NUSTAR TERMINALS OPERATIONS PARTNERSHIP, L.P.
NUSTAR JACKSONVILLE TERMINAL
FACILITY ID NO.: 0310028
DUVAL COUNTY

AIR CONSTRUCTION PERMIT
DRAFT PERMIT NO.: 0310028-023-AC

Permitting & Compliance Authority:
Environmental and Compliance Department
Environmental Quality Division
407 North Laura Street, Third Floor
Jacksonville, FL 32202
Telephone: (904) 255-7100
FAX: (904) 588-0518

Air Construction Permit
DRAFT Permit No.: 0310028-023-AC

Table of Contents

Section **Page Number**

Placard Page.....1

I. Facility Information... 2
- A. Project and Facility Description
- B. Summary of Emission Unit ID Nos. and Brief Descriptions
- C. Relevant Documents

II. Facility Wide Conditions.....2 - 7

III. Emission Units and Descriptions.....7 - 8

Emission Unit ID No.	**Brief Description**
045	New Hot Water Boiler

Permittee:
NuStar Terminals Operations Partnership, L.P.
NuStar Jacksonville Terminal
6531 Evergreen Avenue
Jacksonville, FL 32208

DRAFT Permit No.: 0310028-023-AC
Facility ID No.: 0310028
SIC Nos.: 42
Project: Title V Air Construction Permit
New Hot Water Boiler

This permit is for replacing the existing hot water boiler (Emission Unit No. 035) with a new hot water boiler. This existing facility is located at 6531 Evergreen Avenue, Jacksonville, Duval County, FL; UTM Coordinates: Zone 17, 438.26 km East and 3360.09 km North; Latitude: 30° 22' 22" North and Longitude: 81°38' 33" West.

This permit is issued under the provisions of Chapter 403, Florida Statutes, and Florida Administrative Code (FAC) Rules 62-4, 62-204, 62-210, 62-212, 62-213, 62-296, and 62-297. The above named permittee is hereby authorized to perform the work or operate the facility shown on the application and approved drawing(s), plans, and other documents attached hereto or on file with the Environmental and Compliance Department, Environmental Quality Division (Permitting Authority), and made a part hereof, in accordance with the terms of this permit.

***Title V Air Operation Permit Application Due Date:**

Expiration Date:

Environmental and Compliance Department
Environmental Quality Division

_____
Robert Steven Pace, P.E., Manager
Air Quality Branch

RSP/GHB

***Note: See Section II. Facility Wide Conditions, Subsection B., Specific Condition 8**

Section I. Facility Information

Subsection A. Project and Facility Description

This permit is for replacing the existing hot water boiler (Emission Unit No. 035) with a new hot water boiler. The facility is a petroleum and non-petroleum products warehouse and storage terminal facility. The facility operations include storage tanks, tank truck loading, rail car loading and unloading, tanker ship loading and unloading, barge loading and unloading, and other handling and transfer operations of petroleum products.

NuStar Terminals Operations Partnership, L.P., NuStar Jacksonville Terminal is classified as a Title V source because potential emissions of one or more individual criteria pollutants is equal to or greater than 100 tons per year in accordance with Chapter 62-210, FAC, and Rule 2.301 JEPB.

Based on the Title V Air Construction Permit application received February 6, 2011, this facility is classified as a synthetic non-Title V source for Hazardous Air Pollutants (HAPs) because the potential emissions of any single HAP is limited to less than 10 tons per year and the potential emissions of total HAPs is limited to less than 25 tons per year in accordance with Chapter 62-210, 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.

Subsection B. Summary of Emission Unit (EU) ID Nos. and Brief Descriptions

Emission Unit ID No.	Brief Description
045	New Hot Water Boiler

Subsection C. Relevant documents

Air construction permit application received February 6, 2011

Section II. Facility Wide Conditions

Subsection A. General Conditions

1. The terms, conditions, requirements, limitations, and restrictions set forth herein are "Permit Conditions" and are binding and enforceable pursuant to Sections 403.141, 403.727, or 403.859 through 403.861, Florida Statutes. The permittee is placed on notice that the Permitting Authority will review this permit periodically and may initiate enforcement action for any violation of these conditions.

2. This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings, exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Permitting Authority.

3. The issuance of this permit does not convey any vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state, or local laws or regulations. This permit is not a waiver of or approval of any other Permitting

Authority permit that may be required for other aspects of the total project which are not addressed in this permit.

4. This permit conveys no title to land or water, does not constitute State recognition or acknowledgement of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title.

