STATEMENT OF BASIS

Title V Air Operation Permit Revision
Permit No. 0570085-026-AV

APPLICANT

The applicant for this project is Central Florida Pipeline, LLC. The applicant's responsible official and mailing address are: Clint Lonon, Central Florida Pipeline, LLC, 2101 GATX Dr., Tampa, Hillsborough County, Florida, 33605.

FACILITY DESCRIPTION

Central Florida Pipeline is a bulk gasoline facility that handles gasoline, jet fuel, diesel fuel, biodiesel fuel, ethanol, additives, and other volatile organic products (VOLs). These products are delivered by either ship, railcar or pipeline and stored in floating roof and fixed roof storage tanks. The products are subsequently loaded into railcars, trucks, or barges for shipment offsite or can be transferred offsite via two pipelines. The operations at this facility include 45 permitted storage tanks; degassing of the storage tanks; a barge loading operation; four loading racks; a Vapor Recovery Unit (VRU); and an open flame flare unit (OFFU). The storage tanks (EUs 001, 002, 007, 008, 009, 013, and 015) include the gasoline floating roof group tanks, jet fuel group tanks, biodiesel group tanks, additive group tanks, PCW (Petroleum Contact Water) group tanks, ethanol group tanks, and miscellaneous group tanks. Each tank group is subject to various operating restrictions such as products stored and VOC emissions.

The facility has four loading racks: Truck Loading Racks T/T Area Nos. 1, 2A, 3 and 7. Truck Loading Rack T/T Area No. 1 has one loading arm. Truck Loading Rack T/T Area No. 2A has four (4) loading arms. Truck Loading Racks T/T Area Nos. 1 and 2A are permitted to load biodiesel and other volatile organic products into trucks or railcars for shipment offsite. VOC emissions from the Truck Loading Racks T/T Area Nos. 1 and 2A are controlled using submerged filling techniques.

Truck Loading Rack T/T Area No. 3 has two (2) ethanol loading arms, three (3) jet fuel loading arms, and one (1) PCW loading arm to load products into trucks. Truck Loading Rack T/T Area No. 7 has five lanes. Lanes A, B and C each have eight (8) loading arms and Lanes D and E each have six (6) loading arms. Truck Loading Rack T/T Area No. 7 can load gasoline, ethanol, diesel, jet fuel, and PCW into trucks for shipment offsite.

Truck Loading Racks T/T Area No. 3 and T/T Area No. 7 are controlled by submerged filling and a Vapor Recovery Unit (VRU). The VRU, a Jordan Technologies, Model JT-100100-1500 Dry VRU, is equipped with a Continuous Emissions Monitoring System (CEMS) to monitor VOC emissions. The VRU is operated as the primary control device. The open flame flare unit (OFFU), a John Zink Company, Model GV-LH-8400-2 open flame, air assisted flare unit, is operated as a back-up unit. The OFFU is used when the VRU is down for maintenance or repair and periodically to ensure the OFFU remains operational. The VRU has two identical carbon adsorption beds. One bed recovers vapors from loading, while the other bed undergoes a regeneration cycle to desorb the collected hydrocarbons. The carbon beds alternate on a timed cycle approximately every 15 minutes. The vacuum pump extracts the rich hydrocarbon vapors from the carbon absorption vessels and sends them to an absorption tower. In the absorber, fresh gasoline is used over packing to contact the vapor and condense the hydrocarbons.

Liquid gasoline is pumped from a storage tank to the skid with a supply pump and distributed over the absorber packing. Liquid gasoline, including the condensed hydrocarbons, is returned to a storage tank using a return pump. During the absorption phase, a small stream of air and residual vapor exits the top of the absorption column and is recycled back into the carbon beds for adsorption.

In addition to being loaded into trucks, barges, and railcars, products can also be shipped offsite *via* pipeline to facilities within the Port of Tampa and to Central Florida Pipeline's Orlando Terminal. The 10" line carries jet and diesel fuel and continues from the Orlando Terminal to the Orlando International Airport. The 16" line typically carries gasoline and denatured ethanol, but could be utilized to transfer jet fuel and diesel fuel. The Tampa Terminal, the Tampa Pump Station (located at the Tampa Terminal) and the Hemlock Pump Station (located at 1904 Hemlock St., Tampa, FL) are operated by Central Florida Pipeline and 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 Hemlock Pump Station is subject 40 CFR 63 Subpart BBBBBB, the equipment at the Hemlock Pump Station is included as part of this permit.

