

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Scheduled Inspection

B913247948

FACILITY: Buckeye Terminals, LLC - NILES TERMINAL		SRN / ID: B9132
LOCATION: 2303 S. 3rd Street, NILES		DISTRICT: Kalamazoo
CITY: NILES		COUNTY: BERRIEN
CONTACT: Tony Kozel , Terminal Manager		ACTIVITY DATE: 02/21/2019
STAFF: Matthew Deskins	COMPLIANCE STATUS: Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: Unannounced Scheduled Inspection		
RESOLVED COMPLAINTS:		

On February 21, 2019 AQD staff (Matt Deskins) went to conduct an unannounced scheduled inspection of the Buckeye Terminal (B9132) (formerly Shell Oil) facility located in Niles, Berrien County. The purpose of the inspection was to determine the facilities compliance with their Opt-Out permit (PTI No. 214-16) as well as any other applicable state and federal air regulations. The facility used to have an Opt-Out permit (PTI No. 384-98) but its conditions were rolled into PTI No. 214-16 when the facility decided to install an IFR on a tank so that they could store gasoline instead of distillate in it. However, while doing a file review in preparation for the inspection, staff noted that PTI 384-98 was never voided out after issuance of PTI No. 214-16 so Staff sent an e-mail to have that done. Also, the facility had a PTI for an SVE System (PTI No. 194-10) but that was subsequently voided out after the last inspection when the facility deemed it was no longer needed to remediate a petroleum leak that had occurred. Lastly, the facility is subject to 40 CFR Part 63 Subpart BBBB (NESHAP for Gasoline Distribution Bulk Terminals, Bulk Plants, and Pipeline Facilities at area sources) which took effect in 2008. However, the AQD is not delegated to enforce this regulation so staff will not be making any compliance determination with regards to it. Staff departed for the facility at approximately 9:10 a.m.

Staff arrived at the facility at approximately 10:40 a.m. Staff walked up to the entrance door and noted it was locked. Staff then rang the doorbell but it didn't appear anyone was going to respond. Just as staff was about to depart someone came walking by the door. That person ended up being Tony Kozel who is the Terminal Manager. Tony unlocked the door (it appears the bell isn't functioning) and staff introduced them self to Tony and stated the purpose of the visit. Staff and Tony then went inside where staff signed in and followed Tony into his office. Tony mentioned that he did remember staff from their last inspection and asked what the inspection would entail. Staff explained that they would like to ask some general questions about the facilities operations again, ask if anything has changed since staff's previous inspection, observe facility operations, and then ultimately review records required to be kept by their two air permits. The following summarizes staff's discussions with Tony, operational observations, their permit conditions, and the overall facility compliance status.

Buckeye Terminals consists of a North and South Terminal and both currently have loadout racks. The VOC emissions from the North Terminal rack are controlled by an open flare while the South Terminal were controlled by a carbon bed adsorption system. Staff recalled from previous inspections that the South Terminal had been shut down and asked Tony if that was still the case. Tony said that it is and that they consider it idled for loading purposes. He said that they still use the tanks located across the street from it though. He said all the lines and loading arms at the South Terminal have been drained and purged with Nitrogen. He said all truck loading is done at the North Terminal and like staff had been told previously, he doesn't think that they will ever use the South Terminal one for loading again. Staff then asked about the carbon adsorption system and Tony said it was still at the South Terminal but is still disconnected and being used for parts on systems at other locations. Staff then asked about the flare and other equipment at the North Terminal and Tony said that they still conduct daily and monthly Leak Detection and Repair (DAR) Inspections. He said that the daily inspections are recorded on paper and monthly inspections are inputted into an electronic database. He said they also inspect all the equipment including the load out equipment monthly. He said that John Zink used to come out twice a year to inspect the open flare and its components, but starting in 2019 it will be a company that they contracted with called Zeeco. Staff then asked about the tanker vapor tightness testing for the trucks that come in to load. Tony said that Buckeye has a database that regulates this and that they use a two card/two swipe system for the trucks that come in. He said that one card will allow the driver to open the gate and enter the facility and the other one to load the tanker. If the tanker has an expired certification, the system will lock out both the driver and the tanker and will not allow the tanker to be loaded. Tony said that Buckeye's computers track the tanker numbers and it is equipped with a 30-day warning system for their customers so locking tankers out is usually not an issue. Staff then asked about the products stored in the tanks at the North and South Terminal and asked if any of their contents had changed. Staff mentioned that they did update their permit recently to change the tank configuration of Tank #70 to an IFR so it could store gasoline type products

instead of distillates. Staff then showed Tony the emission unit table so that he could review it. Tony confirmed that there are six tanks in use at the North Terminal and five tanks at the South Terminal, but he wasn't sure why some additional tanks were added to the table upon modifying the permit. The follow is the EU-Table of the permit and in bold will be staff's comments regarding them.

