



Permit Evaluation

Oregon Department of Environmental Quality
Northwest Region Office
700 NE Multnomah Street, Suite 600
Portland OR 97232

Date: November 28, 2017, updated June 21, 2018

Subject: Solid Waste Material Recovery, Transfer and Treatment Permit Evaluation Report

Site: Oil Re-Refining Co., Inc. (ORRCO) dba Fuel Processors, Inc.

Proposed Permit: Solid Waste Disposal Site Permit No. 1364

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Background

Oil Re-Refining Co. (ORRCO) is located at 4150 N Suttle Road in Portland, Oregon. Merit Oil leases a portion of the ORRCO facility. Merit Oil operations are not included in this permit evaluation and should not be included in the ORRCO permit.

ORRCO's primary onsite activity is the processing of used oil. ORRCO conducts these activities under their used oil license (RCRA ID OR980975692). Used oil regulations are found in 40 CFR 279 (July 1, 2015) and OAR 340-111. Used oil is defined as solid waste in Oregon rules.

ORRCO also accepts a variety of used oil related solid wastes. ORRCO processes the wastes onsite by solidification, filtering, dewatering, crushing, and/or aggregation. DEQ has reviewed the types of materials that ORRCO manages onsite and determined that ORRCO conducts solid waste material recovery, transfer, and treatment. DEQ has determined that ORRCO should be issued a combination solid waste material recovery, transfer, and treatment permit.

Through the solid waste permitting process, ORRCO is revising its operations plan for DEQ approval. A revised operations plan will be due 60 days after the DEQ solid waste permit is issued.

The Site

The site is approximately four acres over five tax lots. The site is a gravel lot except for the operational areas, which consist of pavement, secondary containment, buildings, and canopy roofs. The operational areas include: a tank farm, water treatment area, filter crushing area, solidification area, rocket area, oil/water separator, and fats, oils and grease collection and treatment area.

The site is located near the north shore of Smith Lake. The Smith and Bybee Lakes area of North Portland is an important wildlife habitat. Both lakes discharge to the Columbia Slough, which is approximately 1¼ mile south of ORRCO. The Columbia River is about a quarter-mile north of the site.

The site is zoned heavy industrial (IH) with an aircraft Landing Overlay (h)¹. The facility is operating under the land use authority of the City of Portland. The original Land Use Compatibility Statement (LUCS) was issued on January 27, 1984. The city provided a new LUCS on September 26, 2016. According to the 2016 LUCS, Ordinance 152102 granted a revocable permit for oil reclaiming and bulk oil storage. Current zoning allows waste related uses as a conditional use.

This site is also in DEQ's Environmental Cleanup Program as result of documented contamination. Samples collected in soil, surface water, groundwater, and sediments at the site have shown a variety of metals, volatile organics, and semi-volatile organics. The sources of contamination are assumed to be activities that have occurred on-site, which include or included used oil recycling, petroleum solvent recycling, wastewater management using an oil/water separator that overflowed at least once, extraction of oil from old automobile tires, and landfilling of aluminum dross and foundry sands on-site adjacent to wetland areas. The remedial action was completed in September 2013. For more information on this remedial action, see DEQ's Environmental Cleanup Site Information (ECSI) database webpage at <http://www.deq.state.or.us/lq/ECSI/ecsidetail.asp?seqnbr=673> (ORRCO's ECSI Site ID #673).

Operations

ORRCO is primarily a used oil recycler. ORRCO accepts used oils, oily waters (with a minimum fuel content), oily solids approved by the DEQ, used oil filters, commercial chemical fuel products approved by DEQ, spent antifreeze, contaminated media generated from UST cleanup sites, and other non-oily solids approved by DEQ.

The facility typically operates seven days a week, 24 hours per day. Storage areas are secured by fencing and 24-hour security lighting.

ORRCO pumps liquids into storage tanks, located in the tank farm. In accordance with the City of Portland centralized wastewater treatment permit (permit number 437.005), oily wastewaters can be treated and discharged to the city sewer system.

