

**APPLICATION FORM AND
TECHNICAL SUPPORT DOCUMENT
FOR OUTER CONTINENTAL SHELF AIR PERMIT
DESTIN DOME AREA**

Prepared For:



**Chevron U.S.A. Production Company
935 Gravier Street
New Orleans, Louisiana 70112**

Prepared By:



**6241 NW 23rd Street, Suite 500
Gainesville, Florida 32653-1500**

**April 1999
9651116Y/F21**

INTEROFFICE MEMORANDUM

Date: 28-Sep-1999 11:39am
Expires: 15-Oct-1999 00:00am
From: Joanie Wheeler TAL
WHEELER_J
Dept: Bureau of Information Systems
Tel No: 850/921-9379

To: See Below

Subject: ..Memo from Secretary Struhs: Off-shore Drilling Testimony

To: All DEP Employees
From: David B. Struhs
Date: September 28, 1999
Subject: Off-shore drilling testimony

An important part of the Bush-Brogan Administration's environmental policy involves the issue of off-shore oil drilling. We are opposed to the introduction of new wells by Chevron in the Gulf of Mexico. The environmental risks clearly outweigh the economic benefits.

The Department has made its opposition to new off-shore oil drilling quite clear. Chevron has asked the U.S. Department of Commerce to overlook the state's wishes and approve their request to drill. On Monday, September 27, the Commerce Department held a public hearing on the matter in Pensacola. I was eager to join with Allison DeFoor to present the state's position at that hearing.

This is currently a Florida issue, but one with national implications. Our positions and reasoning are contained in my testimony, which I am pleased to share with you. The Bush-Brogan Administration and the Department is committed to the protection of our coastal environment from petroleum-related disasters. The last major step, begun with our testimony in Pensacola, is convincing the Clinton-Gore Administration to side with the state of Florida.

Distribution:

To: Patty Adams TAL	(ADAMS_P)
To: Kevin Adderly TAL	(ADDERLY_K)
To: David Ajayi TAL	(AJAYI_D)
To: Rebecca Ajhar TAL	(AJHAR_R)
To: Wendy Alexander TAL	(ALEXANDER_W)
To: Dick Arbes TAL	(ARBES_D)

al Larry - pls prepare response to this
RECEIVED

FEB 25 1999
DIVISION OF AIR
RESOURCES MANAGEMENT

2/23/99

Howard:

OPB is requesting comments on the enclosed correspondence regarding Chevron's air quality permit. Please let me know if we have any comments or concerns to offer to EPA or Chevron regarding the permit requirements. Thanks!

Lynn Griffin
487-2231

*al,
This is more your area than mine. I told Pat K.
that I brought this to you.*
Larry



EXECUTIVE OFFICE OF THE GOVERNOR
Environmental Policy/Community & Economic Development Unit
The Capitol, Room 1501
Tallahassee, Florida 32399-0001
(904) 488-5551, FAX: (904) 922-6200

MEMORANDUM

TO: Lynn Griffin (DEP), George Henderson (DEP), and Jasmin Raffington (DCA)

FROM: Carliane Johnson 

SUBJECT: Chevron DPP - Air Permit

DATE: February 19, 1999

Enclosed for your information and review is a copy of EPA's letter and accompanying information regarding OCS air permitting requirements for Chevron's proposed development and production plan. While there is no formal review of the information, please review the package and give me any comments, recommendations, questions, etc. by Friday, March 19th. Thank you for your assistance.

RECEIVED
FEB 23 1999
DIVISION OF AIR
RESOURCES MANAGEMENT

RECEIVED
FEB 23 1999



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

FEB 8 1999

4APT-ARB

Ms. Sandi M. Fury
ESF&H Representative
Chevron U.S.A., Inc.
935 Gravier Street
New Orleans, Louisiana 70112

RECEIVED

FEB 16 1999

OFFICE OF PLANNING
& BUDGETING
ENVIRONMENTAL POLICY UNIT

SUBJ: Destin Dome Outer Continental Shelf Source

Dear Ms. Fury:

Chevron U.S.A., Inc. is presently preparing an Outer Continental Shelf (OCS) air permit application to be submitted to the Environmental Protection Agency (EPA) for a proposed natural gas development and production project in Destin Dome Unit 56. This project will be located off the coast of Florida in the Eastern Gulf of Mexico and is subject to the requirements of the OCS air regulations, codified at 40 C.F.R. part 55. This correspondence outlines the requirements for Chevron to consider in the preparation of their air permit application by: (1) defining the OCS source for the Destin Dome project with respect to Prevention of Significant Deterioration (PSD); (2) specifying requirements regarding the ambient air impact analyses; and (3) detailing the concurrent process for issuance of the OCS air permit and the Title V federal operating permit. The information presented herein is consistent with OCS air permitting actions and determinations made by EPA in Region 4, Region 9, Region 10, and the Office of Air Quality Planning and Standards, and in the governing federal and state regulations and Clean Air Act (Act) statutes.

According to preliminary information submitted by Chevron to the Minerals Management Service (MMS), the Destin Dome Unit 56 development and production project will encompass as many as 21 wells producing up to 450 million cubic feet per day of natural gas. Destin Dome Unit 56 encompasses eleven contiguous blocks located approximately 25 miles offshore of Pensacola, Florida (at their northernmost point). The proposed project will include the drilling of 20 new wells and the production of 21 wells (new and existing locations). The gas will be produced from satellite well locations which will be routed through infield lines to a central processing facility. There will be living quarters adjacent to the processing facilities and the field will be manned by a trained crew of experienced operators on a 24-hour basis. From the central processing facility, the gas will be moved by pipeline across federal waters to an area off the coast of Mobile, Alabama, where it will eventually be sent to shore in Mobile County through existing or proposed third party pipelines. All support for the project activities will come from existing shorebase facilities in Theodore, Alabama, or Pascagoula, Mississippi, and will be provided by boat or helicopter.

OCS Source Definition

Since the promulgation of the federal OCS air regulations in September 1992, OCS sources have been issued permits by EPA or delegated agencies in Regions 4, 9, and 10. For these permits, the OCS source was defined as all of the platforms and activities associated with the oil or natural gas project. These projects included:

Santa Barbara (CA) Air Pollution Control District

- Chevron, Point Arguello Project-3 platforms, onshore facility
- Exxon, Santa Ynez Unit-3 platforms, onshore facility
- Nuevo Energy (Unocal), Dos Cuadras Field-5 platforms
- Nuevo Energy (Unocal), Point Pedernales Project-1 platform, onshore facility
- Pacific Operators Offshore, Carpinteria Field-2 platforms
- Texaco, Pitas Point Unit-1 platform

EPA Region 10

- Arco Alaska, Beaufort Sea-2 drilling vessels/platforms
- BP Exploration Alaska, Liberty-gravel island, 1 platform, pipeline

EPA Region 4

- Chevron, Destin Dome 97-1 platform
- Chevron, Destin Dome 56-1 platform

According to §55.2, an "OCS source" is defined as:

any equipment, activity, or facility which: (1) emits or has the potential to emit any air pollutant; (2) is regulated or authorized under the Outer Continental Shelf Lands Act (OCSLA) and; (3) is located on the OCS or in or on waters above the OCS. This definition shall include vessels only when they are: (1) permanently or temporarily attached to the seabed and erected thereon and used for the purpose of exploring, developing or producing resources therefrom, within the meaning of section 4(a)(1) of OCSLA or; (2) physically attached to an OCS facility, in which case only the stationary sources aspects of the vessels will be regulated.

For an OCS source the "potential emissions" are defined as:

the maximum emissions of a pollutant from an OCS source operating at its design capacity. Any physical or operational limitation on the capacity of a source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as a limit on the design capacity of the source if the limitation is federally enforceable. Pursuant to section 328 of the Act, emissions from vessels servicing or associated with an OCS source shall be considered direct emissions from such a source while at the source, and while enroute to or from the source within 25 miles of the source, and shall be

included in the 'potential to emit' for an OCS source. This definition does not alter or affect the use of this term for any other purposes under §§55.13 or 55.14 of this part, except that vessel emissions must be included in the 'potential to emit' as used in §§55.13 and 55.14 of this part.

According to §55.13(d), the requirements of PSD (40 C.F.R. §52.21) apply to OCS sources located within 25 miles of a state's seaward boundary if the requirements of §52.21 are in effect in the corresponding onshore area (COA) and to OCS sources located beyond 25 miles of the state's seaward boundary. For the Destin Dome project, which is proposed to be located within 25 miles of the State of Florida's seaward boundary, the PSD requirements are in effect in the COA (i.e., in the State of Florida). In accordance with §55.14(e), the Florida PSD requirements have also been incorporated by reference into Appendix A of part 55.

For the purposes of PSD, a stationary source is defined as any building, structure, facility, or installation which emits or may emit any air pollutant subject to regulation under the Act. "Building, structure, facility, or installation" means all the pollutant-emitting activities which belong to the same industrial grouping, are located on one or more contiguous or adjacent properties and are under common ownership or control. An "emissions unit" is any part of a stationary source that emits or has the potential to emit any pollutant subject to regulation under the Act. To determine applicability with regard to the Chevron Destin Dome project, the three source criteria must be examined.

The term "same industrial grouping" refers to the "major groups" identified by two-digit codes in the Standard Industrial Classification (SIC) Manual, which is published by the Office of Management and Budget. The SIC Major Group encompassing the Chevron Destin Dome development and production project is Major Group 13 - Oil and Gas Extraction.

The MMS lease blocks encompassing Destin Dome Unit 56 are contiguous. The terminology "adjacent" is defined most recently in correspondence, dated May 21, 1998, from EPA Region 8 to the Utah Division of Air Quality (see Enclosure). According to this determination, the distance that is associated with "adjacent" must be considered on a case-by-case basis, and clearly falls within the distances presented for the Destin Dome project.

For the Chevron Destin Dome project, there is no dispute that the platforms and production wells are under common control, have the same Major Group SIC Code and are located on contiguous or adjacent properties. To conclude, based on these definitions, requirements, and guidance, the "OCS source" for the Destin Dome project includes the production platform, living quarters platform, and 21 production wells (proposed maximum). The potential emissions for the source would be the maximum air pollutant emissions from the production platform, living quarters platform, production wells, and vessels (including service vessels) constituting the Destin Dome project. If the maximum annual emissions will exceed 250 tons per year of any regulated air pollutant, then the OCS permit application from Chevron must meet the PSD permitting requirements contained in Chapter 62-212 of the Florida Administrative Code (F.A.C.) (the PSD requirements of §52.21).

Ambient Air Impact Analyses

In terms of the ambient air impact analyses required as part of a PSD permit application for the Chevron Destin Dome project, you should follow the guidance contained in EPA's New Source Review Workshop Manual (Draft, 1990) and Guideline on Air Quality Models, codified at 40 C.F.R. part 51, appendix W. As has been the procedure used for the permitting of major OCS sources within 25 miles of a state boundary in EPA Regions 9 and 10, the PSD rules, and any applicable state requirements, must be complied with. Therefore, the Florida Department of Environmental Protection PSD regulations apply to the Chevron Destin Dome project. Accordingly, it must be demonstrated that the proposed emissions from the Chevron Destin Dome project will not cause or contribute to a violation of any PSD increment or National Ambient Air Quality Standard at all receptors beyond that area, if any, considered to be "non-ambient air." For land-based projects, non-ambient air includes the area owned or under the control of the source for which public access is restricted by a physical barrier. For OCS sources, non-ambient air is determined on a case-by-case basis and may be based on legal restricted access and control of the waters surrounding the project.

40 C.F.R. Part 70 (Title V) Federal Operating Permit

For the purposes of part 70 permitting, a "major source of air pollution" or a "Title V source" is defined under Chapter 62-210 of the F.A.C. as a facility containing an emissions unit or any group of emissions units, which is or includes any of the following:

- (a) for pollutants other than radionuclides, any emissions unit or group of emissions units that emits or has the potential to emit, in the aggregate, 10 tons per year or more of any one hazardous air pollutant (HAP), 25 tons per year or more of any combination of HAPs, or any lesser quantity of a HAP as established through EPA rulemaking. Notwithstanding the preceding sentence, HAP emissions from any oil or gas exploration or production well (with its associated equipment) and HAP emissions from any pipeline compressor or pump station shall not be aggregated with HAP emissions from other similar units, whether or not such units are in a contiguous area or under common control, to determine whether such units or stations are Title V sources, or
- (b) an emissions unit or group of emissions units, all belonging to the same two-digit Major Group as described in the SIC Manual, that directly emits or has the potential to emit 100 tons per year or more of any regulated air pollutant.

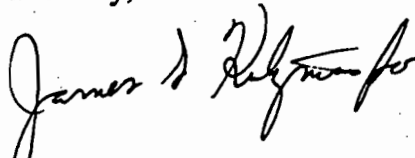
Based on the potential emissions from the Chevron Destin Dome project, these criteria will make the project subject to the part 70 operating permit requirements.

The State of Florida has an approved part 70 operating permits program. However, the State of Florida has not been delegated the authority for the OCS air program for sources located within 25 miles of the state's seaward boundary. For this reason, EPA Region 4 will issue a part 70 operating permit to Chevron for the Destin Dome project. The permit application should

follow the requirements of Chapter 62-213 of the F.A.C. The part 70 permit application will be processed concurrently with the OCS air permit application.

If you have any questions or comments concerning these OCS air permitting requirements, please contact Mr. Scott Davis of my staff at (404) 562-9127.

