



FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION

Northwest District
160 W. Government St., Suite 308
Pensacola, Florida 32502-5740

RICK SCOTT
GOVERNOR

HERSCHEL T. VINYARD JR.
SECRETARY

April 26, 2013

By Electronic Mail, Received Receipt Requested
kmcharles@chevron.com

Kevin M. Charles, Terminal Manager
Chevron Panama City Terminal
525 West Beach Drive
Panama City, Florida 32401

Dear Mr. Charles:

This is in response to your letter by e-mail of April 23, 2013 requesting a permit amendment to allow the use of natural gas as the primary source of pilot/assist gas with propane as a backup for your enclosed flare vapor control unit at the Panama City Terminal, Facility No. 0050056, in Bay County. By this letter, specific condition A.2. of Permit 0050056-015-AF is changed as follows:

From:

A.2. Methods of Operation - (i.e., Fuels): The enclosed flare auxiliary fuel is limited to propane with a maximum sulfur content of 0.02% by weight at a maximum rate of 72 SCFM. Vendor records shall be maintained at the facility showing the propane sulfur content. [Rules 62-4.160(2), 62-210.200(PTE) and 62-213.440(1), F.A.C., and permit 0050056-005-AC]

To:

A.2. Methods of Operation - (i.e., Fuels): The enclosed flare auxiliary fuel is limited to natural gas or propane. If propane is used, the propane maximum allowable sulfur content shall be equal to or less than 0.02% by weight, and the propane maximum allowable flow rate shall be 72 SCFM. Vendor records shall be maintained at the facility showing the propane sulfur content. Records for natural gas are not required. [Rules 62-4.160(2), 62-210.200(PTE) and 62-213.440(1), F.A.C., permit 0050056-005-AC and letter dated 4/23/2013]

All other permit conditions remain in effect. This letter shall be attached to and made a part of Permit 0050056-015-AF. If you have any questions, please contact Armando Sarasua at 850/595-0639 or armando.sarasua@dep.state.fl.us

Sincerely,

J. Charles Harp
Program Administrator
Waste Management/Air Resources

JCH/dm/m

Enclosure: Notice of Rights

c: DEP Northwest District Branch Office, Panama City

NOTICE OF RIGHTS

Persons whose substantial interests are affected by this agency action have a right, pursuant to Sections 120.569 and 120.57, Florida Statutes, to petition for an administrative hearing on it. The Petition must contain the information set forth below and must be filed (received) at the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS 35, Tallahassee, Florida 32399-3000, within 21 days of receipt of this notice. A copy of the Petition must also be mailed at the time of filing to the Department's Northwest District Office, 160 W. Government Street, Room 308, Pensacola, Florida 32502-5740. Failure to file a petition within the 21 days constitutes a waiver of any right such person has to an administrative hearing pursuant to Sections 120.569 and 120.57, Florida Statutes.

The petition shall contain the following information:

- (a) The name, address, and telephone number of each petitioner; the county in which the subject matter or activity is located;
- (b) A statement of how and when each petitioner received notice of the agency action;
- (c) A statement of how each petitioner's substantial interests are affected by the agency action;
- (d) A statement of the material facts disputed by petitioner, if any;
- (e) A statement of facts which petitioner contends warrant reversal or modification of the agency action;
- (f) A statement of which rules or statutes petitioner contends require reversal or modification of the agency action;
- (g) A statement of the relief sought by petitioner, stating precisely the action petitioner wants the Department to take with respect to the agency action.

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, the Department's final action may be different from the position taken by it in this Notice. Persons whose substantial interests will be affected by any decision of the Department with regard to the subject agency action have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 21 days of receipt of this notice in the Office of General Counsel at the above address of the Department. Failure to petition within the allowed time frame constitutes a waiver of any right such person has to request a hearing under Sections 120.569 and 120.57, Florida Statutes, and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 28-106.205, Florida Administrative Code.

Mediation under Section 120.573, Florida Statutes, is not available in this proceeding.



Global Marketing



Kevin M. Charles
Terminal Manager

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April 23, 2013

Dear Mr. Harp,

Chevron operates a bulk petroleum terminal in Panama City, FL. The facility has a synthetic minor air permit (0050056-015-AF) with throughput limits for the product throughputs (VOC).

The facility operates a loading rack with an enclosed flare (vapor combustion unit). The VCU currently uses propane as a pilot gas and is also designed to use propane as an auxiliary fuel. Since the VCU is designed with a temperature controlled system, assist gas is typically not used during loading. The propane is only used for pilot gas.

The terminal is proposing to switch the pilot gas from propane to Natural gas. The operating parameters (BTU firing rate) for the flare will not change. The manufacturer of the VCU (John Zink) indicated that the pilot usage goes from 25 scfh to 54 scfh per pilot for the natural gas and the emissions from switching the gas source will be absolutely minimal compared to the overall VOC emissions from the combustion of the captured VOCs.

The current permit condition A.2 requires *"The enclosed flare auxiliary fuel is limited to propane with a maximum sulfur content of 0.02% by weight at a maximum rate of 72 SCFM. Vendor records shall be maintained at the facility showing the propane sulfur content"*.

We are requesting this condition be amended in the permit to allow for the use of Natural Gas as the primary source of pilot/assist gas with Propane as a backup.

The facility will continue to maintain the fuel usage for the natural gas. The CO, NOx, and PM emissions from the operation of the flare (calculated using AP-42 flare EFs) do not change. Please let me know if you require further information for this pilot gas usage change.

Also, per letter dated September 12, 2011, Chevron would also like to notify you that Tank 102, (20,000 Gallon Horizontal Tank), installation has been completed and the tank is now in service for the collection of Petroleum Contact Water (PCW). This water is then hauled off site for recycling. Tank 101 is no longer used for the collection of PCW and is scheduled to be removed at our earliest convenience.

Sincerely,

Kevin M. Charles

CC: Armando Sarasua, Florida DEP
Greg Renfro, Chevron, TESH