TECHNICAL EVALUATION
AND
PRELIMINARY DETERMINATION

I. GENERAL INFORMATION

A. APPLICANT

NuStar Terminals Operations Partnership, L.P.
NuStar Jacksonville Terminal
6531 Evergreen Avenue
Jacksonville, Fl 32208

Draft Permit No.: 0310028-023-AC
County: Duval

B. PROJECT

On January 6, 2011, the applicant, NuStar Terminals Operations Partnership, L.P. applied to the Permitting Authority for an air construction permit to replace the existing hot water boiler (Emission Unit No. 035) with a new hot water boiler. The facility is located at the NuStar Jacksonville Terminal, 6531 Evergreen Avenue, Jacksonville, Duval County, FL 32208.

II. RULE APPLICABILITY

The facility is located in an area designated as attainment for the air pollutant sulfur dioxide (effective March 8, 1999), as unclassifiable for the air pollutant particulate matter less than or equal to ten (10) micrometers, and an air quality maintenance area for air pollutants particulate matter and ozone pursuant to Rule 62-204, Florida Administrative Code (FAC), and Rule 2.201, Jacksonville Environmental Protection Board (JEPB).

The facility is a major source of air pollution because the potential emissions of regulated air pollutants are greater than 100 tons per year pursuant to Rule 62-210.200, FAC, and JEPB Rule 2.301.

The facility is a synthetic minor source of Hazardous Air Pollutants (HAP) because the operational limit assumed by the owner will limit the potential emissions to less than 10 tons per year for a single HAP and less than 25 tons per year for total HAPs pursuant to Rule 62-210.200, FAC, and Rule 2.301, JEPB.

This facility is major for purposes of Prevention of Significant Deterioration. The modifications will not result in a significant net increase of volatile organic compounds nor will recent permitted modifications in addition to this modification result in a significant net increase of volatile organic compounds, therefore, additional Prevention of Significant Deterioration analysis is not required.

The project shall be subject to 40 CFR 60, Subpart Dc, Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units and 40 CFR 60, Subpart A, General Provisions.

III. TECHNICAL EVALUATION

Emission Unit No. 045 - New Hot Water Boiler

The new hot water boiler with a maximum heat input rating of 10.46 MMBtu per hour shall be fired primarily by natural gas and No. 2 fuel oil as a backup fuel. Visible emissions shall be limited to a maximum of 20 % opacity, except for one six minute period per hour where a maximum of 27 % opacity shall be allowed. The boiler is exempt from Reasonably Available Control Technology requirements because it is below the applicability threshold. The boiler is subject to the requirements of 40 CFR 60, Subpart Dc, Standards of

Performance for Small Industrial-Commercial-Institutional Steam Generating Units. Sulfur dioxide (SO_2) and particulate matter (PM) emissions shall be controlled in accordance with the Best Available Control Technology (BACT) Determination. The maximum sulfur content of No. 2 fuel oil fired shall be limited to 0.05 percent, by weight.

Test Methods and Procedures

Testing for demonstration of compliance shall be performed in accordance with EPA RM 9 (as described in 40 CFR 60, Appendix A) for the visual determination of opacity.

VE testing shall be conducted for a minimum period of 60 minutes.

Initial VE compliance testing shall be conducted within 60 days after achieving the maximum production rate at which the boiler will be operated but no later than 180 days after initial start-up of the boiler, while burning No.2 fuel oil.

Compliance with the fuel oil sulfur content shall be demonstrated through annual certification by the fuel oil supplier as described and as applicable in 40 CFR 60.48c(f). Alternate testing may be through the use of ASTM Method D 2622-82 Sulfur in Petroleum Products (X-Ray Spectrographic Method). Records shall be maintained for a minimum period of five (5) years and shall be provided to the Permitting Authority upon request.

The fuel oil sulfur limits shall apply at all times, including periods of startup, shutdown, and malfunction.

Recordkeeping and Reporting Requirements

Records of the amount of each fuel combusted during each calendar month shall be maintained.

Reports and recordkeeping shall be in accordance with the applicable provisions of 40 CFR 60.48c (d), (e) and (f).

Records shall be maintained for a minimum of five (5) years and made available to the Permitting Authority upon request.

The reporting period for the reports required for this emission unit is each six-month period. All reports shall be submitted to the Permitting Authority and shall be postmarked by the 30th day following the end of the reporting period.

IV. CONCLUSION

Based upon information provided by NuStar Terminals Operations Partnership, L.P., the Permitting Authority has reasonable assurance that the proposed construction as described in this evaluation and subject to the conditions proposed herein, will not cause, or contribute to a violation of any ambient air quality standard or other technical provision of Chapters 62-296 and 62-297, FAC, or Rules 2.1101 and 2.1201, JEPB.