FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

NORTHEAST DISTRICT
8800 BAYMEADOWS WAY WEST, SUITE 100
JACKSONVILLE, FLORIDA 32256

RICK SCOTT
GOVERNOR

CARLOS LOPEZ-CANTERA
LT. GOVERNOR

HERSCHEL T. VINYARD JR.
SECRETARY

Sent by Electronic Mail – Received Receipt Requested

PERMITTEE

Kinder Morgan Operating L.P. "C"
5321 Hartford Street
Tampa, Florida 33619

Authorized Representative:
Rodney Palmer, Director of Operations

Air Permit No. 0890440-001-AC
Permit Expires: xx/xx/xxxx

Nassau Terminal LLC
Initial Air Construction Permit

This is the final air construction permit, which authorizes the re-purposing of the existing facility to also allow for the handling and transporting of coal. This operation will consist of trans-loading inbound coal from vessels, via ship-mounted clamshell, up to possibly three hoppers and then to truck(s) for offsite delivery; and also trans-loading of coal via clamshell to a barge for temporary storage. The coal would then be transferred from the barge via clamshell to the hopper(s) and then truck(s) for offsite delivery. The proposed work will be conducted at the Nassau Terminal LLC, which is a Marine Cargo Handling facility (Standard Industrial Classification No. 4491). The facility is located in Nassau County at 501 North 3rd Street in Fernandina Beach, Florida. The UTM coordinates are Zone 17, 455.74 km East, and 3393.97 km North.

This final permit is organized by the following sections.

Section 1. General Information

Section 2. Administrative Requirements

Section 3. Emissions Unit Specific Conditions

Section 4. Appendices

Because of the technical nature of the project, the permit contains numerous acronyms and abbreviations, which are defined in Appendix A of Section 4 of this permit.

This air pollution construction permit is issued under the provisions of: Chapter 403 of the Florida Statutes (F.S.) and Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297 of the Florida Administrative Code (F.A.C.). The permittee is authorized to conduct the proposed work in accordance with the conditions of this permit. This project is subject to the general preconstruction review requirements in Rule 62-212.300, F.A.C. and is not subject to the preconstruction review requirements for major stationary sources in Rule 62-212.400, F.A.C. for the Prevention of Significant Deterioration (PSD) of Air Quality.

Upon issuance of this final permit, any party to this order has the right to seek judicial review of it under Section 120.68 of the Florida Statutes by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel (Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000) and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within 30 days after this order is filed with the clerk of the Department.

Executed in Jacksonville, Florida

(DRAFT)

_____
Richard S. Rachal III, P.G.
Program Administrator
Waste and Air Resource Management Program

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Final Air Permit package (including the Final Determination and Final Permit) was sent by electronic mail (or a link to these documents made available electronically on a publicly accessible server) with received receipt requested before the close of business on DRAFT to the persons listed below.

Rodney Palmer, Director of Operations, Kinder Morgan (rodney_palmer@kindermorgan.com)
John Vogler, Regional Manager EHS- Southeast Region, Kinder Morgan Terminals (john_volger@kindermorgan.com)
Stephen Dubose, Terminal Manager- Nassau Terminals LLC (stephen_dubose@kindermorgan.com)
David Cibik, P.E. of Record, ARCADIS (david.cibik@arcadis-us.com)

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency clerk, receipt of which is hereby acknowledged.

DRAFT

_____ _____
(Clerk) (Date)

FACILITY AND PROJECT DESCRIPTION

Existing Facility

Kinder Morgan Operating L.P. "C" is a marine cargo handling facility that currently transfers various types of break-bulk type products. These products include, but are not limited to paper products, steel coils, rebar and containers to and from vessels, railcars, and trucks using cranes and various types of mobile equipment. The existing facility previously did not require a permit for the break-bulk products. The facility also has an emergency RICE generator that is subject to the requirements of 40 CFR 60 Subpart ZZZZ- National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines. This engine is not a source of HAPs. The engine met the categorical exemption from having to obtain an air permit in Rule 62-210.300(3)(a)35., F.A.C.

xx	Emergency RICE Engine (4 cycle, 605 HP, Rich burn, Cummins Model No. NTA-885-G5, manufactured 3/6/09)

Proposed Project

This project will re-purpose the facility to also allow the handling and transporting of coal. This operation will consist of trans-loading inbound coal from vessels, via ship-mounted clamshell, up to possibly three hoppers and then to truck(s) for offsite delivery; and also trans-loading of coal via clamshell to a barge for temporary storage. The coal would then be transferred from the barge via clamshell to the hopper(s) and then truck(s) for offsite delivery. This project will add the following emissions units.

