

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Self Initiated Inspection

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| FACILITY: SPENCER OIL CO | | SRN / ID: B7603 |
| LOCATION: 16410 COMMON RD, ROSEVILLE | | DISTRICT: Southeast Michigan |
| CITY: ROSEVILLE | | COUNTY: MACOMB |
| CONTACT: James L. Spencer , Owner | | ACTIVITY DATE: 02/19/2014 |
| STAFF: Sebastian Kallumkal | COMPLIANCE STATUS: Non Compliance | SOURCE CLASS: MINOR |
| SUBJECT: Inspection to discuss facility's response to VN. | | |
| RESOLVED COMPLAINTS: | | |

On Wednesday, February 19, 2014, at about 11:00 AM I conducted a self-initiated inspection at Spencer Oil Company located at 16410 Common Road, Roseville, Michigan. The purpose of the inspection was to verify facility's compliance with requirements of Article II, Air Pollution Control, Part 55 of Act 451 of 1994 and to follow up on the Violation Notice dated October 2, 2013, for failure to demonstrate compliance with Michigan Administrative Rule 608 (R336.1608) and Additional Information Request dated November 6, 2013.

At the facility I met with Mr. James L. Spencer, owner of the facility. I introduced myself and stated the purpose of the inspection. Mr. Spencer explained to me that Spencer Oil Company is a bulk gasoline plant. Facility receives gasoline and other fuel oils via tanker trucks. The facility has nine storage tanks for diesel fuel and gasoline storage.

We discussed facility's maximum design capacity to load gasoline on a daily basis. He was not sure how to calculate or estimate the design capacity of the loading rack. He told me that they never loaded more than 20,000 gallons of gasoline per day. The daily log for February 18, 2014, showed that facility loaded about 5,000 gallons of gasoline. The facility has only loading rack for gasoline.

Later Mr. Thom Spencer joined us in the meeting. He came after a meeting with the contractor, Oscar W. Larson Company, who would be installing the vapor balance system for the gasoline loading rack. He provided me a copy of the proposal (copy attached) from the company. He told me that the loading rack would be upgraded after the weather gets warmer. He agreed to contact AQD once the loading rack is upgraded.

Comments: MDEQ-AQD has neither sought nor USEPA has provided delegated authority to implement 40 CFR 63, subpart BBBB (National Emission Standards for Hazardous Air Pollutants for Source Category: Gasoline Distribution Bulk Terminals, Bulk Plants and Pipeline Facilities) in Michigan. Therefore, compliance with this regulation was not verified. Facility should verify its daily loading capacity to determine if the facility is a "bulk gasoline plant" or "bulk gasoline terminal" and comply with applicable regulations.

Bulk Gasoline Plant means any gasoline storage and distribution facility that receives gasoline by pipeline, ship or barge, or cargo tank, and subsequently loads the gasoline into gasoline cargo tanks for transport to gasoline dispensing facilities, and has a gasoline throughput of less than 20,000 gallons per day. Gasoline throughput shall be the maximum calculated design throughput as may be limited by compliance with an enforceable condition under Federal, State, or local law, and discoverable by the Administrator and any other person.

Bulk gasoline terminal means any gasoline storage and distribution facility that receives gasoline by pipeline, ship or barge, or cargo tank and has a gasoline throughput of 20,000 gallons per day or greater. Gasoline throughput shall be the maximum calculated design throughput as may be limited by compliance with an enforceable condition under Federal, State, or local law and discoverable by the Administrator and any other person.

Conclusion: Facility's annual gasoline loading/throughput appears to be more than 1,000,000 gallons. Facility is in the process of complying with Rule 608 (R336.1608) requirements.

NAME Sebastian Hallimad

DATE 2/20/14

SUPERVISOR CJE