ORRCO processes used oil by filtering, phase state separation to remove water, heating to further remove water, and filtering to create Refined Fuel Oil (RFO). ORRCO sells the RFO as fuel, uses it on-site as fuel if it is on-specification, or sends it to a re-refinery. ORRCO uses on-specification light ends recovered from the heating process as fuel to run the facility. ORRCO can burn on-specification used oil and virgin fuel commercial chemical products in the onsite boiler and burners. ORRCO can only burn off-specification used oil if it is incidental to used oil processing. These practices are regulated under 40 CFR 279 (July 1, 2015) and OAR 340-111.

ORRCO crushes used oil filters. The recovered metal is sent for metal recovery and the used oil is placed into the onsite used oil processing system.

ORRCO accepts spent antifreeze (ethylene glycol/propylene glycol), spent solvents, and commercial chemical products which are filtered, dewatered, and shipped off-site for recycling. ORRCO is not authorized to reuse or recycle antifreeze onsite unless the material is tested and characterized as non-hazardous waste. Spent antifreeze must not be burned at this facility.

ORRCO accepts petroleum contaminated soils and oily solids which are stored under cover on a concrete pad. ORRCO uses non-hazardous ash, sawdust, perlite and cellulose fluff to solidify wastes prior to disposal at an authorized disposal facility. ORRCO must characterize the solids

¹Per City of Portland's information database, www.portlandmaps.com, the Aircraft Landing Overlay (h) provides safer operating conditions for aircraft in the vicinity of Portland International Airport by limiting the height of structures and vegetation.

both before and after solidification to determine that the wastes are not hazardous and meet the disposal site acceptance criteria.

The solid waste permit establishes waste acceptance criteria that ORRCO will need to follow to prevent the acceptance of hazardous waste. The solid waste permit requires testing of wastes generated on-site to ensure the proper disposal of wastes. In addition, the facility's ACDP sets limits on the amount of metal, sulfur, and halogen allowed in the wastes burned on-site and sets emission limits. The solid waste permit also requires that ORRCO receive DEQ approval before using any exemptions from the state and federal solid waste or hazardous waste rules.

ORRCO's current Operations Plan (dated June 30, 2017) identifies s waste acceptance procedures, procedures to avoid acceptance of prohibited materials, and onsite treatment processes. This Operations Plan was prepared to meet the requirements of the Mutual Agreement in Anticipation of DEQ's Solid Waste Permit (MAO).

The permit process will require an updated Operations Plan be submitted after permit issuance that will include detailed waste acceptance and use procedures. The Operations plan must include waste rejection procedures, a detailed waste stream analysis, clarified waste types approved for the various processes at the facility, and detailed waste profile sheets. ORRCO is not approved to accept hazardous wastes.

Potential Environmental Risks

Spills and leaks of petroleum and other wastes may create potential environmental impacts to surface waters and soils if not quickly responded to and appropriately handled. ORRCO has established procedures to prevent and respond to spills and releases and these procedures are outlined in their Spill Prevention, Control and Countermeasures (SPCC) plan. ORRCO conducts routine inspections of the tanks, equipment and storage areas, and keeps absorbent materials (clay, sawdust, spill booms, and pads) on-site. Inspection requirements are included in the permit

A spill may create a potential fire hazard. A fire could emit fumes (air toxics). Runoff from fire water could carry chemical fire suppressants that may pose a potential impact to waters of the state. ORRCO's SPCC and Emergency Preparedness and Contingency Plans establish procedures for responding to and preventing both spills and fires. These plans must be reviewed periodically and kept current.

Wastes and recyclables accepted at ORRCO must be removed at sufficient frequencies to avoid stockpiling. In the case of a sudden closure, the facility must be cleaned and all materials removed from the site.

If permit conditions are met, the process covered by this permit can be done with minimal impact to the environment. The permit identifies regulations that apply to the facility's operations and what operations are allowed. DEQ staff will regularly inspect ORRCO to assess compliance with the solid waste permit and applicable regulations.

Compliance History²

In May 1998, DEQ issued ORRCO a Notice of Non Compliance (currently referred to as a Warning Letter) for failing to submit a material recovery survey. There are no other documented Solid Waste violations at ORRCO.

