TECHNICAL EVALUATION
&
PRELIMINARY DETERMINATION

APPLICANT

Genesis Rail Services, LLC
919 Milam Street, Suite 2100
Houston, Florida 77002

Walnut Hill Facility
Facility ID No. 0330289

PROJECT

Project No. 0330289-002-AC
Application for Minor Source Air Construction Permit
Additional 100,000 Barrel Crude Oil Tank

COUNTY

Escambia County, Florida

PERMITTING AUTHORITY

Florida Department of Environmental Protection
Air Resource Section
Northwest District Office
160 W. Government Street, Suite 308
Pensacola, Florida 32502-5740

April 26, 2013

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

Genesis Rail Services, LLC is an existing minor stationary source, which is categorized under Standard Industrial Classification Code No. 4789, Transportation Services, Not Elsewhere Classified. The SIC is being changed from 5172 to reflect the facility's true operation of transfer and continuous flow rather than long-term storage of the crude oil. The facility is located in Escambia County at the intersection of Highway 99-A and Railroad Street in Walnut Hill, Florida. The UTM coordinates of the existing facility are Zone 16, 451.6 km East, and 3416.6 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 permit is for the addition of a second 100,000-barrel crude oil storage tank to the existing emissions unit (EU) 001. EU 001 includes an existing 100,000-barrel (4,200,000 gallons, or 15,897 m^3) storage tank with associated piping and pumps to transfer crude oil from rail cars to an existing 16-inch pipeline. The new storage tank shall be equipped with an external floating roof painted white with a primary mechanical shoe.

Processing Schedule

April 12, 2013 Received the application for a minor source air pollution construction permit; 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.

<u>PSD Applicability for Project</u>

As provided in the application, the following table summarizes potential emissions and PSD applicability for the project. For purposes of this permitting action, the facility has zero emissions of CO, NOx, PM/PM_{10} and SO_2.

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

Pollutant (TPY)	Pre-Project Potential Emissions	Contempo-raneous Emissions	Post Project Potential Emissions	Total Emissions Change	Significant Emissions Rate	Subject to PSD
VOC	6.5*		8.8	2.3	40	NO

** Pre-project Potential Emissions have been updated to reflect an RVP of 5 for the crude oil.*

This existing facility is not a major stationary source with respect to PSD because potential emissions of each pollutant-do not reach or exceed the PSD major stationary source threshold of 250 tons per year. 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 it is determined that the project is not subject to PSD preconstruction review.

3. APPLICATION REVIEW

Application Fee

This is an AC/1F with a $250.00 fee for a minor source with PTE of less than 5 TPY of any single pollutant. This fee is less than the original construction permit fee because the new additional tank only holds 80,000 barrels and the number of turnovers will be much less than Tank 1. [Rule 62-4.050(4)(a)2.d., F.A.C]

Discussion of Emissions

For emissions calculations in this project, the crude oil is said to have a worst-case Reid Vapor Pressure (RVP) of 5, which is equivalent to 3.5 psia, or 23.85 kPa. This was a change from the RVP of 8 that was used in the first construction permit application to better reflect the value for crude oil. Pre-project VOC potential emissions were updated from 8.7 TPY to 6.5 TPY in Table A. using an RVP of 5.

Potential emissions from the additional storage tank are 2.3 tons per year, and uncontrolled emissions from fugitive sources are 0.03 tons per year. Facility wide VOC emissions estimates are based on a throughput of 23.36 million barrels per year, Tanks 4.09d, emission factors from AP-42 and EPA protocol for equipment leak estimates.

State Requirements

40 CFR 60 Subpart Kb, Standards of Performance for VOL Storage Vessels, incorporated by reference by Rule 62-204.800(8)(b)17, F.A.C.

Federal NSPS Provisions

40 CFR 60 Subpart Kb, Standards of Performance for VOL Storage Vessels

Federal NESHAP Provisions

None

Other Draft Permit Requirements

See the performance restrictions, monitoring requirements, testing and procedures, recordkeeping and reporting requirements of the original construction permit 0330289-001-AC.

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.