Sincerely,



Winston A. Smith
Director
Air, Pesticides and Toxics
Management Division

Enclosure

cc: Debbie Tucker, Florida Governor's Office
Howard Rhodes, Florida DEP
Terry Scholten, MMS
David Sanders, OAQPS
Dan DeRoeck, OAQPS



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF:

(AR-18J)

MAR 13 1998

Donald Sutton, Manager
Permits Section
Division of Air Pollution Control
Illinois Environmental Protection Agency
P.O. Box 19506
Springfield, Illinois 62794-9506

Dear Mr. Sutton:

The purpose of this letter is to provide further guidance on the major modification provisions of the federal rules for Prevention of Significant Deterioration (PSD), 40 CFR 52.21, as applied to a proposed "re-permitting" of the integrated steel mill (Application 93040047) at the Acme Steel Company (Acme) located in Chicago and Riverdale, Illinois. While the U. S. Environmental Protection Agency (USEPA) has had many discussions with your staff at the Illinois Environmental Protection Agency (IEPA) regarding the proposed Acme permit actions, we would like to clarify our position.

According to the information we have received, since approximately 1964, Acme has operated the facilities in Chicago and Riverdale as one integrated steel mill [with coke ovens and blast furnace operations in Chicago together with basic oxygen furnace (BOF), casting and hot strip mill operations in Riverdale]. The Acme integrated steel mill operates in a series of four batch processes. At the Chicago portion of the plant, coke from the coke plant is sent to the blast furnace. The blast furnace produces hot metal that is transported via commercial rail to the DOP shop in Riverdale. With the addition of scrap steel, the BOF shop produces liquid steel that is formed into steel coils in the continuous caster/hot strip mill. Both portions of Acme steel mill are located in the Chicagoland severe non-attainment area for ozone and the Lake Calumet non-attainment area for particulate matter less than 10 microns (PM-10).

In their recent proposal, Acme would like to revise a construction permit issued on March 4, 1994, that authorized the replacement of its old steel processing (teeming, soaking, reheating, and hot strip mill operations at the Riverdale site) with a new, more efficient continuous caster/hot strip mill. The 1994 permit necessitated the limiting of all major operations (i.e., production of coke, iron, steel, and fuel usage) such that the continuous caster/hot strip mill project would not be considered a major modification for emissions of PM-10 or sulfur dioxide.

Acme now believes that the project was permitted incorrectly. Specifically, Acme requests that the Riverdale and Chicago portions of the plant be considered two separate sources for New Source Review (NSR) permitting. Due to their belief that debottlenecking of the production line, as considered in

the 1994 permit, did not occur with the addition of the new continuous caster/hot strip mill, Acme also requests the removal of all the 1994 permit conditions and limitations associated with the coke ovens, blast furnace and the BOF.

The primary issue presented is whether the Chicago and Riverdale facilities can be considered separate sources or one source. Secondary is the issue of "re-permitting" the 1994 netting analysis based on different assumptions and limits. With respect to the first issue, the PSD regulations in 40 CFR 52.21(b) (5) and (6) and the Title V operating permit regulations in 40 CFR 70.2 define a stationary source as any building, structure, facility, or installation whose pollutant-emitting activities belong to the same industrial grouping, are located on contiguous or adjacent properties, and are under the control of the same person or entity (or entities under common control). The common control and industrial grouping factors important in determining whether operations should be aggregated as a single source are clearly satisfied. The integrated steel mill operations in Riverdale and Chicago have the same 2-digit SIC code and they are both owned and operated as single source by Acme. The remaining factor to consider in case-by-case single source determinations is consideration of the contiguity and/or adjacency of the Riverdale and Chicago operations. The Riverdale portions of the steel mill are located approximately 3.7 geographic miles from the closest part of the coke plant at the Chicago portion of the mill. Although the two sites are separated by Lake Calumet, landfills, I-94, and the Little Calumet River, USEPA considers that the close proximity of the sites, along with the interdependency of the operations and their historical operation as one source, as sufficient reasons to group these two facilities as one.

Furthermore, it would now be inappropriate to divide the activities of the steel mill into two sources, because it appears that the netting analysis supporting the 1994 permit depended on the whole facility being one source. The netting analysis performed for PM-10 demonstrated that Acme needed PM-10 emission reductions at the Chicago portion of the plant to offset the increases at the Riverdale portion of the plant due to the continuous caster/hot strip mill addition and resulting debottlenecking. Although Acme would now like to choose a different netting scenario, such that the 1994 operational restrictions would not be necessary to avoid major NSR, this "re-permitting" request is not possible because of the timing of the proposed emission reduction credits. As 40 CFR 52.21(b) (3) (vi) states:

A decrease in actual emissions is creditable only to the extent that:

- (a) ...
- (b) It is federally enforceable at and after the time that actual construction on the particular change begins; and
- (c) It has approximately the same qualitative significance for public health and welfare as that attributed to the increase from the particular change.

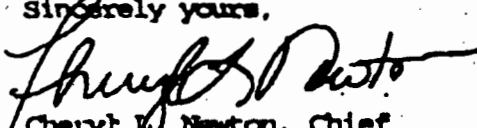
3

Although USEPA does not consider Acme's business choices to constitute mistakes that warrant permit review, if Acme feels that they need more flexibility or capacity than provided by the 1994 permit, USEPA will work with the IEPA to evaluate that request following the proper modification procedures provided by NSR.

We understand that Illinois EPA has been working closely with Acme to update the PM-10 attainment demonstration for the Lake Calumet PM-10 non-attainment area. Yet, the proposed use of some of those "voluntary reductions" for netting credits is questionable due to pending enforcement consent decrees which require those reductions. We applaud your efforts to work cooperatively to bring this area into attainment for PM-10, but such efforts cannot be made, such that they violate the principles of the PSD and NSR regulations.

I hope you will find this information useful. We will consider any further information submitted by Illinois EPA with regard to the issues presented in this matter. If we can answer any questions regarding these comments, or if we can provide any further guidance, please contact Keary Cogan, of my staff, at (312) 353-5669. Once again, thank you for your commitment to working with us to improve the permitting process.

Sincerely yours,


Cheryl K. Newton, Chief
Permits and Grants Section



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VIII

999 18th STREET - SUITE 500
DENVER, COLORADO 80202-2488

May 21, 1998

Ref: 8P2-A

RECEIVED

JAN 20 1999

AIR AND WATER QUALITY DIVISION
EPA REGION VIII

Lynn Menlove, Manager
New Source Review Section
Utah Division of Air Quality
P.O. Box 144820
Salt Lake City, UT 84114-4820

Re: Response to Request for Guidance in
Defining Adjacent with Respect to Source
Aggregation

Dear Mr. Menlove:

This is in response to your letter of January 15, 1998, to Mike Owens of my staff, requesting guidance and/or specific recommendations in the matter of Utility Trailer Manufacturing Company. For the purpose of determining if two Utility Trailer facilities should or should not be aggregated into a single source under Clean Air Act Title V and New Source Review permitting programs, you asked what is the specific physical distance associated with the definition of "adjacent." The word "adjacent" is part of the definition of "source" in the Utah SIP regulations, at R307-1-1. The SIP definition follows the Federal definition found in 40 CFR 51.166.

In brief, our answer is that the distance associated with "adjacent" must be considered on a case-by-case basis. This is explained in the preamble to the August 7, 1980 PSD rules, which says "EPA is unable to say precisely at this point how far apart activities must be in order to be treated separately. The Agency can answer that question only through case-by-case determinations." After searching the New Source Review Guidance Notebook, and after querying the other Regions and EPA's Office of Air Quality Planning and Standards, we have found no evidence that any EPA office has ever attempted to indicate a specific distance for "adjacent" on anything other than a case-by-case basis. We could not find any previous EPA determination for any case that is precisely like Utility Trailer, i.e., two facilities under common control, with the same primary 2-digit SIC code, located about a mile apart, both producing very similar products, but claimed by the company to be independent production lines.

Utah SIP regulations do not define "adjacent." The definition in the 1995 edition of Webster's New College Dictionary is: 1. Close to; nearby, or 2. Next to; adjoining. We realize this leaves considerable gray area for interpretation; however, since the term "adjacent" appears in the Utah SIP as part of the definition of "source," any evaluation of what is "adjacent" must relate to the guiding principle of a common sense notion of "source." (The phrase "common sense notion" appears on page 52695 of the August 7, 1980 PSD preamble,

with regard to how to define "source.") Hence, a determination of "adjacent" should include an evaluation of whether the distance between two facilities is sufficiently small that it enables them to operate as a single "source." Below are some types of questions that might be posed in this evaluation, as it pertains to Utility Trailer. Not all the answers to these questions need be positive for two facilities to be considered adjacent.

- Was the location of the new facility chosen primarily because of its proximity to the existing facility, to enable the operation of the two facilities to be integrated? In other words, if the two facilities were sited much further apart, would that significantly affect the degree to which they may be dependent on each other?
- Will materials be routinely transferred between the facilities? Supporting evidence for this could include a physical link or transportation link between the facilities, such as a pipeline, railway, special-purpose or public road, channel or conduit.
- Will managers or other workers frequently shuttle back and forth to be involved actively in both facilities? Besides production line staff, this might include maintenance and repair crews, or security or administrative personnel.
- Will the production process itself be split in any way between the facilities, i.e., will one facility produce an intermediate product that requires further processing at the other facility, with associated air pollutant emissions? For example, will components be assembled at one facility but painted at the other?

One illustration of this type of evaluation involved Great Salt Lake Minerals in Utah, which we wrote to you about on August 8, 1997, in response to your inquiry. (See Enclosure No. 1.) We recommended, as EPA guidance, that you treat the two GSLM facilities as a single source (i.e., "adjacent"), despite the fact that they are a considerable distance apart (21.5 miles). We based that advice on the functional inter-relationship of the facilities, evidenced in part by a dedicated channel between them. We wrote that the lengthy distance between the facilities "is not an overriding factor that would prevent them from being considered a single source."

Another illustration is ESCO Corporation in Portland, Oregon, which operates two metal casting foundries (a "Main Plant" and a "Plant 3"), a couple of blocks apart. All castings produced by foundries at both facilities are coated, packaged and shipped at the "Main Plant". EPA Region 10 wrote to the State of Oregon on August 7, 1997 (see Enclosure No. 2), that the guiding principle in evaluating whether the two facilities are "adjacent" is "the common sense notion of a plant. That is, pollutant emitting activities that comprise or support the primary product or activity of a company or operation must be considered part of the same stationary source." EPA determined that the two ESCO facilities must be considered a single major stationary source, since they function together in that manner, even though the Plant 3 foundry operates independently from the Main Plant foundry.

Another illustration is Anheuser-Busch in Fort Collins, Colorado, which operates a brewery and landfarm about six miles apart. A memo from OAQPS to our Regional Office, dated August 27, 1996 (see Enclosure No. 3), stated that with regard to "contiguous or adjacent," the facilities should be treated as one source, due to their functional inter-relationship (landfarm as an integral part of the brewery operations), evidenced in part by a disposal pipeline between them. The fact that they are a considerable distance apart "does not support a PSD determination that the brewery proper and the landfarm constitute separate sources for PSD purposes."

Another illustration is Acme Steel Company, which operates an integrated steel mill consisting of coke ovens and blast furnaces at a site in Chicago, Illinois, along with basic oxygen furnaces, casting and hot strip mill operations at a site in Riverdale, Illinois, about 3.7 miles away. The blast furnace in Chicago produces hot metal that is transported via commercial rail to the BOF shop in Riverdale for further processing into steel. EPA Region 5 wrote to the State of Illinois on March 13, 1998 (see Enclosure No. 4), that "Although the two sites are separated by Lake Calumet, landfills, I-94, and the Little Calumet River, USEPA considers that the close proximity of the sites, along with the interdependency of the operations and their historical operation as one source, as sufficient reasons to group these two facilities as one."

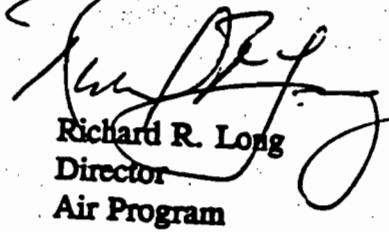
Therefore, in the matter of Utility Trailer, we recommend you evaluate, using questions such as those we posed above, whether the two facilities (one existing and one proposed for construction) will, in fact, operate independently of each other, as the company has claimed. Although Utility Trailer writes that "The present facility is not capable of conversion to the new trailer manufacturing process," they also write that the existing facility is "an inefficient manufacturing process which has made this facility less cost-competitive." This suggests to us the possibility that the existing facility could become a support facility for the new one. The company should be advised that if the two facilities are later discovered by the State and/or EPA to be actually operating as a single major source, and no Title V or PSD permit applications have been submitted where required by regulation, the company could become subject to State or EPA enforcement action or citizen suit.

Finally, please be aware that if the facilities are treated as two separate sources, no emission netting between them can be allowed, to avoid major source NSR permitting at either facility, in the event of future facility modifications.

We hope this letter will be helpful. It has been written only as guidance, as it remains the State's responsibility to make source aggregation determinations under EPA-approved State programs and regulations. This letter has been reviewed by specialists at OAQPS, by our Office of Regional Counsel, and by Office of General Counsel at EPA Headquarters. We apologize for the delay in getting our response to you.

If you have questions, please contact Mike Owens. He is at at (206) 553-6511 until late June, after which he may be reached at (303) 312-6440.