² For additional information about ORRCO's compliance history see DEQ's Enforcement Actions database at <http://www.oregon.gov/deq/Regulations/Pages/Compliance-and-Enforcement.aspx> and DEQ's Enforcement database at <http://www.deq.state.or.us/programs/enforcement/EnfQuery.asp>

DEQ documented Hazardous Waste, Air Quality, and Used Oil violations over the past ten years. Some of the recent violations include the following:

- In 2011, a Senior Administrative Law Judge found ORRCO was in violation for operating a hazardous waste treatment site without a permit.
- In 2013, ORRCO received a formal enforcement action from DEQ for causing pollution to waters of the state.
- In 2013, ORRCO entered a Consent Agreement and Final Order (CAFO) with EPA for alleged violations pertaining to PCB wastes. ORRCO completed the removal and proper disposal required in the CAFO by the October 31, 2016 deadline.
- In August 2015, ORRCO was found in violation for use of new equipment without proper notice of construction submitted to DEQ's Air Quality Program.

Violations have been corrected.

Current Permits

Wastewater (City of Portland Bureau of Environmental Services)

ORRCO treats and discharges wastewaters to the City of Portland sanitary sewer under Wastewater Treatment and Discharge Permit #437.005. This permit was revised on May 25, 2017 and expires on September 15, 2018.

Solid Waste Facility License (Metro)

Metro issued ORRCO a Solid Waste License, #L-124-08, on April 18, 2013 which expired on June 30, 2017. Metro has renewed ORRCO's license through June 30, 2022. This license allows the acceptance, processing, management, and disposal of cleanup material contaminated by hazardous substances and petroleum contaminated solids. It also stipulates that all sorting of waste must take place inside of a building on an impervious surface.

Air Quality Permit (DEQ)

ACDP #26-3048 sets general and specific emission standards and limits that ORRCO operations must meet. General standards and limits include visible and fugitive emissions and specific standards and limits include restrictions on metal concentrations in fuel burned on-site. This permit expired March 1, 2013 and was administratively extended until a renewal permit could be issued. The DEQ Air Quality Program has drafted a new permit for the facility.

Mutual Agreement in Anticipation of Permit

ORRCO and DEQ entered into a Mutual Agreement (MAO No. LW/SW-NWR-2016-158) on June 5, 2017. This agreement allows ORRCO to operate the solid waste facility under conditions established in the MAO until DEQ issues a final solid waste permit for ORRCO.

Previous Solid Waste Authorization

Solid Waste Letter of Authorizations (DEQ)

In 2007, the Solid Waste Program in DEQ's Northwest Region came to an agreement with ORRCO to issue a Solid Waste Letter of Authorization (SWLA) to cover the "energy recovery" and treatment activities named in the application, contingent upon ORRCO applying for a DEQ Solid Waste Treatment Permit. SWLAs are one-time disposal permits issued for six months with one possible six month renewal, for a maximum permit term of one year. DEQ issued SWLA #1341 to ORRCO in February 2007. ORRCO submitted an SWLA renewal application

and fee in May 2007. The renewed SWLA #1341 expired in February 2008. ORRCO submitted a Solid Waste Treatment Permit application to DEQ on November 13, 2007.

Public Notice

DEQ issued a public notice on March 22, 2018 requesting public comment on the draft DEQ solid waste permit for the Oil Re-Refining Company (ORRCO) transfer station and material recovery facility. DEQ mailed the notice to property owners within at least one mile of the facility, and included additional zip codes and neighborhood associations where DEQ anticipated there would be interest. DEQ also provided public notice through email. Subscribers of DEQ's email notification list received a message about the proposed permit issuance and the chance to comment. DEQ held a public hearing on April 24, 2018 to receive verbal comments on the draft solid waste permit and the draft air quality permit. 29 people attended the public hearing and 13 people provided verbal comments. The comments received at the hearing focused on the draft air quality permit. The DEQ Air Quality program will respond to all comments regarding the draft air quality permit separately.

DEQ received questions and comments on the draft solid waste permit that were forwarded from Metro who received the comments during their public notice period. DEQ received written comments on the draft solid waste permit from four people: Jimmie' Peters, Nancy Phillips, Jack Gahan, and Tony Lemon. The comments are summarized in DEQ's response to comments followed by DEQ's response. The DEQ response to comments is an attachment to this permit evaluation memo. Also attached are the comments DEQ received, the public hearing transcript and hearing officer memo.

After reviewing the comments received, DEQ did not identify changes did not make changes to the draft solid waste permit in response to the comments received.

Recommendation

DEQ has determined that ORRCO is able to comply with solid waste permitting requirements. DEQ will issue the solid waste permit to ORRCO.