TECHNICAL EVALUATION
&
PRELIMINARY DETERMINATION

APPLICANT

TransMontaigne Operating Company L.P.
1670 Broadway, Suite 3100
Denver, Colorado 80202

Pensacola Terminal
Facility ID No. 0330139

PROJECT

Project No. 0330139-019-AC
Application for Minor Source Air Construction Permit
Ethanol Barge Loading and Vapor Combustion Unit

COUNTY

Escambia County, Florida

PERMITTING AUTHORITY

Florida Department of Environmental Protection
Waste Management/Air Resources Program
Northwest District Office
160 W. Government Street, Suite 308
Pensacola, Florida 32502-5740

June 6, 2014

1. GENERAL PROJECT INFORMATION

Air Pollution Regulations

Projects at stationary sources with the potential to emit air pollution are subject to the applicable environmental laws specified in Section 403 of the Florida Statutes (F.S.). The statutes authorize the Department of Environmental Protection (Department) to establish regulations regarding air quality as part of the Florida Administrative Code (F.A.C.), which includes the following applicable chapters: 62-4 (Permits); 62-204 (Air Pollution Control - General Provisions); 62-210 (Stationary Sources - General Requirements); 62-212 (Stationary Sources - Preconstruction Review); 62-296 (Stationary Sources - Emission Standards); and 62-297 (Stationary Sources - Emissions Monitoring). Specifically, air construction permits are required pursuant to Rules 62-4, 62-210 and 62-212, F.A.C.

In addition, the U. S. Environmental Protection Agency (EPA) establishes air quality regulations in Title 40 of the Code of Federal Regulations (CFR). Part 60 specifies New Source Performance Standards (NSPS) for numerous industrial categories. Part 61 specifies National Emission Standards for Hazardous Air Pollutants (NESHAP) based on specific pollutants. Part 63 specifies NESHAP based on the Maximum Achievable Control Technology (MACT) for numerous industrial categories. The Department adopts these federal regulations on a quarterly basis in Rule 62-204.800, F.A.C.

Glossary of Common Terms

Because of the technical nature of the project, the permit contains numerous acronyms and abbreviations, which are defined in Appendix A of this permit.

Facility Description and Location

TransMontaigne Operating Company L.P. operates the TransMontaigne Pensacola Terminal which is an existing minor source Petroleum Bulk Station & Terminal Facility, which is categorized under Standard Industrial Classification Code No. 5171, Wholesale - Petroleum Bulk Stations & Terminals. The facility is located in Escambia County at 511 S. Clubbs Street in Pensacola, Florida. The UTM coordinates of the existing facility are Zone 16, 478.4 km East, and 3363.6 km North. This site is in an area that is in attainment (or designated as unclassifiable) for all air pollutants subject to state and federal Ambient Air Quality Standards (AAQS).

Facility Regulatory Categories

- The facility is not a major source of hazardous air pollutants (HAP).
- The facility has no units subject to the acid rain provisions of the Clean Air Act.
- The facility is not a Title V major source of air pollution in accordance with Chapter 213, F.A.C.
- The facility is not a major stationary source in accordance with Rule 62-212.400, F.A.C. for the Prevention of Significant Deterioration (PSD) of Air Quality.

Project Description

This project authorizes the construction of piping, valves, pumps and ancillary equipment necessary to receive ethanol via a pipeline, store it in existing tanks and pump it into barges for shipment to customers. The project also authorizes the construction of a vapor combustion unit (VCU2) to control the ethanol vapors emitted from the barge loading operation, and establishes product throughput limits for the existing loading rack and the proposed ethanol barge loading to keep the facility a synthetic minor. The ethanol will be off-loaded from railcars off-site and piped to the facility through a pipeline. The off-site railcar off-loading and the pipeline are not within the scope of this permit.

The maximum allowable capacity is also being updated in this construction permit from a facility throughput to individual throughputs for the existing loading rack (EU003) and the new ethanol barge loading (EU0014) because the facility will now contain a second vapor combustion unit for the ethanol barge loading.