5. This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore, nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Permitting Authority rules, unless specifically authorized by an order from the Permitting Authority.

6. The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed and used by the permittee to achieve compliance with the conditions of this permit, as required by Permitting Authority rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by Permitting Authority rules.

7. The permittee, by accepting this permit, specifically agrees to allow authorized Permitting Authority personnel, upon presentation of credentials or other documents as may be required by law and at reasonable times, access to the premises where the permitted activity is located or conducted to:
    a. Have access to and copy any records that must be kept under conditions of the permit;
    b. Inspect the facility, equipment, practices, or operations regulated or required under this permit; and
    c. Sample or monitor any substances or parameters at any location reasonably necessary to assure compliance with this permit or Permitting Authority rules.

    Reasonable time may depend on the nature of the concern being investigated.

8. If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide the Permitting Authority with the following information:
    a. A description of and cause of noncompliance; and
    b. The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the noncompliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the noncompliance. The permittee shall be responsible for any and all damages which may result and may be subject to enforcement action by the Permitting Authority for penalties or revocation of this permit.

9. In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to the Permitting Authority may be used by the Permitting Authority as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Permitting Authority rules, except where such use is prescribed by Sections 403.111 and 403.73, Florida Statutes. Such evidence shall only be used to the extent it is consistent with the Florida Rules of Civil Procedure and appropriate evidentiary rules.

10. The permittee agrees to comply with changes in Permitting Authority rules and Florida Statutes after a reasonable time for compliance; provided, however, the permittee does not waive any other rights granted by Florida Statutes or Permitting Authority rules.

11. This permit is transferable only upon Permitting Authority approval in accordance with Rules 62-4.120 and 62-730.300, FAC, as applicable. The permittee shall be liable for any noncompliance of the permitted activity until the transfer is approved by the Permitting Authority.

12. This permit or a copy thereof shall be kept at the work site of the permitted activity.

13. This permit also constitutes:
    (X) Determination of Best Available Control Technology (BACT)
    ( ) Determination of Prevention of Significant Deterioration (PSD)
    (X) Compliance with New Source Performance Standards
    ( ) Compliance with National Emissions Standards for Hazardous Air Pollutants

14. The permittee shall comply with the following:
    a. Upon request, the permittee shall furnish all records and plans required under Permitting Authority rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Permitting Authority.
    b. The permittee shall hold at the facility or other location designated by this permit records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by this permit, copies of all reports required by this permit, and records of all data used to complete the application for this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by Permitting Authority rule.
    c. Records of monitoring information shall include:
        1. The date, exact place, and time of sampling or measurements;
        2. The person responsible for performing the sampling or measurements;
        3. The date(s) analyses were performed;
        4. The person responsible for performing the analyses;
        5. The analytical techniques or methods used;
        6. The results of such analyses.

15. When requested by the Permitting Authority, the permittee shall within a reasonable time furnish any information required by law which is needed to determine compliance with the permit. If the permittee becomes aware that relevant facts were not submitted or were incorrect in the permit application or in any report to the Permitting Authority, such facts or information shall be corrected promptly.
    [Rule 62-4.160, FAC, and Rule 2.1401, Jacksonville Environmental Protection Board (JEPB)]

Subsection B. Specific Conditions

1. Any revision(s) to a permit (and application) shall be submitted to and approved by the Permitting Authority prior to implementing.
   [Rule 62-4.080(2), FAC, and Rule 2.1401, JEPB]

2. Permittee shall submit an annual operation report to the Permitting Authority for this (these) emission unit(s) on the form(s) supplied for each calendar year on or before April 1 of the following year.
   [Rule 62-210.370(3), FAC, and Rule 2.301, JEPB]

3. The construction/modification shall reasonably conform to the plans and schedule submitted in the application. If the permittee is unable to complete construction on schedule, the Permitting Authority must be notified in writing sixty (60) days prior to the expiration of the construction permit. A new schedule and request for an extension of the construction permit must be submitted.
   [Rule 62-4.080(2), FAC, and Rule 2.1401, JEPB]

4. Permittee shall notify the Permitting Authority fifteen (15) days prior to EU testing.
   [Rule 62-297.310(7)(a)(9), FAC, and Rule 2.1201, JEPB.]