The Barge Loading Operation involves loading diesel fuel, jet fuel, biodiesel, additives, and other low volatile petroleum or organic liquids with a true vapor pressure equal to or less than 0.013 psia. VOC emissions from this operation are controlled using submerged filling techniques.

In addition, the facility is permitted to denature ethanol onsite. Neat ethanol (pure ethanol) is delivered by barge and small amounts of gasoline (typically between 1.99% and 2.49% as required by Federal regulation) are added to the ethanol to form denatured ethanol. A worst case of 5% gasoline has been established for the facility. The neat ethanol can be denatured in any of the tanks in the Ethanol Tank Group or in Tank Nos. 205 and 401. The denatured ethanol is then pumped to the Truck Loading Rack T/T Area No. 3 or Area No. 7 to be loaded into a truck or is pumped to Central Florida Pipeline's Orlando Terminal *via* the 16" pipeline.

Also included in this permit are miscellaneous unregulated/insignificant emissions units and/or activities.

PROJECT DESCRIPTION

The purpose of this permitting project is to incorporate the air construction (AC) Permit No. 0570085-024-AC and also the administrative changes from Permit No. 0570085-025-AC into the current Title V Operating Permit No. 0570085-023-AV.

PROCESSING SCHEDULE AND RELATED DOCUMENTS

Application for a Title V Air Operation Permit Revision received June 13, 2013
Additional Information Request: N/A
Draft/Proposed Title V Air Operation Permit Revision issued August 23, 2013
Notice of Intent to Issue Air Permit issued August 23, 2013
Public Notice Published October 24, 2013
Final Title V Air Operation Permit Revision issued December 6, 2013

PRIMARY REGULATORY REQUIREMENTS

Title III: The facility is not identified as a major source of hazardous air pollutants (HAP).

Title V: The facility is a Title V major source of air pollution in accordance with Chapter 62-213, Florida Administrative Code (F.A.C.).

PSD: The facility is not a Prevention of Significant Deterioration (PSD)-major source of air pollution in accordance with Rule 62-212.400, F.A.C.

NSPS: The facility does operate units subject to the New Source Performance Standards (NSPS) of 40 Code of Federal Regulations (CFR) 60.

NESHAP: The facility does operate units subject to the National Emissions Standards for Hazardous Air Pollutants (NESHAP) of 40 CFR 63.

CAIR: The facility is not subject to the Clean Air Interstate Rule (CAIR) set forth in Rule 62-296.470, F.A.C.

CAM: Compliance Assurance Monitoring (CAM) for VOC emissions applies to EU 017 - Truck Loading Rack T/T Nos. 3 and 7. The monitoring system that was installed on the VRU measures stack gas concentration but does not measure the stack gas flow rate and therefore, cannot be used to directly determine the VOC mass emissions from the stack. Because the emissions monitoring system installed on the VRU does not provide data either in units of the standard or correlated directly with the compliance limit, it cannot be considered a continuous compliance determination method as defined by 40 CFR 64.1. Therefore, the VRU is subject to CAM pursuant to 40 CFR 64.2(a). In addition, the Truck Loading Racks T/T Area No. 3 and T/T Area No. 7 are subject to CAM when the OFFU is operating.

The facility has one 175 HP Clarke fire pump, which is diesel-fired and was manufactured in 2007. The 175 HP Clarke fire pump is subject to 40 CFR 60 Subpart IIII - Standards of Performance for Stationary Compression Ignition Internal Combustion Engines and 40 CFR 63 Subpart ZZZZ - National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines.

The Truck Loading Racks T/T Area No. 3 and T/T Area No. 7 are subject to Rule 62-296.320, F.A.C. and 40 CFR 60 Subpart XX. Because the facility is not a major source of HAP emissions, it is not subject to 40 CFR 63 Subpart R – National Emission Standards for Gasoline Distribution Facilities (Bulk Gasoline Terminals and Pipeline Breakout Stations) or 40 CFR 63 Subpart EEEE – National Emission Standards for Hazardous Air Pollutants: Organic Liquids Distribution (Non-Gasoline). However, because the facility is classified as an area source bulk gasoline terminal for HAPS and because it is not subject to 40 CFR 63 Subpart R, it is 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.

PROJECT REVIEW

Permit 0570085-024-AC authorized KM/CFPL Tampa Terminal to replace the throughput limits with a VOC emission limit for the Miscellaneous Tanks Group (EU 013) and updated the process description to reflect the receipt of ethanol via pipeline. The purpose of this modification was to provide KM/CFPL more operational flexibility with the storage tanks within this group without impacting the existing VOC emission limit.