PLEASE NOTE: Staff included the capacity of each tank in barrels. To convert to gallons, multiply the barrels capacity by 42.

EMISSION UNIT SUMMARY TABLE

The descriptions provided below are for informational purposes and do not constitute enforceable conditions.

Emission Unit ID	Emission Unit Description (Process Equipment & Control Devices)	Flexible Group ID
EUTANK_N-7	Fixed roof tank storing distillate. (Located at North Terminal and has a capacity of 29,787 barrels. Stores Ultra Low Sulfur Diesel)	FGFIXEDROOFTANKS FGFACILITY
EUTANK_N-8	Fixed roof tank storing distillate. (Removed. Was an additive tank at the South Terminal)	FGFIXEDROOFTANKS FGFACILITY
EUTANK_N-9	Fixed roof tank storing distillate. (Located at North Terminal and has a capacity of 39,571 barrels. Stores Ultra Low Sulfur Diesel)	FGFIXEDROOFTANKS FGFACILITY
EUTANK_N-90	Fixed roof tank storing distillate. (Located at South Terminal. This is a Pencil Tank that has been out of service for years)	FGFIXEDROOFTANKS FGFACILITY
EUTANK_N-91	Fixed roof tank storing distillate. (Located at South Terminal. This is a Pencil Tank that has been out of service for years)	FGFIXEDROOFTANKS FGFACILITY
EUTANK_N-92	Fixed roof tank storing distillate. (Located at South Terminal. This is a Pencil Tank that has been out of service for years)	FGFIXEDROOFTANKS FGFACILITY
EUTANK_N-94	Fixed roof tank storing distillate. (Located at South Terminal. This is a calibration tank that has not been in service for years. It was used previously to prove that rack meters were accurate)	FGFIXEDROOFTANKS FGFACILITY
EUTANK_N-10	Internal floating roof tank storing gasoline, ethanol or transmix. (Located at South Terminal and has a capacity of 48,541 barrels. Stores Regular Gasoline)	FGIFRTANKS FGFACILITY
EUTANK_N-22	Internal floating roof tank storing gasoline, ethanol or transmix. (Located at North Terminal and has a capacity of 38,762 barrels. Stores Regular Gasoline)	FGIFRTANKS FGFACILITY
EUTANK_N-23	Internal floating roof tank storing gasoline, ethanol or transmix. (Located at North Terminal and has a capacity of 20,500 barrels. Stores Ethanol)	FGIFRTANKS FGFACILITY

Emission Unit ID	Emission Unit Description (Process Equipment & Control Devices)	Flexible Group ID
EUTANK_N-24	Internal floating roof tank storing gasoline, ethanol or transmix. (Located at North Terminal and has a capacity of 21,945 barrels. Stores Premium Gasoline)	FGIFRTANKS FGFACILITY
EUTANK_N-30	Internal floating roof tank storing gasoline, ethanol or transmix. (Located at South Terminal and has a capacity of 30,587 barrels. Stores Regular Gasoline)	FGIFRTANKS FGFACILITY
EUTANK_N-33	Internal floating roof tank storing gasoline, ethanol or transmix. (Located at North Terminal and has a capacity of 29,161 barrels. Stores Regular Gasoline)	FGIFRTANKS FGFACILITY
EUTANK_N-50	Internal floating roof tank storing gasoline, ethanol or transmix. (Located at South Terminal and has a capacity of 69,672 barrels. Stores Regular Gasoline)	FGIFRTANKS FGFACILITY
EUTANK_N-70	Internal floating roof tank storing gasoline, ethanol or transmix. (Located at South Terminal and has a capacity of 20,648 barrels. Stores Regular Gasoline)	FGIFRTANKS FGFACILITY
EUTANK_N-80	Internal floating roof tank storing gasoline, ethanol or transmix. (Located at South Terminal and has a capacity of 31,405 barrels. Stores Premium Gasoline)	FGIFRTANKS FGFACILITY
EULOADRACK	Truck loading rack.	FGFACILITY

