.

Management Scheme. Clearly describe how the work will be managed including the role of each key individual expected to be involved in the work. Provide names and resumes of each. This section should also include information on how the scope, time and costs of the project will be controlled.

Budget. Include information about the total costs (cited in U.S. Dollars), professional fees, expenses and contingencies. In case of overhead rates or administrative fees, give percent of direct personnel cost. Provide a breakdown of hours per individual and rates per individual. If

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subcontractors are used, indicate the percentage of work to be performed by each subcontractor with respect to the entire proposed scope of work.

Proposals shall provide cost estimates pertaining to each of the four areas of interest discussed in the Scope of Work and any additional proposed work or scope that would improve the outcome and effectiveness of this project.

Consultant/Contractual Services. Indicate if, how, and why a subcontractor will be used for any portion of the work.

Logistics and On-Site Visits. Describe logistics and schedules for all travel in conjunction with the proposed work.

Statement of Qualifications. Describe, relevant to the proposed work, previous work experience, related technical accomplishments and educational background of each of the principal investigators and subcontractors if used. If multiple investigators are involved, describe the role of each individual.

References. The names, contact persons, and telephone numbers of firms for which the respondent recently performed services shall be included. A minimum of three such references is suggested.

Conflict of Interest. Describe all financial, business or personal ties contractor has to Alyeska Pipeline Service Company or members of the Alyeska consortium, excluding normal commercial purchases of petroleum products.

4. SUBMITTAL AND EVALUATION PROCESS

A. Evaluation Criteria. Proposals will be evaluated based on, but not limited to, the following:

- 1) **Proposal Format.** Does the proposal follow the requested format?
- 2) **Proposed Scope of Work.** Does the proposal clearly address the requested scope of work?
- 3) **Technical Approach.** Is the proposed approach to the scope of work technically feasible?

- 4) **Qualifications of Contractor and Team Members.** Do the prime and subcontractor organizations have pertinent credentials and experience? Do team members proposed to be assigned to the RCAC project have suitable specialized experience?
- 5) **Management Scheme.** Will the proposed management scheme reasonably lead to successful development of the deliverables?
- 6) **Schedule.** Is the proposed schedule for completion of the scope of work in accordance with the requested project duration and schedule?
- 7) **Deliverables.** Are the proposed deliverables in accordance with the deliverables requested in the scope of work?
- 8) **References and Conflicts of Interest.** Does a reference check indicate proposer has the potential to successfully complete the proposed scope of work? If conflicts of interest are stated, are they sufficiently relevant to preclude an offer to perform the work for PWSRCAC?
- 9) **Budget and Cost Justification.** Is the budget reasonable and adequate for the work proposed? Does the budget provide good value for the funds requested?

B. Contract Award. The successful proposal will be the one that, in PWSRCAC sole opinion, best meets the needs as outlined in this RFP. In the event that PWSRCAC determines that no proposal completely meets all of the needs as outlined in the RFP, PWSRCAC shall have the option not to accept any proposal or enter into any contract whatsoever. In the alternative, PWSRCAC may select the proposal or proposals that, in its sole view, most nearly conform to its needs as outlined in this RFP; and then negotiate directly with that contractor to refine the proposal to achieve a contract that fully satisfies PWSRCAC needs.

C. Professional Services Contract. A copy of PWSRCAC's standard professional services contract form can be found at http://www.pwsrcac.org/wp-content/uploads/filebase/newsroom/rfps/professional_services_agreement.pdf or can be made available upon request.

D. PWSRCAC Information. The following information about PWSRCAC is available upon request to the project manager:

PWSRCAC/Alyeska Contract
PWSRCAC Bylaws
PWSRCAC Observer Newsletter
PWSRCAC Annual Report

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E. Resource Documents. The following documents could be useful in preparing a proposal:

7/20/2020 EPA final rule entitled “National Emission Standards for Hazardous Air Pollutants: Organic Liquids Distribution (Non-Gasoline) Residual Risk and Technology Review.”

<https://www.govinfo.gov/content/pkg/FR-2020-07-07/pdf/2020-05900.pdf>

10/7/2020 Alyeska’s petition for review of final agency action:

https://www.eenews.net/assets/2020/10/08/document_gw_02.pdf

9/3/2020 Attachments to Alyeska’s Stay of Final Rule:

https://www.eenews.net/assets/2020/10/08/document_gw_04.pdf Note: This link includes Alyeska petition for administration reconsideration submitted to EPA that also seeks a stay.

The files below can be seen at: <https://pwsrca.net/committees/toem/neshap-old-documents/>

1/21/2021 A report from Breck Tostevin concerning Alyeska’s two legal actions challenging parts of EPA’s July 7, 2020 NESHAP-OLD Rule; the regulatory history of the Rule; the likely procedural path forward concerning Alyeska’s legal actions and the Council’s options for participation in their resolution.

9/15/2010 Report generated by *D.J. Nyman & Associates (DJNA) for Alyeska Pipeline Service Company* titled: Seismic Design Considerations for Crude Oil Storage Tanks at Valdez Marine Terminal. The design considerations pertain to modifications to the tanks, namely the installation of internal floating roofs to eliminate the need for vapor recovery.

1/29/2004 Report generated by Capstone for Alyeska Pipeline Service Company titled, “Fire Hazard Assessment for Valdez Crude Tank Internal Floating Roofs” prepared by Capstone Engineering Services, and an email cover letter regarding a safety and operational risk review conducted on January 13-15, 2004 of the preliminary conceptual project for reconfiguration of the storage tanks at the VMT.

4/1/2004 Report prepared by the Joint Pipeline Office titled “Valdez Marine Terminal Strategic Reconfiguration Technical report JPO No. VMT-04-E-001 an Evaluation of Usage of Internal Floating Roof Tanks.”

11/04/2004 National Transportation Safety Board Safety Recommendation on ConocoPhillips Glenpool, Oklahoma storage tank explosion inside an internal floating roof tank.

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12/30/04 Comments from PWSRCAC to BLM regarding the plan to strategically reconfigure the Valdez Marine Terminal. Comments included internal floating roof tanks, and reconfiguring the vapor control system. **Note:** In these comments, PWSRCAC said there was incomplete information and discussion of an internal floating roof tank design that has potentially serious risks associated with fire, explosion, or a major spill, as well as an increased air pollution potential.