ID No.	Emission Unit Description	
001	Ship offloading of Coal **EP01** Via Clamshell to (Ship-hold/Vessel) **EP02** Clamshell from (Ship-hold/Vessel) to Hopper 1* **EP03** Clamshell from (Ship-hold/Vessel) to Hopper 2* **EP04** Clamshell from (Ship-hold/Vessel) to Hopper 3* **EP05** From Hopper 1* to truck **EP06** From Hopper 2* to truck **EP07** From Hopper 3 to truck	Particulate emissions will be controlled through a combination of best management practices, shielding, and water sprays as needed.
002	Transporting of Coal to Barge **EP01** Via Clamshell to (Ship-hold/Vessel) **EP02** Clamshell to Barge **EP03** Barge to Clamshell **EP04** Clamshell to Hopper 1* **EP05** Clamshell to Hopper 2* **EP06** Clamshell to Hopper 3* **EP07** From Hopper 1* to truck **EP08** From Hopper 2* to truck **EP09** From Hopper 3* to truck	

*****Up to three (3) Hoppers may be installed. Each drop point to the Hopper(s) and each drop from the Hopper(s) to the truck will be a separate emissions point (EP).

FACILITY REGULATORY CLASSIFICATION

- 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 (CAA).
- 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(PSD), F.A.C.

1. Permitting Authority: The permitting authority for this project is the Florida Department of Environmental Protection (Department), Northeast District Office, Waste and Air Resource Management. The Northeast District Office's mailing address is 8800 Baymeadows Way, Suite 100, Jacksonville, Florida 32256. All documents related to applications for permits to operate an emissions unit shall be submitted to the Northeast District.

2. Compliance Authority: All documents related to compliance activities such as reports, tests, and notifications shall be submitted to the Northeast District Office. The mailing address and phone number of the District Office is: 8800 Baymeadows Way, Suite 100, Jacksonville, Florida 32256. The Compliance Authority's telephone number is 904/256-1700.

3. Appendices: The following Appendices are attached as part of this permit:

a. Appendix A. Citation Formats and Glossary of Common Terms;

b. Appendix B. General Conditions;

c. Appendix C. Common Conditions; and

d. Appendix D. Common Testing Requirements.

4. Applicable Regulations, Forms and Application Procedures: Unless otherwise specified in this permit, the construction and operation of the subject emissions units shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of: Chapter 403, F.S.; and Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-296 and 62-297, F.A.C. Issuance of this permit does not relieve the permittee from compliance with any applicable federal, state, or local permitting or regulations.

5. New or Additional Conditions: For good cause shown and after notice and an administrative hearing, if requested, the Department may require the permittee to conform to new or additional conditions. The Department shall allow the permittee a reasonable time to conform to the new or additional conditions, and on application of the permittee, the Department may grant additional time. [Rule 62-4.080, F.A.C.]

6. Modifications: The permittee shall notify the Compliance 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 Department. Such permit shall be obtained prior to beginning construction or modification. [Rules 62-210.300(1) and 62-212.300(1)(a), F.A.C.]

7. Source Obligation:

(a) 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), F.A.C., shall apply to the source or modification as though construction had not yet commenced on the source or modification.

(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 exceeding its projected actual emissions, then the requirements of subsections 62-212.400(4) through (12), F.A.C., shall apply to the source or modification as though construction had not yet commenced on the source or modification.

[Rule 62-212.400(12), F.A.C.]

8. Application for Non-Title V Permit: This permit authorizes construction of the permitted emissions unit and initial operation to determine compliance with Department rules. A completed Application for Air Permit - Non Title V Source (DEP Form No. 62-210.900(3), F.A.C.), shall be submitted to the Department at least 90 days prior to the expiration date of this construction permit. To properly apply for a construction permit, the permittee shall submit the appropriate application form, processing fee, and compliance test reports as required by this permit. [Rules 62-4.050, F.A.C.]

EUs 001 and 002

This section of the permit addresses the following emissions units.