5. Copies of the test report(s) shall be filed with the Permitting Authority within forty-five (45) days of completion of testing.
[Rule 62-297.310(8)(b), FAC, and Rule 2.1201, JEPB]

6. Stack sampling facilities shall comply with the requirements of Rule 62-297.310(6), FAC, and Rule 2.1201, JEPB.

7. Control equipment shall be provided with a method of access that is safe and readily accessible.
[Rule 62-297.310(6), FAC, and Rule 2.1201, JEPB]

8. To obtain a permit to operate, the permittee must demonstrate compliance with the conditions of the construction permit and submit a complete application for a Title V Air Operating Permit with compliance records and test results, to the Permitting Authority, at least 90 days prior to the expiration date of the construction permit but no later than 180 days after initial start-up, whichever occurs first. The permittee may continue to operate in compliance with all terms of the construction permit until its expiration date. Operation beyond the construction permit expiration date requires a valid Title V operation permit to operate.
[Rule 62-213.420(1)(a), FAC and Rule 2.501, JEPB]

9. General Pollutant Emission Limiting Standards. Objectionable Odor Prohibited. The permittee shall not cause, suffer, allow, or permit the discharge of air pollutants, which cause or contribute to an objectionable odor.
[Rule 62-296.320(2), FAC, and Rule 2.1101, JEPB]

10. General Pollutant Emission Limiting Standards. Volatile Organic Compounds (VOC) Emission or Organic Solvents (OS) Emissions. The permittee shall allow no person to store, pump, handle, process, load, unload, or use in any installation, VOC or OS without applying known and existing vapor emission control devices or systems deemed necessary and ordered by the Permitting Authority.
[Rule 62-296.320(1)(a), FAC, and Rule 2.1101, JEPB]

11. The facility shall be subject to City of Jacksonville Ordinance Code, Title X, Chapter 360 [Environmental Regulation], Chapter 362 [Air and Water Pollution], Chapter 376 [Odor Control], and JEPB Rule 1 [Final Rules with Respect to Organization, Procedure, and Practice].

12. The facility shall be subject to JEPB Rule 2, Part Nos. I through VII, and Part Nos. IX through XIV.

13. Excess emissions resulting from startup, shutdown, or malfunction of any emission unit shall be permitted providing (1) best operational practices to minimize emissions are adhered to and (2) the duration of excess emissions shall be minimized but in no case exceed two hours in any 24 hour period unless specifically authorized by the Permitting Authority for longer duration. Excess emissions which are caused entirely or in part by poor maintenance, poor operation, or any other equipment or process failure which may reasonably be prevented during startup, shutdown, or malfunction shall be prohibited. In the case of excess emissions resulting from malfunctions, each owner or operator shall notify the Permitting Authority in accordance with Rule 62-4.130, FAC and Rule 2.1401, JEPB. A full written report on the malfunctions shall be submitted to the Permitting Authority in a quarterly report, if requested by the Permitting Authority.
[Rule 62-210.700, FAC, and Rule 2.201, JEPB]

14. Testing of emissions shall be conducted with the EU operating at permitted capacity. Permitted capacity is defined as 90-100 percent of the maximum operating rate allowed by the permit. If it is impracticable to test at permitted capacity, then EU may be tested at less than capacity; in this case subsequent EU operation is limited to 110 percent of the test load until a new test is conducted. Once the EU is so limited, then operation at higher capacities is allowed for no more than 15 consecutive days for the purposes of additional compliance testing to regain the permitted capacity in the permit.
[Rule 62-297.310(2), FAC, and Rule 2.1201, JEPB]

15. Modifications: The permittee shall notify the Permitting Authority upon commencement of construction. No new emissions unit shall be constructed and no existing emissions unit shall be modified without obtaining an air construction permit from the Permitting Authority. Such permit shall be obtained prior to beginning construction or modification.
[Rule 62-210.300(1), FAC, Rule 62-212.300(1)(a), FAC, Rule 2.301, JEPB, and Rule 2.401, JEPB]

16. Source Obligation:
    a. Authorization to construct shall expire if construction is not commenced within 18 months after receipt of the permit, if construction is discontinued for a period of 18 months or more, or if construction is not completed within a reasonable time. This provision does not apply to the time period between construction of the approved phases of a phased construction project except that each phase must commence construction within 18 months of the commencement date established by the Permitting Authority in the permit.
    b. At such time that a particular source or modification becomes a major stationary source or major modification (as these terms were defined at the time the source obtained the enforceable limitation) solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the source or modification otherwise to emit a pollutant, such as a restriction on hours of operation, then the requirements of subsections 62-212.400(4) through (12), FAC, shall apply to the source or modification as though construction had not yet commenced on the source or modification.
    c. At such time that a particular source or modification becomes a major stationary source or major modification (as these terms were defined at the time the source obtained the enforceable limitation) solely by exceeding its projected actual emissions, then the requirements of subsections 62-212.400(4) through (12), FAC., shall apply to the source or modification as though construction had not yet commenced on the source or modification.

