TECHNICAL EVALUATION
&
PRELIMINARY DETERMINATION

APPLICANT

Genesis Crude Oil, L.P.
919 Milam Street, Suite 2100
Houston, Texas 77002

Jay Station
Facility ID No. 1130160

PROJECT

Project No. 1130160-005-AC
Application for Minor Source Air Construction Permit
Crude Oil Pipeline & Truck Unloading

COUNTY

Santa Rosa, Florida

PERMITTING AUTHORITY

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

June 18, 2012

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

The Jay pipeline station is an existing crude petroleum storage and transfer facility, which is categorized under Standard Industrial Classification Code No. 4612, Crude Petroleum Pipelines. The facility is located at 5435 Oil Plant Road in Jay, Santa Rosa County. The UTM coordinates are Zone 16, 479.51 km East and 3425.74 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 incorporates the Jay tanker truck unloading station, Facility ID No. 1130159, into the Jay pipeline station, Facility ID No. 1130160. These two adjacent facilities, currently operating under separate Federally Enforceable State Operating Permits (FESOP), will be combined, as is with no actual construction or increase of combined emissions, into one facility. The Jay existing pipeline station, comprised of three external floating roof tanks with associated piping and pumps, receives crude oil from gathering lines that originate at tanker truck unloading stations. Crude oil is pumped into holding tanks and then is pumped into an outbound pipeline. The Jay tanker truck unloading station consisting of one fixed roof storage tank with associated piping and pumps, transfers crude oil from tanker trucks, through a gathering line, to storage tanks at the Jay pipeline station.

Processing Schedule

May 29, 2012 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.

Table A. Potential Emissions (tons/year) and PSD Applicability.

Pollutant	Existing Pre-Project Potential Emissions Facility ID No. 1130160, EU 001	Post-Project Potential Emissions, Including Facility ID No. 1130159, EU 002	Project Potential Emission Increase	PSD Major Threshold	Subject to PSD?
CO	0	0	0	250	No
NO_x	0	0	0	250	No
PM/ PM_{10}	0	0	0	250	No
$0SO_2$	0	0	0	250	No
VOC	27.81	71.90	44.09	250	No

This facility is not a major stationary source with respect to PSD because potential emissions of each pollutant from the project do not reach or exceed the PSD major stationary source threshold of 250 TPY for this type of facility, and it is not one of the 28 PSD-major facility categories. Therefore, this project is subject only to the general preconstruction review requirements of Rule 62-212.300, F.A.C.

3. APPLICATION REVIEW

Application Fee

This is an air construction permit (AC/1D $2,000.00 fee) for a minor source with potential emissions of 25 or more tons per year, but less than 50 tons per year, of any single pollutant. [Rule 62-4.050(4)(a)2.c., F.A.C]

Discussion of Emissions

Potential Volatile Organic Compounds (VOC) emissions for the existing facility will increase by 44.09 TPY due to the incorporation of the Jay tanker truck unloading station. Estimated VOC emissions from storage tank 7599 are 43.51 TPY and uncontrolled VOC emissions from fugitive sources are 0.58 TPY. The fixed roof storage tank has a nominal volume of 19,491 gallons (73.78 m^3 or 464.07 barrels). The crude oil is said to have a worst-case Reid Vapor Pressure (RVP) of 5, which is equivalent to 3.82 psia or 26.34 kPa. Potential VOC emissions estimates are based on a throughput of 1,277,500 barrels per year of crude oil passing through the storage tank, Tanks program 4.09d, emission factors from AP-42 and EPA protocol for equipment leak estimates. [Application No. 1130160-005-AC]

State Requirements

Compliance with General Pollutant Emission Limiting Standards for VOC, Objectionable Odors and General Particulate Emission Limiting Standards are required. [Rules 296.320(1), (2) & (4)(c), F.A.C.]

Federal NSPS Provisions

The storage tanks at the Jay pipeline station were constructed in 1972 and are therefore exempt from EPA regulations for New Source Performance Standards for Volatile Organic Liquid Storage Vessels (40 CFR 60 subpart K). The fixed roof storage tank at the Jay truck unloading station is exempt from 40 CFR 60 subpart Kb - Standards of Performance for Volatile Organic Liquid Storage Vessels, because its capacity of 73.78 m^3 is less than the threshold capacity of 75 m^3. [40 CFR 60.110b(a)]

Federal NESHAP Provisions

The facility is not regulated under Federal NESHAP Provisions.

Other Draft Permit Requirements

Crude oil is to be pumped into the gathering line while tanker trucks are being unloaded to give an effective storage tank throughput rate of 250 barrels per hour and an effective annual limit of 1,277,500 barrels per year (53,655,000 gallons per year). [Rule 62-210.200(PTE), F.A.C., and Application No. 1130160-005-AC]

The permittee shall maintain records for all stored materials, which show the annual throughput and emissions for

storage tank 7599. [Rule 62-4.070, F.A.C.]

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. Howard Ard 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 850/595-0622 or Howard.Ard@dep.state.fl.us.