Sincerely,



Richard R. Long
Director
Air Program

Enclosures (4)

cc: Rick Sprott, Utah DAQ
Scott Manzano, Utah DAQ
Jose Garcia, Utah DAQ



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VIII

999 18th STREET - SUITE 500
DENVER, COLORADO 80202-2466

AUG - 8 1997

Ref: 8P2-A

Lynn R. Menlove, Manager
New Source Review Section
Division of Air Quality
Utah Department of Environmental Quality
P.O. Box 144820
Salt Lake City, UT 84114-4820

Dear Mr. Menlove:

This letter is in response to your letter dated May 23, 1997, about Great Salt Lake Minerals and whether their operations should be considered a single source or two sources under the Prevention of Significant Deterioration of Air Quality (PSD) regulations. We also received a letter from Mr. Jim Wolf with the Harris Chemical Group, dated June 30, 1997, that contained the June 16, 1997 letter that was sent to Utah, which discussed these issues about the Great Salt Lake Minerals plant.

After reviewing the information submitted and previous applicability determinations that have been made regarding the definition of stationary sources, we feel compelled to recommend that the subject pump station be considered part of the Great Salt Lake Minerals plant as a single source, despite the fact that the pump station is on one side of the Great Salt Lake while the production operations are on the other side of the lake. The underlying facts indicate that the pump station operates solely as a support facility to the plant. Guidance in the Standard Industrial Classification (SIC) Manual (Appendix B) states that the SIC code is a system for classifying establishments by type of economic activity. Each establishment is classified according to its primary activity. The pump station activity does not have its own primary economic activity but only supports the activity of the main facility. As such, we believe it would be incorrect to consider the pump station operation as a separate source.

The letter from Mr. Wolf contained a statement that said "The pump station merely supports brine transfer activities and has no production function or potential." The very fact that the pump station provides support to the production activities of the plant by brine transfer clearly provides justification that the pump station acts as a support facility to the plant. To our general knowledge, previous determinations, which have been made by EPA and states, have always determined that activities which support the primary activities of a source are considered to be part of the source to which they provide support. Distance between the operations is not nearly as important in determining if the operations are part of the same source as the possible support that one operation provides for another. We believe that Utah has at least one example of this in your definition of a source at Kennecott Copper, where the Bingham Canyon Mine and the Copperton Concentrator are considered to be one



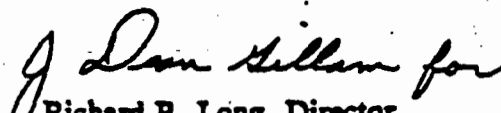
source connected by a slurry pipeline. The only written national guidance found in the New Source Review Guidance Notebook was numbered 3.18, dated 6/30/81, which dealt with two operations, separated one mile apart, that had a dedicated railroad line between them, and together produced one line of automobiles. The resulting determination was that they are one source.

We have coordinated our response with EPA New Source Review contacts in North Carolina and they agree that our guidance regarding this determination is consistent with statements that EPA has made about long-line operations, such as a pipeline or electrical power lines. EPA would not treat all of the pumping stations along a multi-state pipeline as one source. The distance between those types of operations is typically hundreds of miles. The supply of electrical power to a source has never been used to determine that separate operations are part of the same source. However, the physical relationship between the pump station and the production operations at the Great Salt Lake Minerals plant (i.e., a channel or "pipeline" across the bottom of the lake) is much more similar to conveying operations that transport raw materials to a processing plant. This clearly supports the production operation and is routinely considered to be part of a single stationary source (the production facility plus support operations). This is a rather unique (one of a kind) operation and our guidance is specific for this unique operation.

The only issue, really is the distance between the two operations. EPA did make a statement in the preamble to the August 7, 1980 PSD rules that if two operations were 20 miles apart, they would be too far apart to be considered one source. The rest of the determination was that because the two operations had different SIC codes, they would be separate sources. Our belief that the unique operations at the Great Salt Lake Minerals plant should be considered a single source is somewhat in conflict with the single statement that a 20-mile separation is too far apart to consider two operations as a single source. However, this distance was not established as a fixed requirement and involved facilities with different SIC codes, unlike The Great Salt Lake Minerals case. It remains our opinion that because of the unique relationship between the pump station and the salt processing plant and the dedicated channel (21.5 miles) between the two that supplies the pre-concentrated brine, the distance between the operations is not an overriding factor that would prevent them from being considered a single source.

Our position on this rather unique situation is only provided as guidance, as it remains the State's primary responsibility to make the final determination under your SIP-approved PSD regulations. I hope this is the information that you needed. If you have questions about our determination, please contact John Dale at (303) 312-6934.

Sincerely,


Richard R. Long, Director
Air Program

cc: John D. Jenks (UTDEQ)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue
Seattle, Washington 98101

August 7, 1997

Reply To
Attm Of: OAQ-107

Andy Ginsberg, Manager
Program Operations Section
Air Quality Division
Oregon Department of Environmental
Quality
811 SW Sixth Avenue
Portland, Oregon 97204-1390

Dear Mr. Ginsberg:

EPA has reviewed the additional information that you provided regarding the Title V permitting issue for the ESCO Corporation plants in Portland, Oregon. Nothing in the additional information changes EPA's position that the Main Plant and Plant 3 must be considered to be one major stationary source for purposes of major source permitting under the Federal Clean Air Act and the EPA-approved Oregon rules. In fact, as discussed in more detail below, the additional information provides a more clear basis for the determination that the two plants constitute a single major stationary source.

The definition of "major stationary source" requires a tripartite test for determining the geographic extent of a single stationary source. Specifically, a major stationary source is defined as all of the pollutant emitting activities that are (1) located on one or more contiguous or adjacent properties; (2) are under common control of the same person (or persons under common control); and (3) belong to a single major industrial grouping or are supporting the major industrial group (as determined by the Major Group codes in the Standard Industrial Classification Manual). In the case of the ESCO Main Plant and Plant 3, there is no dispute that the two plants are under common control (ESCO) and have the same Major Group SIC code (Major Group 33 - Primary Metal Industries). The only question is whether the two plants are "located on contiguous or adjacent properties."

The term "contiguous" is defined as "1. touching; in contact. 2. in close proximity without actually touching; near." The term "adjacent" is defined as "1. near or close; next or contiguous." (The Random House Dictionary of the English Language, College Edition). Therefore, by using the phrase "contiguous or adjacent properties" the definition of major stationary source clearly requires that properties that are located near each other, but are not actually touching, be grouped together as one stationary source if they meet the other two

criteria. EPA has issued guidance as to how "near" properties need to be in order to be required to group them as a single stationary source. The guiding principle behind this guidance is the common sense notion of a plant. That is, pollutant emitting activities that comprise or support the primary product or activity of a company or operation must be considered part of the same stationary source.

In the case of the ESCO Main Plant and Plant 3, the primary product of both plants are coated (painted) metal castings. Essentially all of the castings produced by the foundries at both the Main Plant and Plant 3 are coated at the coating facility located at the Main Plant. Furthermore, all final production, packaging, shipping, etc. of the finished product is done at the Main Plant. Therefore, the Main Plant and Plant 3 together function in a manner which meets the common sense notion of a plant. While the Plant 3 foundry may function independently of the foundry facility at the Main Plant, that fact alone does not provide a basis for a finding that it is a separate stationary source in light of the dependent nature of Plant 3 on facilities located at the Main Plant.

ESCO's attorneys argue that the use of a common support facility should not form the basis of a determination that the two plants are contiguous or adjacent. EPA disagrees for two reasons. First, as discussed above, Plant 3 is entirely dependent upon the facilities at the Main Plant for production of the company's finished product. Second, ESCO's attorneys assertion that the coating facility is covered by a separate SIC code is incorrect. ESCO's attorneys claim that the coating facility is covered by SIC code 3479 is contradicted by the language of the SIC Manual itself which states "Establishments that both manufacture and finish products are classified according to their products." (see description of code 3479 in the Manual). Therefore, the coating facility is not considered part of the Main Plant simply because it is a collocated support facility with a separate SIC code. Rather, it is considered part of the same industrial grouping as the foundry facility because the primary activity of the Plant is the manufacturing and finishing of cast metal products.

ESCO's attorneys claim that EPA has never indicated that two plants that share common facilities should be grouped together as one stationary source. EPA disagrees and can point to several instances where two plants were required to be grouped together as one stationary source when one plant produced an intermediate product and the finished product was produced at the other plant. ESCO's attorneys also point to EPA's guidance for addressing situations where a support facility supports two stationary sources as a basis for their argument that a support facility cannot be the basis for grouping the two plants as one stationary source. However, EPA's guidance addresses situations where the two sources are clearly separate stationary sources (due to ownership and/or SIC code) and the support facility needs to be assigned to one or the other sources. However, where two sources are on contiguous or adjacent properties, are under common ownership, and are within the same SIC code, there would be only one stationary source and there would be no need to assign the support facility to one source or the other. Finally, ESCO's attorneys also point to an Illinois court decision as a basis for their argument that use of a common support facility should not form the basis for grouping two plants together as one source. This decision involved a challenge of a permit issued by an Illinois permitting

3.

authority and was decided based on the provisions of the Illinois Clean Air Act. As such, it has no relevance to the Federal Clean Air Act or Oregon's statutes. Moreover, the Illinois case involved the issue of whether two facilities with different 2-digit SIC codes were required to be grouped together as a single stationary source. Since all of the facilities involved in the ESCO situation have the same 2-digit SIC code, the Illinois case is irrelevant.

EPA's position on this issue represents the opinions of Region 10 Office of Air Quality and Office of Regional Counsel, EPA's Office of Air Quality Planning and Standards, and EPA's Office of General Counsel. If you have any further questions on this issue, please contact either David Bray, Office of Air Quality, at (206) 553-4253, or Adan Schwartz, Office of Regional Counsel, at (206) 553-0015.

Sincerely,

Joan Cabreza
Permits Team Leader
Office of Air Quality



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
RESEARCH TRIANGLE PARK, NC 27711

RECEIVED
AIR PROGRAM

SEP - 3 1996

OFFICE OF
AIR QUALITY PLANNING
AND STANDARDS

AUG 27 1996

MEMORANDUM

SUBJECT: Analysis of the Applicability of Prevention of Significant Deterioration (PSD) to the Anheuser-Busch, Incorporated Brewery and Nutri-Turf, Incorporated Landfarm at Fort Collins, Colorado

FROM: Robert G. Kellam, Acting Director *Bob Kellam*
Information Transfer & Program Integration
Division, OAQPS (MD-12)

TO: Richard R. Long, Director
Air Program, Region VIII (8P2-A)

This is in response to your April 3, 1996 letter requesting PSD single stationary source determination for Anheuser-Busch's Fort Collins, Colorado brewery and Nutri-Turf landfarm. The Environmental Protection Agency (EPA) Headquarters considered the applicability of the PSD rules at 40 CFR 52.21 to the Anheuser-Busch, Inc. (Anheuser-Busch) brewery and the Nutri-Turf, Inc. (Nutri-Turf) landfarm in Fort Collins, Colorado.

PSD Applicability

The EPA Headquarters concurs with Region VIII's conclusion that the brewery and landfarm are considered a single stationary source for PSD applicability purposes. Specifically, we conclude that the brewery and landfarm are commonly owned by Anheuser-Busch, the brewery and landfarm are on contiguous or adjacent properties, and the landfarm is a support facility for the brewery. In fact, the landfarm, which disposes of the brewery's waste water, is part of the brewery. The background information and details of the EPA's analysis follow.

Background

Anheuser-Busch received a PSD permit from EPA Region VIII on March 15, 1984 to construct a new brewery at Fort Collins, Colorado. The brewery was determined to be a major stationary source with potential emissions that exceeded significant emissions rates for nitrogen oxides, sulfur dioxide, and

particulates. Potential volatile organic compound (VOC) emissions from the brewery were reported by Anheuser-Busch to be less than the PSD significant emissions rate of 40 tons per year. Anheuser-Busch did not report any air emissions from its Nutri-Turf landfarm in its original PSD application.

The brewery and landfarm are about 6 miles apart and are physically connected by a pipeline. Anheuser-Busch owns the brewery and landfarm. The landfarm was purchased and modified by Anheuser-Busch during the time the brewery was under construction for disposing of waste water from the brewery. The brewery waste water stream, containing hydrocarbons, is piped to the landfarm and disposed of by land application. The subsequent VOC emissions at the landfarm are a direct result of brewery operations. Land application of the waste water stream from the brewery at the landfarm began concurrently with brewery production in 1988.

In 1986, the Colorado Department of Health (CDH) became the PSD permitting authority in Colorado, replacing EPA. In July 1993 the CDH issued a notice of violation to Anheuser-Busch for constructing VOC emitting units without valid permits at its Fort Collins brewery. Since the issuance of the PSD permit, the EPA and CDH determined that Anheuser-Busch did not include all of its potential VOC emissions at the brewery in its original PSD application. The VOC emissions from the brewery, excluding emissions from the landfarm, exceed the 40 tons per year significant emissions threshold for PSD applicability. An accurate calculation of potential VOC emissions from the landfarm has not yet been completed.

In response to an August 19, 1993 request from CDH, the EPA Region VIII determined in an October 23, 1993 letter that the brewery and landfarm are considered a single stationary source for PSD applicability. In January 31, 1995 and July 6, 1995 letters to CDH, Anheuser-Busch presented its position that the brewery and landfarm are two separate sources for PSD applicability purposes. After reviewing the positions presented by Anheuser-Busch, EPA Region VIII clarified and reaffirmed its previous single source determination in a letter to CDH dated September 20, 1995. Since EPA was the PSD permitting authority at the time the brewery was permitted, EPA is the responsible Agency for enforcement of any PSD violations at the brewery and landfarm based on the current plant configurations.