Staff then asked Tony if they still had the 90,000-gallon pressurized Butane tank that had been installed back in the Summer of 2014 under the AQD Rule 290. He said that they still have the tank still and it is used to boost the Reid Vapor Pressure (RVP) of the gasoline at certain times of the year to meet seasonal specifications. Staff then asked about the SVE System that had been installed due to a leak that occurred around a tank in the North Terminal tank farm quite a few years ago. Staff noted that it wasn't in use during the previous inspection and that Buckeye had the permit for it voided since it was no longer needed. Tony verified that was still the case and that all the equipment associated with the system had been removed except for the compressor shed and compressors. Staff then asked Tony if he had access to the records required to be kept by the permit for their tank and load-out operations. Tony said he thought he did and with some help provided by a phone call with Dhaval Shah (Sr. Specialist for Air Compliance) of Buckeye, Tony was able to provide them to staff. Staff's observations and comments regarding the recordkeeping requirements for PTI No. 214-16 (Tanks and Load-Outs) will follow after the next paragraph.

Staff and Tony then went outside so staff could view a couple of trucks being loaded. Staff did not detect any intense gasoline odors and the open flare was running during load-out. Staff had asked Tony if they ever had any issues with the flare and Tony said that it generally runs well. He had mentioned previously that they can have issues with it if it's real damp outside or extremely windy. He had said that during those conditions the pilot flame might go out which shuts down all loading operations and they have to manually re-light it. Staff then proceeded with Tony back to his office. Prior to leaving, staff mentioned to Tony that everything appeared to be in compliance and that staff would get in contact with him later should any questions arise. Staff thanked Tony for his time and departed at approximately 12:20 p.m.

The following are the Special Conditions for PTI No. 214-16 and staff's comments regarding them.

SPECIAL CONDITIONS

The following conditions apply to: EULOADRACK

DESCRIPTION: Truck loading rack.

Flexible Group ID: FGFACILITY

POLLUTION CONTROL EQUIPMENT: Vapor recovery unit (VRU) and flare.

I. EMISSION LIMITS

Pollutant	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. VOC	25 mg per liter of organic liquid loaded	Test protocol*	EULOADRACK	GC 13	R 336.1205
2. VOC**	8 mg/liter	Test protocol*	EULOADRACK	GC 13	R 336.1205

*Test protocol shall specify averaging time.
 ** Fugitive VOC from trucks meeting the NSPS-level annual test (3 inches pressure change)

AQD Inspection Comment: Appears to be in COMPLIANCE. The facility conducted stack testing in 1999 and the equipment passed. Currently, the facility also uses the annual NSPS tank tightness test to demonstrate compliance as well as monitoring according to the new NESHAP (40 CFR Part 63 Subpart BBBBBB).

II. MATERIAL LIMITS

Material	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. Gasoline	273,613,125 gallons	12-month rolling time period as determined at the end of each calendar month.	EULOADRACK	VI.1	R 336.1205
2. Distillate	365,000,000 gallons	12-month rolling time period as determined at the end of each calendar month.	EULOADRACK	VI.1	R 336.1205

AQD Inspection Comment: Appears to be in COMPLIANCE. 12-Month Rolling records reviewed by staff ending January of 2019 indicated Gasoline throughputs at 136,408,443 gallons and Distillate throughputs at 28,561,408 gallons.

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall install, maintain and operate in a satisfactory manner, a vapor tight collection line which delivers the organic vapor to a loading rack control device when loading any delivery vessel with an organic compound having a true vapor pressure greater than 1.5 psia, or when loading a delivery vessel which has previously contained an organic compound having a true vapor pressure greater than 1.5 psia. (R 336.1609)

AQD Inspection Comment: Appears to be in COMPLIANCE. The facility uses vapor tight collection lines.

2. To minimize VRU and flare downtime, Applicant shall implement and follow an approved written malfunction abatement plan (MAP). The MAP shall have recordkeeping provisions for the following with respect to the VRU and flare:
 - a. VRU carbon replacements
 - b. repairs
 - c. maintenance

AQD Inspection Comment: Appears to be in COMPLIANCE. The facility has a MAP and they are recording any maintenance activities done on the VRUs which are sent to their corporate office and entered on computer. As mentioned earlier, the South Terminal has been shut down and the carbon system there is no longer being maintained for operational purposes. They also contract with a company (was John Zink, now Zeeco) that does preventative maintenance on the flare on a semi-annual basis.