    [Rule 62-212.400(12), FAC and Rule 2.401, JEPB]

17. The permittee shall submit all compliance related notifications and reports required of this permit to:

    Environmental and Compliance Department
    Environmental Quality Division
    407 North Laura Street, Third Floor
    Jacksonville, FL 32202
    Telephone: (904) 255-7100
    Fax: (904) 588-0518

18. Any reports, data, notification, certifications, and requests required to be sent to the United States Environmental Protection Agency, should be sent to:

    United States Environmental Protection Agency
    Region 4
    Air, Pesticides & Toxics Management Division

Air and EPCRA Enforcement Branch
61 Forsyth Street
Atlanta, GA 30303
Telephone: 404/562-9155
Fax: 404/562-9163

Section III. Emission Units and Conditions

Emissions Unit No. 045 – New Hot Water Boiler

Emissions Unit Description - Hurst Boiler Model No. S5GA2-250-125W. The 10.46 x 10^6 Btu boiler is equipped with a low NOx burner and will be fired primarily with natural gas and No. 2 fuel oil as a back-up fuel. The boiler is used to heat residual oil tanks.

Essential Potential to Emit (PTE) Parameters

1. This emissions unit is allowed to operate continuously, i.e., 8,760 hours per year.
[Rule 62-210.200(PTE), FAC, and Rule 2.301, JEPB]

Emission Limitations and Standards

2. The maximum heat input shall not exceed 10.46 x 10^6 Btu per hour of natural gas and No. 2 fuel oil.
[Rule 62-210.200(PTE), FAC, and Rule 2.301, JEPB]

3. Fuels which may be fired are natural gas and No. 2 fuel oil.
[Rule 62-210.200(PTE), FAC, and Rule 2.301, JEPB]

4. Sulfur dioxide (SO_2) and particulate matter (PM) emissions shall be controlled in accordance with the Best Available Control Technology (BACT) Determination.
[Rules 62-296.406(2) and (3), FAC, and Rule 2.1101, JEPB]

5. Visible emissions (VE) shall be limited to 20 percent opacity except that VE not exceeding 27 percent opacity are allowed for up to 6 minutes in any one hour period.
[Rule 62-296.406(1), FAC, and 2.1101, JEPB]

6. The maximum sulfur content of No. 2 fuel oil fired shall be limited to 0.05 percent, by weight.
[Rules 62-296.406(2) and (3), FAC, and Rule 2.1101, JEPB]

7. 40 CFR 60, Subpart Dc, Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units, and 40 CFR 60, Subpart A, General Provisions, Reporting Requirements, Notification Requirements, and Standards of Performance shall apply.

Test Methods and Procedures

8. 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.
[Rule 62-297.401(9), FAC and 2.1201, JEPB]

9. VE testing shall be conducted for a minimum period of 60 minutes.
[Rule 62-297.310(4)(a)2., FAC, Rule 62-297.310(7)(a)4.a., FAC and Rule 2.1201, JEPB]

10. 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.
[40 CFR 60.8(a), Rule 62-204.800, FAC and Rule 2.201, JEPB]

11. 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.
[40 CFR 60.44(h), Rule 62-4.070(3), FAC, Rule 62-204.800, FAC, Rule 2.1401, JEPB and Rule 2.201, JEPB]

12. The fuel oil sulfur limits shall apply at all times, including periods of startup, shutdown, and malfunction.
[40 CFR 60.42c(i), Rule 62-204.800, FAC and Rule 2.201, JEPB]

Recordkeeping and Reporting Requirements

13. Records of the amount of each fuel combusted during each calendar month shall be maintained.
[40 CFR 60.48c(g), Rule 62-204.800, FAC and Rule 2.201, JEPB]

14. Reports and recordkeeping shall be in accordance with the applicable provisions of 40 CFR 60.48c (d), (e) and (f).
[40 CFR 60.48c, Rule 62-204.800, FAC and Rule 2.201, JEPB]

15. Records shall be maintained for a minimum of five (5) years and made available to the Permitting Authority upon request.
[Rule 62-213.440(1)(b), FAC, and Rule 2.501, JEPB]

16. 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.
[40 CFR 60.48c(j), Rule 62-204.800, FAC and Rule 2.201, JEPB]