PSD Definition of Source

The PSD requirements apply to the construction of major stationary sources and major modifications at major stationary

sources. See 40 CFR 52.21(i). The PSD regulations define stationary sources as any building, structure, facility, or installation that emits, or may emit any air pollutant subject to regulation under the Clean Air Act. See 40 CFR 52.21(b)(5). The regulations go on to define "building, structure, facility, or installation" as:

all of the pollutant emitting activities that belong to the same industrial grouping, are on one or more contiguous or adjacent properties, and are under the control of the same person (or persons under common control) except the activities of any vessel. Pollutant emitting activities will be considered as part of the same industrial grouping if they belong to the same "Major Group" (i.e., which have the same first two-digit code) as described in the Standard Industrial Classification Manual, 1972, as amended by the 1977 Supplement (U.S. Government Printing Office stock number 4101-0066 and 003-005-00176-0, respectively) [40 CFR 52.21(b)(6)].

The regulations do not expressly address how to classify a source composed of more than one grouping of pollutant emitting activities. However, in the preamble to these regulations, EPA explained that each source is to be classified according to its primary activity, which is determined by its principal product or group of products produced or distributed, or services rendered. Thus, one source classification encompasses both primary and support facilities, even when the latter includes units with a different two-digit SIC code. Support facilities are typically those that convey, store, or otherwise assist in the production of the principal product or group of products produced or distributed, or services rendered. Where a unit is used to support two otherwise distinct sets of activities, the unit is to be included within the source that most heavily relies on its support. See 45 FR 52676, 52695 (August 7, 1980).

The criteria for defining a stationary source under the PSD regulations as they apply to the Anheuser-Busch brewery and landfarm situation are discussed below.

Contiguous or Adjacent

A specific distance between pollutant emitting activities has never been established by EPA for determining when facilities should be considered separate or one source for PSD purposes. Whether facilities are contiguous or adjacent is determined on a case-by-case basis, based on the relationship between the facilities. The EPA considers the brewery and landfarm to be

contiguous or adjacent since the landfarm operation is an integral part of the brewery operations, i.e., land application at the landfarm is the means chosen by Anheuser-Busch to dispose of the ethanol contaminated process water from the brewery operations. Without a means of waste water disposal the brewery cannot operate. The additional fact that a pipeline physically connects the brewery and landfarm strengthens the conclusion that the brewery operation is dependent on landfarm operations. For this case, the distance between the brewery and landfarm does not support a PSD determination that the brewery proper and the landfarm constitute separate sources for PSD purposes.

SIC Code

As noted, EPA's contemporaneous interpretation of the PSD regulations is that each source is to be classified according to its primary activity that is determined by its principal product or group of products. Thus, one source classification encompasses both primary and support facilities, even when it includes units with a different two-digit SIC code. Without an acceptable means of waste water disposal the brewery cannot produce beer. Land application at the landfarm is the waste water disposal means chosen by Anheuser-Busch for the brewery. Upon further review of the October 23, 1993, letter from Region VIII to CDH, the EPA believes that the landfarm is a support facility to the brewery since landfarm operations assist in the primary activity of the brewery. Even if the landfarm has a separate two-digit SIC code from the brewery, the landfarm is still a support facility for the brewery and considered part of the brewery. In other words, support activities are aggregated with their associated primary activity regardless of dissimilar SIC codes.

Common Control

Both the brewery and landfarm are under common control since they (as well as the pipeline connecting them) are owned by Anheuser-Busch. The landfarm was purchased and modified by Anheuser-Busch before the operation of the brewery.

This analysis has been reviewed by EPA's Office of Enforcement and Compliance Assurance and EPA's Office of General Counsel. If you have any questions please contact Mike Sewell of the Integrated Implementation Group at (919) 541-0873.

I appreciate this opportunity to be of service and trust this information will be helpful to you.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

claim
Chen
Howard
6/8 AL
6/7

4APT-ARB

Ms. Sandi M. Fury
ESF&H Representative
Chevron U.S.A., Inc.
935 Gravier Street
New Orleans, Louisiana 70112

MAY 27 1999
RECEIVED
JUN 07 1999
BUREAU OF
AIR REGULATION

RECEIVED
JUN 01 1999
DIVISION OF AIR
RESOURCES MANAGEMENT

SUBJ: **Destin Dome 56 Unit Outer Continental Shelf Air Permit Application**

Dear Ms. Fury:

This letter is in response to your Outer Continental Shelf (OCS) air permit application for the proposed offshore project in Destin Dome 56 Unit, submitted to the Environmental Protection Agency (EPA) on April 29, 1999. Region 4 provided guidance to Chevron regarding the completion of the air permit application in correspondence dated February 8, 1999, and reviewed these related issues during our meeting in Atlanta on April 29, 1999. As requested, we have again reviewed the OCS air regulations (40 C.F.R. part 55), consulted with other EPA Regional offices with OCS sources, and received technical assistance from the EPA Office of Air Quality Planning and Standards. As a result, the guidance presented in our February 8 correspondence has not changed and our initial review of the OCS air application reveals it to be incomplete. The deficiencies from your application are outlined below:

Title V Permit

Although the State of Florida has an approved 40 C.F.R. part 70 operating permits program, the state has not been delegated the authority for the OCS air program for sources located within 25 miles of the state's seaward boundary. For this reason, EPA Region 4 will process and issue a part 70 operating permit to Chevron for the Destin Dome project, and will complete this action concurrently with the OCS permitting process. To properly reflect this action in the application, page 5 (Category II section) and page 7 (Title V block) should be marked appropriately.

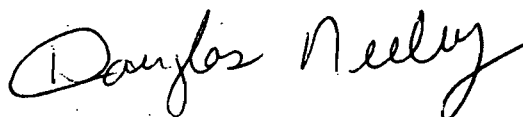
Air Impact Modeling

When an OCS source requires a Prevention of Significant Deterioration (PSD) permit, the PSD permit application must meet the permitting requirements of the corresponding onshore area (COA) as long as they are as strict as the federal PSD requirements (40 C.F.R. Section 52.21). Any limitation in the state's regulation (in this case, under Chapters 62-204 and 62-212 of the Florida Administrative Code (F.A.C.)) in terms of

applying only within the state's seaward boundary does not take precedence over EPA's authority on the OCS. In 40 C.F.R. section 55.13(b)(4), the regulation states that for requirements adopted before part 55, language limiting the applicability of the requirements to onshore areas or to sources within state boundaries shall not apply. Section 55.14(b)(4) also provides for this authority under the requirements that apply to OCS sources located within 25 miles of states' seaward boundaries. Therefore, the limitations in Chapters 62-204 and 62.212 of the F.A.C. do not apply to this proposed Destin Dome OCS source and the ambient air impact modeling for compliance with PSD increments and the National Ambient Air Quality Standards must not exclude federal waters on the OCS. Therefore, appropriate air impact assessments must be performed over "ambient air," following the guidance contained in EPA's New Source Review Workshop Manual (Draft, 1990) and Guideline on Air Quality Models, (40 C.F.R. part 51, appendix W). For OCS sources, non-ambient air is determined on a case-by-case basis and may be based on legal restricted access and control of the waters surrounding the project.

While awaiting your supplemental information, we will continue our substantive review of your air permit application. If you have any questions or comments concerning these OCS air permitting requirements, please contact Mr. Scott Davis of my staff at (404) 562-9127.

Sincerely,



R. Douglas Neeley
Chief
Air & Radiation Technology Branch
Air, Pesticides and Toxics
Management Division

cc: Debbie Tucker, Florida Governor's Office
Howard Rhodes, Florida DEP
Terry Scholten, MMS
David Sanders, OAQPS
Dan DeRoeck, OAQPS

Golder Associates Inc.

6241 NW 23rd Street, Suite 500
Gainesville, FL 32653-1500
Telephone (352) 336-5600
Fax (352) 336-6603



June 28, 1999

United States Environmental Protection Agency
Region IV – Air, Pesticides and Toxics Management Division
Atlanta Federal Center
61 Forsyth Street
Atlanta, Georgia 30303-8960

9651116

RECEIVED

JUN 30 1999

BUREAU OF
AIR REGULATION

Attention: Mr. Scott Davis

RE: **Destin Dome 56 Unit Outer Continental Shelf Air Permit Application**

Dear Scott:

Please find enclosed the information requested concerning the Title V Permit and Air Impact Modeling. For the Title V Permit, sections of the application related to Title V have been completed. This includes certain appendices. Since the facility is not yet operational, available information in several areas will have to be submitted after it becomes available.

The modeling analysis to evaluate near-field impacts of the OCS source has been performed and is submitted as a supplemental modeling analysis to the original application. The computer modeling output files will be transmitted by e-mail to Stan Krivo.

Please call if you have any questions.

Sincerely,
GOLDER ASSOCIATES INC.



Kennard F. Kosky, P.E.
Principal

KFK/jkk

Enclosures

cc: R. Douglas Neeley, EPA Region IV
Howard L. Rhodes, FDER
Clair H. Fancy, FDER
Sandi M. Fury, Chevron
Susan Libiez, Chevron

J:\DP\PROJECTS\96\9651\9651116A\05\#05ltr.doc

**Supplemental Modeling Analysis for
Destin Dome Area Outer Continental
Shelf Air Permit**

**Prepared For:
Chevron U.S.A., Inc.**

**Prepared By:
Golder Associates Inc.
Gainesville, Florida**

**June 1999
9651116Y/F22/WP**

**DISTRIBUTION:
2 Copies - Chevron
4 Copies - U.S. EPA
2 Copies - FDER
1 Copy- Golder Associates Inc**

Supplemental Modeling Analysis for Destin Dome Area Outer Continental Shelf Air Permit

Background

On April 29, 1999, Chevron U.S.A., Inc. (Chevron), as operator of the Destin Dome 56 Unit, submitted to the U. S. Environmental Protection Agency (EPA) Region IV an application for an Outer Continental Shelf (OCS) air permit pursuant to 40 Code of Federal Regulations (CFR) Part 55. The proposed OCS source is located about 25 miles off Pensacola Beach, Florida in the Gulf of Mexico. EPA Region IV is the designated agency for issuing OCS air permits outside the seaward boundary of Florida. Included in the application was an air dispersion modeling analysis of the OCS source that evaluated impacts starting at the State of Florida's seaward boundary. Florida is the corresponding onshore area (COA) as the closest shore to the proposed Destin Dome Development. After a review of modeling submitted in the application, EPA Region IV determined that the air dispersion impact analysis must address impacts in the area beyond the State of Florida's seaward boundary. The analysis must meet the requirements specified in the Prevention of Significant Deterioration (PSD) regulations codified in 40 CFR 52.21. This supplemental modeling was performed for the proposed OCS source to determine compliance with the federal Ambient Air Quality Standards (AAQS) and PSD Increments (see Table 1).

Emission Inventory

The emission inventory for the Destin Dome OCS source was presented in the original application. The OCS source consists of 2 Drilling Rigs, 2 Central Processing Facilities (CPFs) and 15 Satellite Platforms. (Note: the emission inventory and application accounted for all the emissions from the CPFs as if it were one facility to maximize impacts. As the project is developed 2 CPFs located side-by-side and connected by a bridge may be constructed.) A review of the inventory found a typographical in the footnote in Table A-4b indicating that the engines for the Satellite Platforms would use sweet gas (i.e., 5 ppm H₂S). The calculations actually provided for the use of sour gas i.e., 100 ppm H₂S). In the same table there was also a miscalculation of the SO₂ emissions for the single engine platform. The original emissions were 0.02 lb/hr and 0.06 tons/year; the correct emissions are 0.035 lb/hr and 0.12 tons/year. Revised Table A-4a and updated Tables 3-1 and 3-2 are attached. These corrections were the only changes made to the emission inventory that was included with the original application.

Modeling Methodology

The modeling methodology is described Section 6 of the original application. The Offshore Coastal Dispersion (OCD) Model, Version 5, was used to predict the maximum sulfur dioxide (SO₂), nitrogen dioxide (NO₂), and particulate (PM₁₀) concentrations both in the vicinity of the proposed project and at the Breton National Wildlife Refuge (NWR), a Prevention of Significant Deterioration (PSD) Class I area. The meteorological

data was the data obtained onsite at Destin Dome, supplemented with land-based surface data from Pensacola Regional Airport and upper air data from Apalachicola.

Receptor Locations

For the screening analysis, a polar receptor grid was used around both the CPF and Platform 13b. The polar grid contained 36 receptors at 10-degree intervals on radials from each platform and located along each radial at distances of 1, 3, 5, 7 and 10 km. Based on the results of the screening analysis, a more detailed screening grid was used with an angular spacing of 10-degrees and a distance-spacing along each radial of 500 meters. For example, if the results from the screening analysis indicated that the maximum impact occurred at 1.0 kilometer for a specific averaging time, then a detailed screening analysis would be performed using a polar grid with receptors of 0.5, 1.0, 1.5, 2.0 and 2.5 kilometers.

Modeling refinements were performed using a 1 km x 1 km Cartesian receptor grid centered on the maximum screening grid location. The resolution of the refined grid analysis was 100 meters.

For predicting impacts at the Breton NWR, 22 discrete Cartesian receptors were used that extended from the northern tip of the Chandeleur Island chain southward to Breton Island.

Air Modeling Results

A significant impact analysis was performed to determine the maximum impacts and significant impact distance of the proposed project in the vicinity of the proposed project and at the Breton NWR. A summary of the screening grid analysis is presented in Table 2. Based on the screening grid analysis, refined grid analyses were performed in the vicinity of the proposed project. At the Breton NWR, the maximum impacts due to the proposed project's emissions were determined to be less than the proposed EPA PSD Class I significant impact levels.

The results of the refined analysis in the site vicinity are presented in Table 3. The proposed project was determined to exceed both the SO₂ and NO₂ EPA significant impact levels out to a distance of 10 and 8 km, respectively, from the 13b platform. The significant impact distances around the CPF were determined to be shorter than those in the vicinity of the 13b platform. The proposed project's maximum PM₁₀ impacts were predicted to be lower than the EPA significant impact levels.