ID No.	Emission Unit Description	
001	Ship offloading of Coal **EP01** Via Clamshell to (Ship-hold/Vessel) **EP02** Clamshell from (Ship-hold/Vessel) to Hopper 1* **EP03** Clamshell from (Ship-hold/Vessel) to Hopper 2* **EP04** Clamshell from (Ship-hold/Vessel) to Hopper 3* **EP05** From Hopper 1* to truck **EP06** From Hopper 2* to truck **EP07** From Hopper 3 to truck	Particulate emissions will be controlled through a combination of best management practices, shielding, and water sprays as needed.
002	Transporting of Coal to Barge **EP01** Via Clamshell to (Ship-hold/Vessel) **EP02** Clamshell to Barge **EP03** Barge to Clamshell **EP04** Clamshell to Hopper 1* **EP05** Clamshell to Hopper 2* **EP06** Clamshell to Hopper 3* **EP07** From Hopper 1* to truck **EP08** From Hopper 2* to truck **EP09** From Hopper 3* to truck	

*****Up to three (3) Hoppers may be installed. Each drop point to the Hopper(s) and each drop from the Hopper(s) to the truck will be a separate emissions point (EP).

1. This project shall be in accordance with the application and associated documents provided to the Permitting Authority for the issuance of this permit. Any changes to the project that are contrary to these documents and permit shall be reported in writing to the Permitting Authority by the P.E. of Record.

[Application No. 0890440-001-AC]

2. <u>Hours of Operation</u>. The hours of operation for these emissions units are not restricted, i.e. allowed to operate continuously, 8760 hours/year (8784 in any Leap Year).

[Application No. 0890440-001-AC and 62-210.200(PTE), F.A.C.]

3. <u>Maximum Process Rate (EU001 and 002)</u>. The maximum process rate to the ship offloading and transporting system is estimated to be 500,000 tons per year of coal.

[Application No. 0890440-001-AC and Rule 62-210.200(PTE), F.A.C.]

EMISSIONS STANDARDS

4. General Visible Emissions (Testing only upon request). No person shall cause, let, permit, suffer or allow to be discharged into the atmosphere the emissions of air pollutants from any activity equal to or greater than 20% opacity. EPA Method 9 is the method of compliance pursuant to Chapter 62-297, F.A.C. This regulation does not impose a specific testing requirement. The Department may require a special compliance test in accordance with Rule 62 297.310(7)(b), F.A.C. (refer to Appendix D, Condition No. 4.b.)"

[Rule 62-296.320(4)(b)1, F.A.C.]

5. Unconfined Emissions of Particulate Matter. No person shall cause, let, permit, suffer or allow the emissions of unconfined particulate matter from any activity, including vehicular movement; transportation of materials; construction, alteration, demolition or wrecking; or industrially related activities such as loading, unloading, storing or handling; without taking reasonable precautions to prevent such emissions. Particulate emissions will be controlled through a combination of best management practices, shielding, and water sprays as needed.

- Operate water sprays during coal unloading and transfer operations and on paved roads as needed to maintain the moisture content of the materials to as close to or higher than "as received" levels.
- Keep material transfer points as low as possible (daily, when in operation). Typical drop heights are 10' for coal.
- Curtail operations during high wind conditions, as necessary.
- Cover the haul trucks upon leaving the facility (daily, when in operation).
- Post speed limit signs on paved roads (permanent).
- Visually inspect ship unloading area (at least twice a day during unloading periods) and take corrective actions as appropriate to minimize visible emissions.
- Implement good housekeeping at all times (daily, when in operation).
- Records of inspections and maintenance will be retained for a minimum of two years, and will be made available to the Department upon request.
- If corrective actions are necessary, maintenance job request will be immediately initiated. These records will also be maintained for a minimum of two years.
- Use of operational controls as necessary (i.e., carefully lowering the clamshell buckets into ship holds, minimizing drop heights, shrouding the hoppers, wind shields, etc.).
- Sweep roadways and other paved areas within Terminal; grounds as necessary to prevent particulate matter from becoming airborne.

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6. Commencement of Construction and Operation. The permittee shall submit to the Air Compliance Authority of this Office written notification of the date of commencement of construction and operation of **EUs 001 and 002**. Also, indicate the total number of Hopper(s) installed for EU001. This notification shall be submitted or postmarked within as many days prior to the date of construction and operation commencement as practical, but no later than thirty (30) business day following commencement of construction and operation.

[Rule 62-4.070(3), F.A.C.]