Additionally, the gasoline storage tanks, gasoline loading rack and any equipment components in vapor or liquid gasoline service at the facility are subject to 40 CFR 63 Subpart BBBBBB - National Emission Standards for Hazardous Air Pollutants for Source Category: Gasoline Distribution Bulk Terminals, Bulk Plants, and Pipeline Facilities, as a bulk gasoline terminal area source. However, this federal regulation has not been adopted by the state of Florida at the time of this permit, so the Department is not the compliance authority. At the facility's request, specific conditions for 40 CFR 63 subpart BBBBBB were incorporated into this construction permit. The new ethanol loading, tank 114, and VCU2 are not subject to 40 CFR 63 subpart BBBBBB because they are not in gasoline service.

Processing Schedule

December 27, 2013 Received the application for a minor source air pollution construction permit.

January 6, 2014 Requested additional information.

March 14, 2014 Received additional information; application complete. Application complete.

2. PSD APPLICABILITY

General PSD Applicability

For areas currently in attainment with the state and federal AAQS or areas otherwise designated as unclassifiable, the Department regulates major stationary sources of air pollution in accordance with Florida's PSD preconstruction review program as defined in Rule 62-212.400, F.A.C. Under preconstruction review, the Department first must determine if a project is subject to the PSD requirements ("PSD applicability review") and, if so, must conduct a PSD preconstruction review. A PSD applicability review is required for projects at new and existing major stationary sources. In addition, proposed projects at existing minor sources are subject to a PSD applicability review to determine whether potential emissions *from the proposed project itself* will exceed the PSD major stationary source thresholds. A facility is considered a major stationary source with respect to PSD if it emits or has the potential to emit:

- 250 tons per year or more of any regulated air pollutant; or
- 100 tons per year or more of any regulated air pollutant and the facility belongs to one of the following 28 PSD-major facility categories: fossil fuel-fired steam electric plants of more than 250 million British thermal units per hour heat input, coal cleaning plants (with thermal dryers), Kraft pulp mills, portland cement plants, primary zinc smelters, iron and steel mill plants, primary aluminum ore reduction plants, primary copper smelters, municipal incinerators capable of charging more than 250 tons of refuse per day, hydrofluoric, sulfuric, and nitric acid plants, petroleum refineries, lime plants, phosphate rock processing plants, coke oven batteries, sulfur recovery plants, carbon black plants (furnace process), primary lead smelters, fuel conversion plants, sintering plants, secondary metal production plants, chemical process plants, fossil fuel boilers (or combinations thereof) totaling more than 250 million British thermal units per hour heat input, petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels, taconite ore processing plants, glass fiber processing plants and charcoal production plants.

Once it is determined that a project is subject to PSD preconstruction review, the project emissions are compared to the "significant emission rates" defined in Rule 62-210.200, F.A.C. for the following pollutants: carbon monoxide (CO); nitrogen oxides (NO_X); sulfur dioxide (SO_2); particulate matter (PM); particulate matter with a mean particle diameter of 10 microns or less (PM_{10}); volatile organic compounds (VOC); lead (Pb); fluorides (Fl); sulfuric acid mist (SAM); hydrogen sulfide (H_2S); total reduced sulfur (TRS), including H_2S; reduced sulfur compounds, including H_2S; municipal waste combustor organics measured as total tetra- through octa-chlorinated dibenzo-p-dioxins and dibenzofurans; municipal waste combustor metals measured as particulate matter; municipal waste combustor acid gases measured as SO_2 and hydrogen chloride (HCl); municipal solid waste landfills emissions measured as non-methane organic compounds (NMOC); and mercury (Hg). In addition, significant emissions rate also means any emissions rate or any net emissions increase associated with a major

stationary source or major modification which would construct within 10 kilometers of a Class I area and have an impact on such area equal to or greater than 1 $\mu g/m^3$, 24-hour average.