Table 3 also presents the de minimis monitoring levels used to assess the requirements of 40 CFR 52.21(m). Projects for which the impacts are below the de minimis monitoring levels are exempt from the monitoring requirement. As shown in the table, the impacts for NO₂ and PM are much less than the de minimis monitoring level while the impacts for SO₂ are just above the de minimis monitoring level (i.e., 13.8 ug/m³ compared to 13 ug/m³). Ambient monitoring, in the context of PSD evaluations, is primarily used to

develop background concentrations for demonstrating compliance with AAQS. Given the remote location of the project, the similar concentrations between the impacts and exemption threshold (i.e., within 10 percent) and availability of monitoring data from onshore.

Based on the results of the significant impact analysis, additional AAQS and PSD Class II increment analyses were performed for both SO₂ and NO₂, while no further modeling analyses were performed at the Breton NWR.

Compliance with Ambient Air Quality Standards

Compliance with AAQS was evaluated using the approach specified in the Guideline for Air Quality Models (40 CFR Part 51, Appendix W). Modeling of NO₂ and SO₂ emissions from the OCS source was performed along a receptor grid to determine the distances to significant impact levels. As described above, this modeling determined that for NO₂ the distance to the significant impact level is 8 km and for SO₂ the distance is 10 km. These distances were used as the basis to limit the analysis of other sources.

The sources that could be included in the modeling analysis were evaluated based distance from the maximum emitting OCS source area (i.e., the 13b platform). The area used to exclude sources from the modeling analysis were those beyond the significant impact distance for the OCS source plus 50 kilometers. These distances were 58 km for NO₂ and 60 km for SO₂, respectively.

A "screening threshold" method developed by the North Carolina Department of Natural Resources and Community Development, and previously approved for use by the FDEP and EPA Region IV was used to exclude sources based on distance and emission level. This method is designed to eliminate in the modeling analysis those sources that are unlikely to have a significant interaction with the source undergoing evaluation. Sources to be included in the modeling evaluation are those with emissions in tons/year (TPY) greater than 20 times distance in kilometers. The threshold emissions level is referred to as Q and in equation form is:

$$Q = 20 \times D$$

where: Q = the screening threshold value (TPY), and
D = the distance from where the proposed project equal the significant impact levels to the source being evaluated for inclusion in the modeling analysis.

An emission inventory was obtained from the Florida Department of Environmental Protection (FDEP) for sources located in the general area of the Destin Dome development. This inventory consisted from sources 48 to 73 kilometers from the 13b platform. Sources beyond 58 km for NO₂ and 60 km for SO₂ were excluded from consideration. Sources within those distances were evaluated against the screening threshold criteria. Tables 4 and 5 present, for NO₂ and SO₂, respectively a listing of the

sources evaluated for possible inclusion in the modeling evaluation. As shown in these tables, the emissions of sources located in the screening area are much lower when compared to the screening threshold. Therefore, sources located in Florida were not included in the final model evaluation.

The screening area for NO₂ and SO₂, of 58 and 60 kilometers, respectively, from Platform 13b, touches the extreme lower portion of Baldwin County in Alabama near the coast. The Alabama Department of Environmental Management (ADEM) was contacted concerning potential sources in the area. Mr. Chris Howard in the modeling area of ADEM was contacted and stated after scanning the emission inventory that the entire NO_x emissions for Baldwin County was 178 tons/year. The screening threshold at distances within Baldwin County is from about 800 tons/year to about 1,000 tons/year for NO_x and SO₂. Moreover, emissions of SO₂ and NO_x of this magnitude are primarily from combustion sources and are at similar levels. Therefore, given the total magnitude of NO_x emissions that corresponds to a lack of major sources in the county and the limited area of Baldwin county in the screening area, it is concluded that there are no sources in Alabama that would significantly interact with the proposed Destin Dome OCS source.

A review of the offshore areas in the vicinity of the project area was conducted to determine if any sources are located within the threshold distances. Currently, there are no sources (platforms, etc.) located within either 58 km for NO₂ or 60 km for SO₂.

Information for background concentrations for NO₂ and SO₂ were developed from the data obtained from the FDEP Aerometric Information retrieval System (AIRS) for 1996 through 1996. Concentrations of NO₂ were measured at one monitoring station in 1996 and 1997 and concentrations of SO₂ were measured at two monitoring stations for 1996, 1997 and 1998. The monitoring methods were the EPA promulgated continuous reference methods. Table 6 presents a summary of the data. A non-modeled background concentration was assumed to be one-half of the highest observed concentration. The non-modeled background concentration was added to the predicted impact of the OCS source. This assumption is extremely conservative given the large distance from the monitoring stations (i.e., >50km) and the lack of existing sources offshore.

Table 7 presents the maximum cumulative impact compared to the federal AAQS. Even with a non-modeled background 4 to 6 times higher than the maximum predicted impacts of the proposed OCS source, the cumulative impacts are 8 times, or more, lower than the AAQS.

Compliance with PSD Increments

Table 8 presents the maximum predicted increment consumption based on the refined modeling analysis. The maximum PSD increment consumption predicted for NO₂ and for SO₂ is 6 and 11 percent of the PSD Class II Increment, respectively.

Table 1. Prevention of Significant Deterioration (PSD) Increments and Ambient Air Quality Standards (AAQS)

Pollutant	Averaging Time	Allowable PSD Class II Increment ^a ($\mu\text{g}/\text{m}^3$)	National Ambient Air Quality Standards ^a ($\mu\text{g}/\text{m}^3$)
<u>SO₂</u>	Annual	20	80
	24-Hour	91	365
	3-Hour	512	1300
<u>NO₂</u>	Annual	25	100
<u>PM₁₀</u>	Annual	17	50
	24-Hour	30	150

^aAnnual Standards are compared with highest predicted concentrations, short term Standards are not to be exceeded more than once per year.

Note: SO₂ = Sulfur Dioxide.

NO₂ = Nitrogen Dioxide.

H2H = High, Second-Highest Concentration.

PM₁₀ = Particulate Matter with Diameters Less than 10 Micrometers.

PSD = Prevention of Significant Deterioration.

$\mu\text{g}/\text{m}^3$ = Micrograms per Cubic Meter.

Table 2. Maximum Predicted Project Only Impacts, Screening Analysis

Pollutant	Averaging Time	Concentration Rank	Predicted Concentration ^a ($\mu\text{g}/\text{m}^3$)	Location from 13B Platform ^b	
				Direction (degree)	Distance (km)
<u>At Site Vicinity</u>					
<u>SO₂</u>	Annual	High	1.01	30	1.5
	24-Hour	High	13.8	40	1.0
	3-Hour	High	48	40	1.0
<u>NO₂</u>	Annual	High	1.46	260	5.0
<u>PM₁₀</u>	Annual	High	0.18	30	1.5
	24-Hour	High	2.3	40	1.0
<u>At Breton NWR PSD Class I Area</u>					
<u>SO₂</u>	Annual	High	0.01	NA	NA
	24-Hour	High	0.11	NA	NA
	3-Hour	High	0.42	NA	NA
<u>NO₂</u>	Annual	High	0.01	NA	NA
<u>PM₁₀</u>	Annual	High	0.00	NA	NA
	24-Hour	High	0.03	NA	NA

^aConcentrations predicted with OCD Version 5 and on-site meteorological data for 1993.

^bMaximum predicted impacts were obtained in vicinity of Platform 13B and not the CPF.

Note: SO₂ = Sulfur Dioxide.

NO₂ = Nitrogen Dioxide.

PSD = High, Second-Highest Concentration.

PM₁₀ = Particulate Matter with Diameters Less than 10 Micrometers.

$\mu\text{g}/\text{m}^3$ = Micrograms per Cubic Meter.

Table 3. Maximum Project-Only Impacts as Compared with EPA Significant Impact Levels
Refined Analysis

Pollutant	Averaging Time	Concentration Rank	Predicted Concentration ^a ($\mu\text{g}/\text{m}^3$)	EPA Significant Impact Levels ^b ($\mu\text{g}/\text{m}^3$)	EPA De Minimis Monitoring Levels ^c ($\mu\text{g}/\text{m}^3$)
<u>At Site Vicinity</u>					
<u>SO₂</u>	Annual	High	1.01	1	
	24-Hour	High	13.8	5	13
	3-Hour	High	48	25	
<u>NO₂</u>	Annual	High	1.52	1	14
<u>PM₁₀</u>	Annual	High	0.18	1	
	24-Hour	High	2.3	5	10
<u>At Breton NWR PSD Class I Area</u>					
<u>SO₂</u>	Annual	High	0.01	0.1	
	24-Hour	High	0.11	0.2	
	3-Hour	High	0.42	1	
<u>NO₂</u>	Annual	High	0.01	0.1	
<u>PM₁₀</u>	Annual	High	0.00	0.2	
	24-Hour	High	0.03	0.3	

^aConcentrations predicted with OCD Version 5 and on-site meteorological data for 1993.

^bThe significant impact levels for PSD Class I areas are proposed.

^cThe De Minimis Monitoring levels are for the averaging times indicated.

Note: SO₂ = Sulfur Dioxide.

NO₂ = Nitrogen Dioxide.

PSD = High, Second-Highest Concentration.

PM₁₀ = Particulate Matter with Diameters Less than 10 Micrometers.

$\mu\text{g}/\text{m}^3$ = Micrograms per Cubic Meter.

Table 4. Summary of Background NO_x Facilities Considered for Inclusion in the AAQS and PSD Class II Air Modeling Analyses

Facility ID	Facility	County	UTM Coordinates		Relative to Destin Dome 13B				Maximum NO _x Emissions (TPY)	Q, Emission Threshold (Dist -8) x 20	Include in Modeling Analysis?
			East (km)	North (km)	X (km)	Y (km)	Distance (km)	Direction ^a (deg)			
0330082	UNITED STATES NAVY	Escambia	472.3	3358.3	-15.3	45.5	48.0	341	13.28		
0330082	UNITED STATES NAVY	Escambia	472.3	3358.3	-15.3	45.5	48.0	341			
0330082	UNITED STATES NAVY	Escambia	472.3	3358.3	-15.3	45.5	48.0	341	1.26		
0330082	UNITED STATES NAVY	Escambia	472.3	3358.3	-15.3	45.5	48.0	341	8.4315		
							48.0	341	22.9715	800.1	NO
0330112	APAC-FLORIDA INC., E.M. CHADBOURNE DIV	Escambia	472.7	3361.1	-14.9	48.3	50.5	343		850.9	NO
0330060	COASTAL FUELS MARKETING, INC.	Escambia	479.6	3363.4	-8.0	50.6	51.2	351	6.5		
0330060	COASTAL FUELS MARKETING, INC.	Escambia	479.6	3363.4	-8.0	50.6	51.2	351	6.5		
							51.2	351	13	864.6	NO
0330139	TRANSMONTAIGNE TERMINALING INC.	Escambia	478.38	3363.41	-9.2	50.6	51.4	350	6.17	868.9	NO
0330067	ESCAMBIA COUNTY UTILITIES AUTHORITY	Escambia	478.87	3363.72	-8.7	50.9	51.7	350	36		
0330067	ESCAMBIA COUNTY UTILITIES AUTHORITY	Escambia	478.87	3363.72	-8.7	50.9	51.7	350	36		
							51.7	350	72	873.3	NO
0330006	ARMSTRONG WORLD INDUSTRIES	Escambia	475.9	3363.5	-11.7	50.7	52.0	347	3.22		
0330006	ARMSTRONG WORLD INDUSTRIES	Escambia	475.9	3363.5	-11.7	50.7	52.0	347	0.382		
0330006	ARMSTRONG WORLD INDUSTRIES	Escambia	475.9	3363.5	-11.7	50.7	52.0	347	0.51		
0330006	ARMSTRONG WORLD INDUSTRIES	Escambia	475.9	3363.5	-11.7	50.7	52.0	347	0.51		
							52.0	347	4.622	880.6	NO
0330086	NAVAL HOSPITAL	Escambia	471.2	3362.3	-16.4	49.5	52.1	342	0.2184		
0330086	NAVAL HOSPITAL	Escambia	471.2	3362.3	-16.4	49.5	52.1	342	16.498		
0330086	NAVAL HOSPITAL	Escambia	471.2	3362.3	-16.4	49.5	52.1	342	16.498		
0330086	NAVAL HOSPITAL	Escambia	471.2	3362.3	-16.4	49.5	52.1	342	16.498		
							52.1	342	49.7124	882.9	NO
0330043	REICHHOLD, INC.	Escambia	478.6	3364.8	-9.0	52.0	52.8	350	59.6		
0330043	REICHHOLD, INC.	Escambia	478.6	3364.8	-9.0	52.0	52.8	350	26.46		
							52.8	350	86.06	895.5	NO
0330097	NAVY PUBLIC WORKS CENTER	Escambia	472.2	3363.8	-15.4	51.0	53.3	343	20.4		
0330097	NAVY PUBLIC WORKS CENTER	Escambia	472.2	3363.8	-15.4	51.0	53.3	343	20.4		
0330097	NAVY PUBLIC WORKS CENTER	Escambia	472.2	3363.8	-15.4	51.0	53.3	343	14		
							53.3	343	54.8	905.5	NO
0330091	SCI OF FL/GUARDIAN CHAPELS/D.B.A.	Escambia	473.5	3364.2	-14.1	51.4	53.3	345	0.6	906.0	NO
Destin Dome 13B			487.6	3312.8							

Proposed project's emissions are significant to 8 km; screening area is limited to facilities within 58 km of the proposed project.