The following records shall be kept on file for the previous five year period and made available to the Department upon request:

- a. delivery vessel specific records of compliance with the NSPS-level annual test (3 inches pressure change)
- b. MAP recordkeeping provisions bulleted above (R 336.1611)

AQD Inspection Comment: Appears to be in COMPLIANCE. Tanker/Delivery Vessel certification records are tracked by computer as well as control device maintenance activities. All preventative maintenance records are sent to their corporate office and entered on computer.

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. (R 336.1201(3))

- 1. The permittee shall keep records of the EULOADRACK throughput of each specific petroleum product for each calendar month and 12-month rolling time period. The permittee shall keep all records on file at the facility and make them available to the Department upon request. (R 336.1205)

AQD Inspection Comment: Appears to be in COMPLIANCE. The facility is tracking the above information.

FLEXIBLE GROUP SUMMARY TABLE

The descriptions provided below are for informational purposes and do not constitute enforceable conditions.

Flexible Group ID	Flexible Group Description	Associated Emission Unit IDs
FGFIXEDROOFTANKS	Storage tanks with fixed roofs storing distillate	EUTANK_N-7 EUTANK_N-8 EUTANK_N-9 EUTANK_N-90 EUTANK_N-91 EUTANK_N-92 EUTANK_N-94
FGIFRTANKS	Internal floating roof tanks storing gasoline, ethanol or transmix.	EUTANK_N-10 EUTANK_N-22 EUTANK_N-23 EUTANK_N-24 EUTANK_N-30 EUTANK_N-33 EUTANK_N-50 EUTANK_N-70 EUTANK_N-80
FGFACILITY	All process equipment source-wide including equipment covered by other permits, grand-fathered equipment and exempt equipment.	

The following conditions apply to: FGFIXEDROOFTANKS

DESCRIPTION: Storage tanks with fixed roofs storing distillate.

Emission Units: EUTANK_N-7, EUTANK_N-8, EUTANK_N-9, EUTANK_N-90, EUTANK_N-91, EUTANK_N-92, EUTANK_N-94

II. MATERIAL LIMITS

Material	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. Distillates	700,000,000 gallons	12-month rolling time period as determined at the end of each calendar month.	FGFIXEDROOFTANKS	VI.1	R 336.1205

AQD Inspection Comment: Appears to be in COMPLIANCE. 12-Month Rolling records reviewed by staff ending January of 2019 indicated Distillate tank throughputs at 70,926,556. Only tank #7 and tank #9 are used for distillate currently.

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. (R 336.1201(3))

1. The permittee shall keep records of the FGFIXEDROOFTANKS throughput of distillate for each calendar month and 12-month rolling time period. The permittee shall keep all records on file at the facility and make them available to the Department upon request. (R 336.1205)

AQD Inspection Comment: Appears to be in COMPLIANCE with the above.

The following conditions apply to: FGIFRTANKS

DESCRIPTION: Storage tanks with internal floating roofs storing gasoline, ethanol or transmix

Emission Units: EUTANK_N-10, EUTANK_N-22, EUTANK_N-23, EUTANK_N-24, EUTANK_N-30, EUTANK_N-33, EUTANK_N-50, EUTANK_N-70, EUTANK_N-80

POLLUTION CONTROL EQUIPMENT: Internal floating roof

II. MATERIAL LIMITS

Material	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. Gasoline, ethanol, or transmix	800,000,000 gallons	12-month rolling time period as determined at the end of each calendar month.	FGIFRTANKS	VI.1	R 336.1205 R 336.1225

AQD Inspection Comment: Appears to be in COMPLIANCE. 12-Month Rolling records reviewed by staff ending January of 2019 indicated the tank throughputs for the materials listed above at 223,490,918 gallons.

IV. DESIGN/EQUIPMENT PARAMETERS

1. Applicant shall not store gasoline in tanks unless they have internal floating roofs with seals. (R 336.1604, R 336.1702)

AQD Inspection Comment: Appears to be in COMPLIANCE. Staff did not go up and look at the roofs during this inspection but will assume that they all have IFRs.