Permit 0570085-025-AC authorized the facility for the following modifications; (1) Construction of a new 120,000 barrel storage tank (Tank 120-5); (2) Increase of the VOC emission limit for the Ethanol Tanks Group (EU 015); (3) Installation of a Butane Blending System at the Truck Loading Rack (EU 017); (4) Replacement of the numerical throughput limits for all the petroleum storage tank groups (EU Nos. 001, 002, 007, 008, 009, 015) with a monthly throughput and vapor pressure record keeping requirement for each storage tank; (5) Revision of Specific Condition A.14 to remove the inspection requirement for roof landings while maintaining the inspection requirement for roof re-floating events. As a result of the modifications, the facility-wide PTE VOC emissions will increase to 205.1 TPY from the current 191.2 TPY.

The proposed Tank 120-5 and the Butane Blending System under the Permit 0570085-025-AC have not been constructed yet, therefore, they will not be included in this Title V revision with associated VOC emissions. This permit will remain effective until the expiration date of February 15, 2015. Since the VOC emissions increase of 7.1 TPY, associated with the proposed Tank 120-5, will not be included in this Title V revision, then the facility-wide PTE VOC emissions will be 198.0 TPY, which reflects the modifications already completed at the facility.

In the Title V permit revision application, the total facility-wide fugitive emissions are estimated at 1.7 TPY, which includes the fugitive emissions associated with equipment leaks from piping systems installed prior to 2012 and from the emissions associated with the Ethanol Unit Train project and the new Marine Unloading Operation, which is now in the process of being constructed by the Tampa Port Authority. The fugitive emissions associated with the piping, flanges, valves and pump seals for the facility qualify as an insignificant emissions activity pursuant to 62-213.430(6)(b), F.A.C.

On August 23, 2013, the EPC issued a DRAFT/PROPOSED Title V Air Operation Permit Revision. On September 19, 2013, Christopher Fleck, P.E. with KM/CFPL sent an e-mail to EPC staff with minor editorial comments to the DRAFT/PROPOSED Title V Permit Revision. The requested edits are provided in "tracked changes" to the electric copies of the permit files, and the comments to each permit file are ***restated*** below:

1. Public Notice of Intent to Issue Air Permit (0570085.026.AV.PN.D-P): Minor editorial comments to maintain consistency with information in permit;

2. Statement of Basis (0570085.026.AV.SOB.D-P): Minor editorial comments to maintain consistency with information in permit;

3. Draft/Proposed Title V Air Operation Permit Revision (0570085.026.AV.PER.D-P): The NMHC+NOx and PM emission limits in Section III, Condition D.2 were revised to reflect the emission standards for fire pumps as specified in 40 CFR 60.4205(c). Additionally, minor editorial comments are proposed on the following pages:

Permit, Page 2 of 33, Facility Description;
Permit, Page 5 of 33, Emission Unit 004 Description;
Permit, Page 15 of 33, Condition A.8; and
Permit, Page 32 of 33, Conditions 1 and 4.

4. Appendix CAM: Edits proposed on Pages 6 & 8 to reflect the results and test date of the most recent performance test;

5. Appendix I, List of Insignificant Emissions Units and/or Activities: Please update Appendix I as follows:

Items #15 & #16: Please delete. Tanks removed from facility;
New Item (#23): Please add the following item: "Fugitive emissions associated with piping equipment (i.e., pumps, valves, connectors, etc.) for the common-use marine unloading operations owned by the Tampa Port Authority".

6. Additional comments for sections of the permit (for which attachments are not provided) are as follows:

Table H – Permit History: Emissions Unit 018 is not included in the Table;
Tables 1 and 2 Emissions Unit 018 is not included in the Table.

7. Appendix NSPS, Subpart IIII: Please verify that the Appendix contains the current version of NSPS Subpart IIII. The Appendix currently does not contain sections 40 CFR60.4211(f) and (g), which are referenced on Page 33 of 33 of the draft permit.

After review of the minor editorial comments, EPC staff agreed to make the above administrative corrections as requested, and the changes will be reflected in the FINAL Title V Permit Revision. Specifically, EPC staff agreed to make the change as requested on the Item No. 3. since the RICE at the facility falls under the category of Fire Pump instead Diesel Engine. Also, Item No. 5. Appendix I, added the common-use marine unloading operations owned by the Tampa Port Authority.

CONCLUSION

This project is to revise the Title V air operation permit No. 0570085-023-AV, which was issued on April 26, 2012. This Title V air operation permit revision is issued under the provisions of Chapter 403, Florida Statues (F.S.), and Chapters 62-4, 62-210 and 62-213, F.A.C.