Table 5. Summary of Background SO₂ Facilities Considered for Inclusion in the AAQS and PSD Class II Air Modeling Analyses

Facility ID	Facility	County	UTM Coordinates		Relative to Destin Dome 13B				Maximum SO ₂ Emissions (TPY)	Q, Emission Threshold (Dist -10) x 20	Include in Modeling Analysis?
			East (km)	North (km)	X (km)	Y (km)	Distance (km)	Direction ^a (deg)			
0330082	UNITED STATES NAVY	Escambia	472.3	3358.3	-15.3	45.5	48.0	341	0.056		
0330082	UNITED STATES NAVY	Escambia	472.3	3358.3	-15.3	45.5	48.0	341	0.056		
0330082	UNITED STATES NAVY	Escambia	472.3	3358.3	-15.3	45.5	48.0	341	0.0309		
0330082	UNITED STATES NAVY	Escambia	472.3	3358.3	-15.3	45.5	48.0	341	0.0506		
							48.0	341	0.1935	760.1	NO
0330132	FREEPORT-MCMORAN SULPHUR LLC	Escambia	480	3363.2	-7.6	50.4	51.0	351	2.2		
0330132	FREEPORT-MCMORAN SULPHUR LLC	Escambia	480	3363.2	-7.6	50.4	51.0	351	0.11		
0330132	FREEPORT-MCMORAN SULPHUR LLC	Escambia	480	3363.2	-7.6	50.4	51.0	351	0.3942		
							51.0	351	2.7042	819.4	NO
0330060	COASTAL FUELS MARKETING, INC.	Escambia	479.6	3363.4	-8.0	50.6	51.2	351	23.523		
0330060	COASTAL FUELS MARKETING, INC.	Escambia	479.6	3363.4	-8.0	50.6	51.2	351	23.523		
							51.2	351	47.046	824.6	NO
0330067	ESCAMBIA COUNTY UTILITIES AUTHORITY	Escambia	478.87	3363.72	-8.7	50.9	51.7	350	7.665		
0330067	ESCAMBIA COUNTY UTILITIES AUTHORITY	Escambia	478.87	3363.72	-8.7	50.9	51.7	350	7.665		
							51.7	350	15.33	833.3	NO
7775030	COMPRESSION COAT, INC.	Escambia	476.09	3363.42	-11.5	50.6	51.9	347	11	838.2	NO
0330006	ARMSTRONG WORLD INDUSTRIES	Escambia	475.9	3363.5	-11.7	50.7	52.0	347	0.02		
0330006	ARMSTRONG WORLD INDUSTRIES	Escambia	475.9	3363.5	-11.7	50.7	52.0	347	0.002		
0330006	ARMSTRONG WORLD INDUSTRIES	Escambia	475.9	3363.5	-11.7	50.7	52.0	347	0.002		
0330006	ARMSTRONG WORLD INDUSTRIES	Escambia	475.9	3363.5	-11.7	50.7	52.0	347	0.002		
							52.0	347	0.026	840.6	NO
0330086	NAVAL HOSPITAL	Escambia	471.2	3362.3	-16.4	49.5	52.1	342	0.073		
0330086	NAVAL HOSPITAL	Escambia	471.2	3362.3	-16.4	49.5	52.1	342	0.073		
0330086	NAVAL HOSPITAL	Escambia	471.2	3362.3	-16.4	49.5	52.1	342	0.073		
							52.1	342	0.219	842.9	NO
0330043	REICHHOLD, INC.	Escambia	478.6	3364.8	-9.0	52.0	52.8	350	0.0876	855.5	NO
0330043	REICHHOLD, INC.	Escambia	478.6	3364.8	-9.0	52.0	52.8	350	0.11	855.5	NO
							52.8	350	0.1976	855.5	NO
0330097	NAVY PUBLIC WORKS CENTER	Escambia	472.2	3363.8	-15.4	51.0	53.3	343	0.1		
0330097	NAVY PUBLIC WORKS CENTER	Escambia	472.2	3363.8	-15.4	51.0	53.3	343	0.1		
0330097	NAVY PUBLIC WORKS CENTER	Escambia	472.2	3363.8	-15.4	51.0	53.3	343	0.08		
							53.3	343	0.28	865.5	NO
0330091	SCI OF FL/GUARDIAN CHAPELS/D.B.A.	Escambia	473.5	3364.2	-14.1	51.4	53.3	345	0.6	866.0	NO
0330114	PENSACOLA CHRISTIAN COLLEGE, INC.	Escambia	477.77	3371.02	-9.8	58.2	59.0	350	0.02	980.9	NO
0330114	PENSACOLA CHRISTIAN COLLEGE, INC.	Escambia	477.77	3371.02	-9.8	58.2	59.0	350	0.003	980.9	NO
0330114	PENSACOLA CHRISTIAN COLLEGE, INC.	Escambia	477.77	3371.02	-9.8	58.2	59.0	350	0.04	980.9	NO
							59.0	350	0.063	980.9	NO
0330041	SACRED HEART HEALTH SYSTEM	Escambia	480.02	3372	-7.6	59.2	59.7	353	0.1489	993.7	NO

Destin Dome 13B

487.6 3312.8

Proposed project's emissions are significant to 10 km; screening area is limited to facilities within 60 km of the proposed project.

Table 6. Ambient Air Quality Data for Determining Non-Modeled Background Concentrations

Pollutant	Averaging Time	Concentration Rank	FDEP Air Quality Data ^a			Federal AAQS ($\mu\text{g}/\text{m}^3$)
			Year	Concentration ($\mu\text{g}/\text{m}^3$)	Non-Modeled Background ^b ($\mu\text{g}/\text{m}^3$)	
<u>SO₂</u>	Annual	High	1996	12.00	6.00	80
	24-Hour	H2H	1996	92.0	<u>46.00</u>	365
	3-Hour	H2H	1996	242	121.00	1,300
<u>SO₂</u>	Annual	High	1997	12.00	<u>6.00</u>	80
	24-Hour	H2H	1997	86.0	43.00	365
	3-Hour	H2H	1997	322	<u>161.00</u>	1,300
<u>SO₂</u>	Annual	High	1998	10.48	5.24	80
	24-Hour	H2H	1998	57.6	28.82	365
	3-Hour	H2H	1998	215	107.42	1,300
<u>NO₂</u>	Annual	High	1996	15.00	7.50	100
<u>NO₂</u>	Annual	High	1997	16.00	<u>8.00</u>	100

^a from FDEP Aerometric Information Retrieval System (AIRS) 1997-99; Escambia County; Ellyson Industrial Pary for SO₂ and NO₂ and 11000 University Parkway for SO₂. No data reported by FDEP for NO₂ in 1998.

^b Non-Modeled assumed to be 1/2 of observed concentration for the onshore station. Underlined value used for background.

Note: SO₂ = Sulfur Dioxide.

NO₂ = Nitrogen Dioxide.

H2H = High, Second-Highest Concentration.

$\mu\text{g}/\text{m}^3$ = Micrograms per Cubic Meter.

AAQS = Ambient Air Quality Standard.

Table 7. Maximum Cumulative Impacts as Compared with Federal Ambient Air Quality Standards, Refined Grid Analysis

Pollutant	Averaging Time	Concentration Rank	Concentration ^a			Federal AAQS ($\mu\text{g}/\text{m}^3$)
			Total ($\mu\text{g}/\text{m}^3$)	Modeled ($\mu\text{g}/\text{m}^3$)	Non-Modeled Background ($\mu\text{g}/\text{m}^3$)	
At Site Vicinity						
<u>SO₂</u>	Annual	High	7	1.01	6.00	80
	24-Hour	H2H	56	10.1	46.0	365
	3-Hour	H2H	200	39	161	1,300
<u>NO₂</u>	Annual	High	10	1.52	8.00	100

^aConcentrations predicted with OCD Version 5 and on-site meteorological data for 1993.

Note: SO₂ = Sulfur Dioxide.
 NO₂ = Nitrogen Dioxide.
 H2H = High, Second-Highest Concentration.
 $\mu\text{g}/\text{m}^3$ = Micrograms per Cubic Meter.
 AAQS = Ambient Air Quality Standard.

Table 8. Maximum Predicted PSD Increment Consumption, Refined Grid Analysis

Pollutant	Averaging Time	Concentration Rank	Predicted Concentration ^a ($\mu\text{g}/\text{m}^3$)	Allowable PSD Class II Increments ($\mu\text{g}/\text{m}^3$)
<u>At Site Vicinity</u>				
<u>SO₂</u>	Annual	High	1.01	20
	24-Hour	H2H	10.1	91
	3-Hour	H2H	39	512
<u>NO₂</u>	Annual	High	1.52	25

^aConcentrations predicted with OCD Version 5 and on-site meteorological data for 1993.

Note: SO₂ = Sulfur Dioxide.

NO₂ = Nitrogen Dioxide.

H2H = High, Second-Highest Concentration.

PSD = Prevention of Significant Deterioration.

$\mu\text{g}/\text{m}^3$ = Micrograms per Cubic Meter.

Table 3-1. Summary of Emissions for Emission Units and Vessels Under Worst-Case Scenario for Destin Dome

Descriptive Name	Particulate Matter		Sulfur Dioxide		Nitrogen Dioxide		Carbon Monoxide		Total NMHC	
	Average (lb/hr)	Annual (TPY)	Average (lb/hr)	Annual (TPY)	Average (lb/hr)	Annual (TPY)	Average (lb/hr)	Annual (TPY)	Average (lb/hr)	Annual (TPY)
OCS Source										
Drilling Rig ^a										
Drilling Rig main	1.74	2.80	19.50	31.32	131.57	211.32	47.58	76.42	4.59	7.37
Crane & Aux	0.26	0.07	3.00	0.80	18.17	4.71	3.96	1.03	0.53	0.14
Well testing flare	9.55	0.35	42.20	0.60	64.96	2.36	353.46	12.82	133.70	4.85
Total =	11.55	3.22	64.70	32.72	214.70	218.39	405.00	90.27	138.82	12.36
CPF Operation^b										
Turbine Generator - Exhaust - Sour Fuel Gas, 100%	0.32	1.40	0.28	1.23	7.82	34.25	2.16	9.46	0.62	2.72
Turbine Generator - Exhaust - Sour Fuel Gas, 100%	0.32	1.40	0.28	1.23	7.82	34.25	2.16	9.46	0.62	2.72
Turbine Generator - Exhaust - Sour Fuel Gas, 50%	0.16	0.70	0.14	0.61	3.91	17.13	1.08	4.73	0.31	1.36
Diesel Generators - Exhaust	0.34	1.48	1.76	7.70	10.81	47.34	2.87	12.57	0.30	1.33
Atmospheric Flare	0.03	0.14	0.11	0.46	0.44	1.91	2.38	10.38	0.40	1.73
L.P. Flare 3 - (adjusted for no down time)	0.51	2.28	4.64	20.30	3.54	15.45	19.20	84.06	7.26	31.80
H.P. Flare - 3	0.0084	0.036	0.21	0.93	0.06	0.25	0.30	1.35	0.12	0.51
Direct Fired Glycol Reboiler	0.08	0.01	0.18	0.63	1.09	3.82	0.92	3.21	0.06	0.21
Fugitive Emissions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.49	10.84
	1.77	7.45	7.59	33.09	35.48	154.40	31.07	135.22	12.18	53.20
Satellite Operation^b										
Platforms - Single Well	0.02	0.07	0.035	0.121	0.87	3.06	0.87	3.06	0.12	0.41
Double Well	0.04	0.12	0.06	0.21	1.53	5.35	1.53	5.35	0.20	0.71
Vessels										
Pipe-laying Operations ^c	8.66	5.72	19.60	12.94	144.73	95.52	16.64	10.98	6.50	4.29
Vessel Operations ^d	1.29	5.64	3.13	13.72	21.39	93.71	2.65	11.62	1.04	4.57

^a See Table A-1 and A-2.^b See Tables A-4A and A-4B. (Note: for modeling purposes, uncontrolled emissions from the satellite platform engines were used. The emission rates were: 11.22 lb/hour/engine for NO_x. This emission rate was consistent with the modeling performed for the EIS prepared for the Destin Dome development. For the gas turbine, modeling was performed using emission rates of 5.34 lb/hr for NO_x and 4.65 lb/hr for CO. These emission rates reflect emissions of existing T-1500 turbines that would likely be used. These rates were also used in the EIS.^c Based on a maximum of 1,320 hours of operation and includes tug operations.

Example calculation for particulate matter. From Table A-3; PM = 0.76 tons/year for 175.5 hours of pipelaying (see Table A-9). PM = 0.76 TPY x 1,320 hours/175.5 hours = 5.72 TPY

^d See Table A-3.

Note: lb/hr = pounds per hour.