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. (R 336.1201(3))

1. The permittee shall keep records of the EULOADRACK throughput of each specific petroleum product for each calendar month and 12-month rolling time period. The permittee shall keep all records on file at the facility and make them available to the Department upon request. (R 336.1205)

AQD Inspection Comment: Appears to be in COMPLIANCE.

The following conditions apply to: FGFACILITY

DESCRIPTION: All process equipment source-wide including equipment covered by other permits, grand-fathered equipment and exempt equipment.

I. EMISSION LIMITS

Pollutant	Limit	Time Period/ Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. VOC	80 tons	12-month rolling time period as determined at the end of each calendar month.	FGFACILITY	VI.1	R 336.1205
2. single HAP	8 tons	12-month rolling time period as determined at the end of each calendar month.	FGFACILITY	VI.1	R 336.1205
3. total combined HAPs	20 tons	12-month rolling time period as determined at the end of each calendar month.	FGFACILITY	VI.1	R 336.1205

AQD Inspection Comment: Appears to be in COMPLIANCE. 12-month rolling records reviewed by staff ending December 2018 indicate VOC emissions at 36.7 tons, single HAP (Hexane) at 0.5 tons, and total combined HAPs at 1.5 tons.

II. MATERIAL LIMITS

Material	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. gasoline additive	136,875 gallons	12-month rolling time period as determined at the end of each calendar month.	FGIFRTANKS	VI.1	R 336.1205

AQD Inspection Comment: Appears to be in COMPLIANCE with the above. Although not listed under the EU table since they are permit exempt, tank numbers 6, 93, 98, and 99 all store gasoline additives. The 12-month

rolling records reviewed by staff ending January 2019 for these tanks indicate throughputs at 20,872 gallons.

NOTE: Tanks 5 and 1VH are listed on their tracking spreadsheets but they are also permit exempt and not listed under the EU table either. They both store diesel additives with Tank 5 storing Cold Flow Diesel Additive and Tank 1VH storing Red Dye.

III. PROCESS/OPERATIONAL RESTRICTIONS

- 1. The permittee shall comply with all provisions of the National Emission Standards for Hazardous Air Pollutants, 40 CFR Part 63, Subpart BBBBBB, as they apply to FGFACILITY. (40 CFR Part 63, Subpart BBBBBB)

AQD Inspection Comment: Did not make a compliance determination since the AQD is not delegated to enforce this regulation at the present time. However, the facility did submit the Initial Notification and has been submitting Semi-Annual Reports.

IV. DESIGN/EQUIPMENT PARAMETERS

- 1. The permittee shall not fill any vessel at the facility unless it is equipped with submerged fill piping. (R 336.1205, R 336.1609)

AQD Inspection Comment: Appears to be in COMPLIANCE with the above.

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. (R 336.1201(3))

- 1. The permittee shall keep, in a satisfactory manner, monthly and 12-month rolling time period VOC and HAP emission calculation records for FGFACILITY, as required by SC I.1, SC I.2, and SC I.3. The permittee shall keep all records on file and make them available to the Department upon request. (R 336.1205)

AQD Inspection Comment: Appears to be in COMPLIANCE with the above.

INSPECTION SUMMARY: The facility appears to be in Compliance with the terms and conditions of PTI No. 214-16 for the reasons stated in the AQD Inspection comments above. The 90,000-gallon pressurized Butane tank also appears to be in Compliance with the AQD Rule 290 permit exemption since emissions are well below 1,000 pounds per month for Butane. A previous PTE submittal for this tank indicated fugitive emissions at 1.56 pounds per day or 46.5 pounds for a 31-day month.

NOTE: As mentioned previously, the facility has been submitting reports required by the federal NESHAP for Gasoline Distribution Bulk Terminals, Bulk Plants, and Pipeline Facilities as specified in 40 CFR Part 63 Subparts A and BBBBBB. The facility had submitted the initial notification and the notification of compliance status on time as required (May 9, 2008 for the initial notification and January 10, 2011 for the notification of compliance status). They have been submitting on-going semi-annual compliance reports but the DEQ-AQD does not review them nor makes any compliance determinations regarding them since we aren't delegated by the DEQ to enforce the regulation.

NAME Matt Daska

DATE 2-27-19

SUPERVISOR RIL 2/27/19