If the potential emission exceeds the defined significant emissions rate of a PSD pollutant, the project is considered "significant" for the pollutant and the applicant must employ the Best Available Control Technology (BACT) to minimize the emissions and evaluate the air quality impacts. Although a facility or project may be *major* with respect to PSD for only one regulated pollutant, it may be required to install BACT controls for several "significant" regulated pollutants.

PSD Applicability for Project

As provided in the application, the following table summarizes potential emissions and PSD applicability for the project.

Table A. Potential Emissions (Tons/Year) and PSD Applicability

Pollutant (TPY)	Pre-Project Potential Emissions	Post Project Potential Emissions	Total Emissions Change	PSD Major Stationary Source Threshold for Facility Type & Project	Subject to PSD
CO	11.27	11.27	0.00	250	NO
NO_X	4.51	4.51	0.00		
PM	0.00	0.00	0.00		
SO_2	0.00	0.00	0.00		
VOC	88.45	89.36	0.91		
HAPs (total)	4.86	4.91	0.05		
Hexane	1.49	1.50	0.01		

This facility is currently not a major stationary source for PSD because it emits less than 250 tons per year of a regulated pollutant. The project is not subject to a PSD review as the potential emissions increase alone from the proposed project itself does not equal or exceed the PSD major stationary source thresholds for this type of facility. Based on these facts is it determined that the project is not subject to PSD preconstruction review.

3. APPLICATION REVIEW

Application Fee

AC 1F, source less than 5 tpy, $250.00.

Discussion of Emissions

Ethanol barge loading at a maximum of 100,000,000 gallons per year with VCU2 controlling VOC and HAP emissions to 0.91 and 0.05 tons per year, respectively.

Pre-Project Potential Emissions used in Table A are from permit renewal 0330139-018-AV.

State Requirements

None

Federal NSPS Provisions

The tanks included in emissions unit 011 are NSPS tanks either due to date of construction/reconstruction and/or the vapor pressure of the materials stored and are subject to 40 CFR 60 Subpart Kb. The tanks utilize internal floating roofs (IFR) to control emissions. These conditions are part of the current operating permit 0330139-018-AF.

The VCU does not use an open flame and is not subject to the requirements of 40 CFR 60.18 as an "open flame" device, according to 40 CFR 60 Subpart XX (40 CFR 60.501) - EPA determinations (Control Number: 0000084).

Federal NESHAP Provisions

The new emission unit for marine loading of ethanol is not subject to NESHAP subpart Y MACT because the facility is not a major source of HAP, and is not subject to the NESHAP subpart Y RACT because gasoline or crude oil is not loaded.

The gasoline storage tanks, gasoline loading rack and any equipment components in vapor or liquid gasoline service at the facility are subject to 40 CFR 63 Subpart BBBBBB - National Emission Standards for Hazardous Air Pollutants for Source Category: Gasoline Distribution Bulk Terminals, Bulk Plants, and Pipeline Facilities, because the facility has a gasoline throughput of 20,000 gallons per day or greater [40 CFR 63.11081 and 63.11100] is classified as a bulk gasoline terminal area source. However, 40 CFR 63 subpart BBBBBB has not been adopted by the state of Florida at the time of this permit so the Department is not the compliance authority.

This facility is not a major source of HAP emissions and is therefore exempt from 40 CFR 63 Subpart R - National Emission Standards for Gasoline Distribution Facilities (Bulk Gasoline Terminals and Pipeline Breakout Stations). [40 CFR 63.420(a)(2)].

4. PRELIMINARY DETERMINATION

The Department makes a preliminary determination that the proposed project will comply with all applicable state and federal air pollution regulations as conditioned by the draft permit. This determination is based on a technical review of the complete application, reasonable assurances provided by the applicant, and the conditions specified in the draft permit. Debbie Moore is the project engineer responsible for reviewing the application and drafting the permit. Additional details of this analysis may be obtained by contacting the project engineer at 850-595-0624 or Deborah.L.moore@dep.state.fl.us.