Table 3-2. Summary of Annual Emissions for Destin Dome

Year	Descriptive Name	Particulate Matter		Sulfur Dioxide		Nitrogen Dioxide		Carbon Monoxide		Total NMHC	
		Average (lb/hr)	Annual (TPY)	Average (lb/hr)	Annual (TPY)	Average (lb/hr)	Annual (TPY)	Average (lb/hr)	Annual (TPY)	Average (lb/hr)	Annual (TPY)
1	2 Drilling Rigs ^a	23.10	6.44	129.40	65.44	429.40	436.78	810.00	180.54	277.64	24.72
	Vessel Operations	1.29	5.64	3.13	13.72	21.39	93.71	2.65	11.62	1.04	4.57
2	2 Drilling Rigs	23.10	6.44	129.40	65.44	429.40	436.78	810.00	180.54	277.64	24.72
	Vessel Operations	1.29	5.64	3.13	13.72	21.39	93.71	2.65	11.62	1.04	4.57
	CPF Operation for 6 Months ^a	1.77	3.73	7.59	16.54	35.48	77.20	31.07	67.61	12.18	26.60
	Pipelaying Barge ^b	8.66	5.72	19.60	12.94	144.73	95.52	16.64	10.98	6.50	4.29
	4 satellites - 3 single, 1 double ^c	0.095	0.33	0.17	0.67	4.14	14.53	4.14	14.53	0.56	1.94
	Total -	34.91	21.85	159.89	109.31	635.14	717.74	864.50	285.28	297.92	62.12
3	2 Drilling Rigs	23.10	6.44	129.40	65.44	429.40	436.78	810.00	180.54	277.64	24.72
	Vessel Operations	1.29	5.64	3.13	13.72	21.39	93.71	2.65	11.62	1.04	4.57
	CPF Operation	1.77	7.45	7.59	33.09	35.48	154.40	31.07	135.22	12.18	53.20
	Pipelaying Barge	8.66	5.72	19.60	12.94	144.73	95.52	16.64	10.98	6.50	4.29
	8 satellites - 6 single, 2 double	0.19	0.65	0.33	1.15	8.28	29.06	8.28	29.06	1.12	3.88
	Total -	35.01	25.90	160.06	126.333752	639.28	809.47	868.64	367.42	298.48	90.66
4	2 Drilling Rigs	23.10	6.44	129.40	65.44	429.40	436.78	810.00	180.54	277.64	24.72
	Vessel Operations	1.29	5.64	3.13	13.72	21.39	93.71	2.65	11.62	1.04	4.57
	CPF Operation	1.77	7.45	7.59	33.09	35.48	154.40	31.07	135.22	12.18	53.20
	Pipelaying Barge	8.66	5.72	19.60	12.94	144.73	95.52	16.64	10.98	6.50	4.29
	10 satellites - 7 single, 3 double	0.25	0.84	0.43	1.48	10.68	37.47	10.68	37.47	1.44	5.00
	Total -	35.06	26.09	160.15	126.67	641.68	817.88	871.04	375.83	298.80	91.78
5	2 Drilling Rigs	23.10	6.44	129.40	65.44	429.40	436.78	810.00	180.54	277.64	24.72
	Vessel Operations	1.29	5.64	3.13	13.72	21.39	93.71	2.65	11.62	1.04	4.57
	CPF Operation	1.77	7.45	7.59	33.09	35.48	154.40	31.07	135.22	12.18	53.20
	Pipelaying Barge	8.66	5.72	19.60	12.94	144.73	95.52	16.64	10.98	6.50	4.29
	12 satellites - 7 single, 5 double	0.32	1.08	0.55	1.91	13.74	48.17	13.74	48.17	1.64	6.42
	Total -	35.13	26.33	160.28	127.09	644.74	828.58	874.10	386.53	299.20	93.20
6	2 Drilling Rigs	23.10	6.44	129.40	65.44	429.40	436.78	810.00	180.54	277.64	24.72
	Vessel Operations	1.29	5.64	3.13	13.72	21.39	93.71	2.65	11.62	1.04	4.57
	CPF Operation	1.77	7.45	7.59	33.09	35.48	154.40	31.07	135.22	12.18	53.20
	Pipelaying Barge - 1/4 year	8.66	1.43	19.60	3.23	144.73	23.88	16.64	2.75	6.50	1.07
	14 satellites - 9 single, 5 double	0.36	1.22	0.62	2.15	15.48	54.29	15.48	54.29	2.08	7.24
	Total -	35.17	22.18	160.35	117.63	646.48	763.06	875.84	384.42	299.44	90.81
7	1 Drilling Rig	11.55	3.22	64.70	32.72	214.70	218.39	405.00	90.27	138.82	12.36
	Vessel Operations	0.43	1.88	1.04	4.57	7.13	31.24	0.88	3.87	0.35	1.52
	CPF Operation	1.77	7.45	7.59	33.09	35.48	154.40	31.07	135.22	12.18	53.20
	16 satellites - 11 single, 5 double	0.40	1.36	0.69	2.39	17.22	60.41	17.22	60.41	2.32	8.06
		Total -	14.14	13.91	74.03	72.77	274.53	464.43	454.17	289.78	153.67
	PSD Significant Emission Rates		15/25		40.00		40.00		100.00		40.00

^a See Table 3-1 and Tables A-1 and A-2.

^b Based on a maximum of 1,320 hours of operation and includes tug operations.

Example calculation for particulate matter. From Table A-3; PM = 0.76 tons/year for 175.5 hours of pipelaying (see Table A-9). PM = 0.76 TPY x 1,320 hours/175.5 hours = 5.72 TPY

^c See Table A-4A and A-4B.

Table A-4a. Estimated Emissions for Central Production Facility (CPF) DestIn Dome Development

Units	CPF Source				Satellite Platforms	
	CT	LP-Flare	HP-Flare	Glycol Boiler	2 Wells	1 Well
Source Characteristics						
Type	Saturn^a	Purge	Purge	Package		
Number	3	1	1	1	1	1
Capacity (kW)	1,082				344	197
(Brake Horsepower)	BHP				462	264
(heat rate)	Btu/kWhr	14,780				
(SFC)	Btu/bhp-hr				7500	7500
Fuel - Natural Gas	100.0%			100.0%		
Fuel Characteristics						
Natural Gas						
Heat Content	Btu/scf	950	856.92	559	950	950
Sulfur Content	ppm	100	461	850	100	100
Operation	hr/yr	8,760	8,760	8,760	8,760	8,760
Capacity Factor	% of full load	100.0%	100.0%	100.0%	80.0%	80.0%
Fuel Usage						
Maximum	MMBtu/hr/unit	16.0	17.3	0.3	10.355	3.5
	scf/hr/unit	16.834	20.180	500	10,900	3,646
	Mscf/day/unit	404	484	12	262	88
Average - 2 units @ 100% and 1 unit @ 50% for CT	% of full load	83.33%				
	MMBtu/hr	40.0	17.3	0.3	8.3	2.8
	MMBtu/yr	350,224	151,486	2,448	72,568	24,273
	Mscf/day	1010	484	12	209	70
CRITERIA POLLUTANT EMISSIONS:						
Particulates (PM10)						
Basis	AP-42	Eng. Ass.	Eng. Ass.	AP-42	Eng. Ass.	Eng. Ass.
Rate	lb/MMBtu	0.020	0.010	0.010	0.0080	0.010
Maximum - from basis	lb/hr/unit	0.32	0.17	0.0028	0.083	0.035
- as BACT	lb/hr/unit	0.32	0.17	0.0028	0.0828	0.0346
Annual	TPY	3.50	0.76	0.012	0.29	0.12
Sulfur Dioxide						
Basis	Calc.	Calc.	Calc.	Calc.	Calc.	Calc.
Rate	lb/MMBtu	0.017	0.089	0.253	0.017	0.017
Maximum - from basis	lb/hr/unit	0.280	1.545	0.071	0.181	0.061
- as BACT	lb/hr/unit	0.280	1.545	0.071	0.181	0.061
Annual	TPY	3.061	6.767	0.309	0.634	0.212
Nitrogen Oxides						
Basis	Vendor	AP-42	AP-42	AP-42	Vendor	Vendor
Rate	lb/MMBtu	0.334	0.068	0.068	0.105	3.5
Maximum - from basis	lb/hr/unit	5.34	1.18	0.019	1.09	12.12
- as BACT	lb/hr/unit	5.34	1.18	0.019	1.090	1.53
Annual	TPY	58.47	5.15	0.083	3.82	5.35
Carbon Monoxide						
Basis	Vendor	AP-42	AP-42	AP-42	Vendor	Vendor
Rate	lb/MMBtu	0.291	0.37	0.37	0.088	3.5
Maximum - from basis	lb/hr/unit	4.65	6.40	0.10	0.916	12.12
- as BACT	lb/hr/unit	4.65	6.40	0.10	0.916	1.53
Annual	TPY	50.92	28.02	0.45	3.21	5.35
Hydrocarbons						
Basis	Vendor	AP-42	AP-42	AP-42	Vendor	Vendor
Rate	lb/MMBtu	0.011	0.14	0.14	0.006	0.1
Maximum - from basis	lb/hr/unit	0.18	2.42	0.039	0.060	0.35
- as BACT	lb/hr/unit	0.18	2.42	0.039	0.060	0.20
Annual	TPY	1.97	10.60	0.17	0.21	0.71

Notes: CT = combustion turbine; Flare is the purge flare; boiler is glycol boiler.
 Satellite platforms have two options; with one or two wells being serviced.
 Emissions of CT based on vendor information; Flare based on AP-42 for industrial flares (Section 13.5); Boiler emissions based on AP-42 for small commercial boilers firing natural gas; Satellite platform emissions based on vendor information. BACT based on catalytic converter and engine size is conservative.
 Tons/year based on average capacity factor of 80%.
 Sour gas (@ 100 ppm H2S) to be used in CT and boiler; sweet gas (5 ppm H2S) to be used in satellite engines and purge flare.

Technical Support Document (TSD)

Appendix D

Title V

Prepared For:

Chevron U.S.A., Inc.

Prepared By:

**Golder Associates Inc.
Gainesville, Florida**

June 1999

9651116Y/F22/WP

DISTRIBUTION:

2 Copies - Chevron

4 Copies - U.S. EPA

2 Copies - FDER

1 Copy- Golder Associates Inc

Purpose of Application and Category

Check one (except as otherwise indicated):

Category I: All Air Operation Permit Applications Subject to Processing Under Chapter 62-213, F.A.C.

This Application for Air Permit is submitted to obtain:

- Initial air operation permit under Chapter 62-213, F.A.C., for an existing facility which is classified as a Title V source.
- Initial air operation permit under Chapter 62-213, F.A.C., for a facility which, upon start up of one or more newly constructed or modified emissions units addressed in this application, would become classified as a Title V source.

Current construction permit number: _____

- Air operation permit renewal under Chapter 62-213, F.A.C., for a Title V source.

Operation permit to be renewed: _____

- Air operation permit revision for a Title V source to address one or more newly constructed or modified emissions units addressed in this application.

Current construction permit number: _____

Operation permit to be renewed: _____

- Air operation permit revision or administrative correction for a Title V source to address one or more proposed new or modified emissions units and to be processed concurrently with the air construction permit application. Also check Category III.

Operation permit to be revised/corrected: _____

- Air operation permit revision for a Title V source for reasons other than construction or modification of an emissions unit. Give reason for the revision e.g., to comply with a new applicable requirement or to request approval of an "Early Reductions" proposal.

Operation permit to be revised: _____

Reason for revision: _____

E. FACILITY SUPPLEMENTAL INFORMATION

Supplemental Requirements for All Applications

1. Area Map Showing Facility Location: <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD</u> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Waiver Requested
2. Facility Plot Plan: <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Waiver Requested
3. Process Flow Diagram(s): <input checked="" type="checkbox"/> Attached, Document ID(s): <u>TSD</u> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Waiver Requested
4. Precautions to Prevent Emissions of Unconfined Particulate Matter: <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Waiver Requested
5. Fugitive Emissions Identification: <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD</u> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Waiver Requested
6. Supplemental Information for Construction Permit Application: <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD</u> <input type="checkbox"/> Not Applicable

Additional Supplemental Requirements for Category I Applications Only

7. List of Proposed Exempt Activities: <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Not Applicable
8. List of Equipment/Activities Regulated under Title VI: <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Equipment/Activities On site but Not Required to be Individually Listed <input type="checkbox"/> Not Applicable
9. Alternative Methods of Operation: <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Not Applicable
10. Alternative Modes of Operation (Emissions Trading): <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable

<p>11. Identification of Additional Applicable Requirements:</p> <p><input type="checkbox"/> Attached, Document ID: _____</p> <p><input checked="" type="checkbox"/> Not Applicable</p>
<p>12. Compliance Assurance Monitoring Plan:</p> <p><input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u></p> <p><input type="checkbox"/> Not Applicable</p>
<p>13. Risk Management Plan Verification:</p> <p><input type="checkbox"/> Plan Submitted to Implementing Agency - Verification Attached Document ID: _____</p> <p><input checked="" type="checkbox"/> Plan to be Submitted to Implementing Agency by Required Date</p> <p><input type="checkbox"/> Not Applicable</p>
<p>14. Compliance Report and Plan</p> <p><input type="checkbox"/> Attached, Document ID: _____</p> <p><input checked="" type="checkbox"/> Not Applicable</p>
<p>15. Compliance Statement (Hard-copy Required)</p> <p><input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u></p> <p><input type="checkbox"/> Not Applicable</p>

Additional Supplemental Requirements for Category I Applications Only

10. Alternative Methods of Operation <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Not Applicable
11. Alternative Modes of Operation (Emissions Trading) <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
12. Identification of Additional Applicable Requirements <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
13. Compliance Assurance Monitoring Plan <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Not Applicable
14. Acid Rain Permit Application (Hard Copy Required) <input type="checkbox"/> Acid Rain Part - Phase II (Form No. 62-210.900(1)(a)) Attached, Document ID: _____ <input type="checkbox"/> Repowering Extension Plan (Form No. 62-210.900(1)(a)1.) Attached, Document ID: _____ <input type="checkbox"/> New Unit Exemption (Form No. 62-210.900(1)(a)2.) Attached, Document ID: _____ <input type="checkbox"/> Retired Unit Exemption (Form No. 62-210.900(1)(a)3.) Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable

Additional Supplemental Requirements for Category I Applications Only

10. Alternative Methods of Operation <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Not Applicable
11. Alternative Modes of Operation (Emissions Trading) <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
12. Identification of Additional Applicable Requirements <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
13. Compliance Assurance Monitoring Plan <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Not Applicable
14. Acid Rain Permit Application (Hard Copy Required) <input type="checkbox"/> Acid Rain Part - Phase II (Form No. 62-210.900(1)(a)) Attached, Document ID: _____ <input type="checkbox"/> Repowering Extension Plan (Form No. 62-210.900(1)(a)1.) Attached, Document ID: _____ <input type="checkbox"/> New Unit Exemption (Form No. 62-210.900(1)(a)2.) Attached, Document ID: _____ <input type="checkbox"/> Retired Unit Exemption (Form No. 62-210.900(1)(a)3.) Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable

Additional Supplemental Requirements for Category I Applications Only

10. Alternative Methods of Operation <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Not Applicable
11. Alternative Modes of Operation (Emissions Trading) <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
12. Identification of Additional Applicable Requirements <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
13. Compliance Assurance Monitoring Plan <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Not Applicable
14. Acid Rain Permit Application (Hard Copy Required) <input type="checkbox"/> Acid Rain Part - Phase II (Form No. 62-210.900(1)(a)) Attached, Document ID: _____ <input type="checkbox"/> Repowering Extension Plan (Form No. 62-210.900(1)(a)1.) Attached, Document ID: _____ <input type="checkbox"/> New Unit Exemption (Form No. 62-210.900(1)(a)2.) Attached, Document ID: _____ <input type="checkbox"/> Retired Unit Exemption (Form No. 62-210.900(1)(a)3.) Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable

Additional Supplemental Requirements for Category I Applications Only

10. Alternative Methods of Operation <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Not Applicable
11. Alternative Modes of Operation (Emissions Trading) <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
12. Identification of Additional Applicable Requirements <input type="checkbox"/> Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable
13. Compliance Assurance Monitoring Plan <input checked="" type="checkbox"/> Attached, Document ID: <u>TSD-App. D</u> <input type="checkbox"/> Not Applicable
14. Acid Rain Permit Application (Hard Copy Required) <input type="checkbox"/> Acid Rain Part - Phase II (Form No. 62-210.900(1)(a)) Attached, Document ID: _____ <input type="checkbox"/> Repowering Extension Plan (Form No. 62-210.900(1)(a)1.) Attached, Document ID: _____ <input type="checkbox"/> New Unit Exemption (Form No. 62-210.900(1)(a)2.) Attached, Document ID: _____ <input type="checkbox"/> Retired Unit Exemption (Form No. 62-210.900(1)(a)3.) Attached, Document ID: _____ <input checked="" type="checkbox"/> Not Applicable

**Technical Support Document (TSD)
Appendix D
Title V**

This appendix addresses the requirement for issuing the Title V operating permit for the Destin Dome 56 Unit. The appendix provides available information on the areas required for Title V applications. Since the facility is not yet operational, many areas will be addressed, as information becomes available.

E. Facility Supplemental Information

7. List of Proposed Exempt Activities: Activities that are exempt from Title V and located within the facility may include but are limited to the following activities. A full list will be provided when each emission unit becomes available. The exempt activities have been developed from Rule 62-210.300(3)(a) F.A.C.
 1. Internal combustion engines in boats and aircraft used of transportation of passengers or freight.
 2. Equipment used exclusively for space heating, other than boilers.
 3. Brazing, soldering or welding equipment.
 4. Fire and safety equipment.
 5. Surface coating operations utilizing only coating containing 5 percent or less VOCs, by volume.
 6. Petroleum lubrication systems.
 7. Non-halogenated solvent storage and cleaning operations, provided the solvents contain none of the hazardous air pollutants listed in Rule 62-210.200 F.A.C.
 8. Refueling operations and associated fuel storage.
8. List of Equipment/Activities Regulated under Title VI: Information on refrigeration and air-conditioning units that exceed the 50 pound threshold for CFC's will be provided when emissions units are operated.
9. Alternate Methods of Operation: The actual development of Destin Dome 56 Unit will depend upon the natural gas resources during the drilling of production wells. The development may have fewer facilities than identified in the permit application, depending upon the outcome of the drilling. This may also change the location of the emission units within each Block. The drilling rigs will be used for the initial development of each well and will be used to re-develop wells as gas production continues over the course of operation.
12. Compliance Assurance Monitoring (CAM) Plan: As applicable based on the OCS permit issued to the facility, a CAM plan will be submitted by the required date.

15. Compliance Statement: A compliance statement and certification will be submitted for each emissions unit where an applicable requirement is established by the OCS air permit and submitted annually thereafter.

Emission Unit Information

Additional Supplemental Requirements for Category I Applications Only

Emission Unit-Drilling Rig #1

1. Alternative Methods of Operation: Drilling Rig #1 may operate throughout the Destin Dome 56 Unit identified as Blocks 12, 13, 14, 15, 16, 54, 55, 56, 57, 99 and 100 in the Destin Dome OCS area. The drilling rig will be used to develop and maintain the resource. Drilling Rig #1 has been given a generic identification and may actually be different drilling rigs over the course of the development and production. The emissions and requirements for Drilling Rig #1 have been conservatively estimated to encompass possible drilling rigs that may be used. Only two drilling rigs, i.e., Drilling Rigs #1 and #2, will be operated at the same time.
13. Compliance Assurance Monitoring (CAM) Plan: As applicable based on the OCS permit issued for the emission unit, a CAM plan will be submitted by the required date.

Emission Unit-Drilling Rig #2

2. Alternative Methods of Operation: Drilling Rig #2 may operate throughout the Destin Dome 56 Unit identified as Blocks 12, 13, 14, 15, 16, 54, 55, 56, 57, 99 and 100 in the Destin Dome OCS area. The drilling rig will be used to develop and maintain the resource. Drilling Rig #2 has been given a generic identification and may actually be different drilling rigs over the course of the development and production. The emissions and requirements for Drilling Rig #2 have been conservatively estimated to encompass possible drilling rigs that may be used. Only two drilling rigs, i.e., Drilling Rigs #1 and #2, will be operated at the same time.
13. Compliance Assurance Monitoring (CAM) Plan: As applicable based on the OCS permit issued for the emission unit, a CAM plan will be submitted by the required date.

Emission Unit-Central Processing Facility(s)

11. Alternative Methods of Operation: The Central Processing Facility(s) (CPF(s)) as identified in the application consists of emissions that have been conservatively estimated for the equipment required to produce the resource. The actual configuration of the CPF(s) will be finalized during the final engineering design and the results of the well development.

13. Compliance Assurance Monitoring (CAM) Plan: As applicable based on the OCS permit issued for the emission unit, a CAM plan will be submitted by the required date.

Emission Unit-Satellite Platforms

3. Alternative Methods of Operation: Satellite Platforms located in Destin Dome 56 Unit have been identified as 54C, 15C, 54A/B, 99A/B, 12A/56A, 14A, 56#2, 56B, 56C, 56D, 57, 100A, 13B, 13A AND 15A/B. The numbers designates blocks in the Destin Dome OCS area. The satellite platforms will be used to produce the resource from wells. The satellite platforms will consist of two types: single or double well. The actual number, location and type of satellite platforms may be different over the course of the development depending upon the production of the resource. The number and emissions of the satellite platforms have been conservatively identified to encompass maximum potential development.
13. Compliance Assurance Monitoring (CAM) Plan: As applicable based on the OCS permit issued for the emission unit, a CAM plan will be submitted by the required date.



Department of Environmental Protection

At
for file
XC: CLAIR
10/19

Jeb Bush
Governor

RECEIVED

David B. Struhs
Secretary

OCT 20 1999

October 15, 1999

BUREAU OF AIR REGULATION

RECEIVED

Mr. J. Allison DeFoor, II
Executive Office of the Governor
The Capitol-Suite 1501
Tallahassee, Florida 32399-0001

OCT 19 1999
DIVISION OF AIR
RESOURCES MANAGEMENT

Dear Mr. DeFoor:

Re: Draft Environmental Impact Statement, Destin Dome 56 Unit
Chevron USA Production Company

The Minerals Management Service (MMS) has prepared a draft environmental impact statement (EIS) to evaluate the impacts of a natural gas development complex proposed on eleven contiguous blocks in the Destin Dome Area, twenty-five miles south of Pensacola. Chevron USA and its partners are proposing to install as many as twenty rig structures, complete and produce as many as twenty-one wells, and install a 70-mile network of pipelines, including a large 46-mile export pipeline to Mobile, Alabama. Production activities would affect the 100 square mile production facility and the surrounding area for twenty or more years.

The Department's position on the proposed development was explained in detail in its finding of inconsistency with the Florida Coastal Management Program and in the state's brief submitted to the US Department of Commerce in support of this finding. The objection is largely based on Chevron's failure to supply adequate information to enable an accurate evaluation of the environmental and socioeconomic effects of the proposed development or to justify a secretarial override of the state's objection. Some of the requisite information was not available in time for the state's review of consistency, because it was to be developed in the EIS or in later permit processes, e.g., specific pipeline routes and installation methods. Much of the necessary information has not yet been provided, most notably the details on pipeline routes, installation methodology and environmental impacts. In addition, due to the current state of knowledge on the subject, much of the needed biological and physical information about the eastern Gulf of Mexico is simply not available at all. Clearly, this piecemeal approach to the compilation of information does not satisfy the federal consistency decision process or the environmental documentation process.

The environmental impact statement is considered the key vehicle for merging all pertinent, necessary information and conducting a comprehensive analysis of all aspects of the proposed development. The EIS should thoroughly evaluate all impacts, especially the cumulative and secondary impacts of a suite of alternatives to the proposed action. During the preparation of the Development and Production Plan

Mr. DeFoor
October 15, 1999
Page Two

(DPP) for the Destin Dome 56 unit, MMS and Chevron affirmed that the EIS would address more information and in more detail than was available at the time the consistency review was conducted, particularly with respect to the evaluation of cumulative and secondary impacts. Our review of the draft EIS, however, concludes that although the document includes some development information that was not available in the DPP, it too falls short. Consequently, the EIS does not offer any additional justification for Chevron's development, nor does it persuade the Department to reconsider its consistency objection.

Of the most important issues regarding the proposed development, one is the potential for environmental impacts resulting from pipeline installation. Chevron's failure to supply detailed information on the routes and method of installation was a major issue in the Department's review of the DPP. The EIS does not expand previously submitted information on the subject to enable definitive conclusions regarding the extent of disturbance to bottom-dwelling communities. Such an assessment requires precise knowledge of where the pipelines would be placed, how they would be installed, and what type of habitat would be encountered. Essentially, the EIS needs to overlay the footprint of the complete project on mapped benthic community types to determine the acreages that would be affected by pipeline installation and pipelaying operations. Although more detailed geophysical and routing information will be developed during the pipeline permitting process, the state has not been included in those proceedings to date.

One of the troubling aspects of the draft EIS is its dismissal of significant, potentially significant or unknown impacts. Repeatedly, the EIS minimizes the importance or likelihood of a given impact in support of its conclusions of "no significant impact." As an example, the analysis of an oil spill from a service vessel was based on a mere 10% of a typical diesel load as the "worst case." Given that 4900 barrels of diesel plus 184 barrels of various other chemicals would be delivered twenty-three times each week to a proposed rig over a five-year period, and that service vessel accidents have historically occurred when vessels are moored at rigs, the EIS should not base a worst-case analysis on 10% of the maximum amount that could be spilled. Regardless of the volume used or the source of the spill, trajectory simulations affirm that spills which do occur have a high probability of reaching Florida waters and coastal areas; however, the EIS concludes that only minimal impacts would result due to the improbability that such a spill would occur.

The assessment of impacts from bottom disturbance also minimizes the extent of potential impacts, even though the document estimates substantial disturbance. The EIS projects that the Destin Dome 56 Unit development would disturb 183 acres from rig and platform installation and approximately ten square miles from pipeline installation (not including the export pipeline outside of the Unit); resuspension of 1-1.5 million cubic yards of sediment; the discharge of 448,000 barrels of drill muds and cuttings; changes in sediment quality; and decades of operational activities (e.g., anchoring and debris). Even so, the EIS concludes that there will be no measurable impact on sensitive offshore resources.

In the case of potential impacts from the discharge of produced waters, the EIS cannot provide a characterization of the chemical quality of this waste stream at this point, because it will not be known

Mr. DeFoor
October 15, 1999
Page Three

until drilling occurs. Yet the EIS concludes that these discharges will not measurably impact receiving waters.

The EIS does affirm that the Chevron production facility, in combination with other existing and proposed facilities in the eastern and central Gulf of Mexico, will have localized and widespread, short and long-term impacts on water quality and marine and estuarine habitat. All of the impact assessments, however, conclude that the impacts will be minimal and acceptable, based on the assumption that the probability that impacts will occur is low. Such assessments of cumulative impacts do not go far enough in projecting the long-term consequences of launching oil and gas development in the eastern Gulf of Mexico. Florida is referred to as a "frontier" area in MMS parlance, implying a long-term goal of full exploitation of its hydrocarbon resources. The cumulative impacts assessment should consider the effects that would result if future operations in the eastern Gulf of Mexico were to grow to a scale represented by the operations in place in the central and western Gulf. Florida must consider the enormous precedent attached to the Destin Dome development, which must be viewed as a first step toward widespread industrialization of its offshore ecosystem. The EIS should contemplate the precedent as well, and factor that into its significance determinations.

The draft EIS should be revised to include more details of the project installation and provide a more balanced conclusion of impacts. The Department reaffirms its objection to Chevron's proposed development of the Destin Dome 56 Unit. We will provide further comments during future reviews of the pipeline, NPDES and air quality permits and in the final brief of the consistency appeal.

Sincerely,



David B. Struhs
Secretary

DBS/

cc: Bobby Cooley
Mike Joyner
Mimi Drew
Howard Rhodes