

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

B844633447

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|---|-------------------------------|------------------------------|
| FACILITY: Michigan Petroleum Technologies, Inc. | | SRN / ID: B8446 |
| LOCATION: 3030 MOAK ST, PORT HURON | | DISTRICT: Southeast Michigan |
| CITY: PORT HURON | | COUNTY: SAINT CLAIR |
| CONTACT: Brad Secory , President | | ACTIVITY DATE: 02/19/2016 |
| STAFF: Sebastian Kallumkal | COMPLIANCE STATUS: Compliance | SOURCE CLASS: Minor |
| SUBJECT: Onsite Inspection | | |
| RESOLVED COMPLAINTS: | | |

On Friday, February 19, 2016, I conducted a targeted annual inspection at Michigan Petroleum Technologies, In. (Previously Secory Oil Co., Inc.) located at 3030 Moak Street, Port Huron, 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 Michigan Administrative Rules 607 and 608. I arrived at the facility about 11:45 AM. At the facility I met Mr. Brad Secory, President, Michigan Petroleum Technologies, Inc. I introduced myself and stated the purpose of my visit. I provided him the "DEQ Environmental Inspections: Rights and Responsibilities" Brochure.

During the pre-inspection meeting, he informed me that the facility's name has changed from Secory Oil Co., Inc. to Michigan Petroleum Technologies, Inc. Mr. Secory informed that this facility is a wholesale distributor of petroleum products such as automotive and industrial lubricants, diesel fuel, and gasoline fuel.

I requested information regarding gasoline throughput for 2015 and January 2016. The facility's 2015 throughput was about 924646 gallons. The facility was installed around 1968. Some of the storage tanks were replaced since then. It has nine horizontal storage tanks of various sizes for diesel and unleaded gasoline storage.

- 2 25,000 gallon horizontal tank: Tank #9 & Tank #7-Off-Road Diesel
- 1 15,000 gallon horizontal tank: Tank #8 (empty)
- 2 25,000 gallon horizontal tank: Tank #5 & Tank #6 On-Road Diesel

- 1 10,000 gallon horizontal tank: Tank #4-Rec. Gasoline (Rec. gas, 89 Octane)
- 1 6,000 gallon horizontal tank: Tank #3 (empty)
- 1 20,000 gallon horizontal tank: Tank #2- gasoline tank (Mid-Grade, 89 Octane)
- 1 20,000 gallon horizontal tank: Tank #1- gasoline tank (Regular, 87Octane)

The gasoline is loaded into squirt tanks (Tank Wagons) of 2000-4500 gallons and delivered to public and private commercial fleets, municipalities, farmers and marinas.

He informed me (email on 2-23-2016) that the gasoline storage tanks at the facility are loaded from the tanker trucks using vapor balance system. Their usual gasoline supplier is Tyson Trucking. Michigan Administrative Rule 607 (R 336.1607- Loading gasoline into existing stationary vessels of more than 2,000-gallon capacity at loading facilities) requires that after June 30, 1980, storage vessels of more than 2,000 gallon capacity at a gasoline loading facility (bulk plant) located in any county listed in Table 61-a (attached) of Part 6 rules shall be equipped with a permanent submerged fill pipe.

After December 31, 1982, the bulk plants, which are located in areas specified in Table 61 included in Part 6 of Michigan air pollution control rules or delivers gasoline to any dispensing facilities subject to Michigan Administrative Rule 606 and Rule 703, are required to use vapor balance system pursuant to Michigan Administrative Rule 607(3) (R 336.1607- Loading gasoline into existing stationary vessels of more than 2,000-gallon capacity at loading facilities) when loading gasoline into storage vessels from tanker trucks. This facility is not located in one of the subject areas or doesn't deliver gasoline to dispensing facilities.

Pursuant to R 336.1608-Loading gasoline into delivery vessels at existing loading facilities handling less than 5,000,000 gallons per year, after June 30, 1980, the bulk plants, which are located in any county listed in Table 61-a of Part 6 Rules, shall not load gasoline into the delivery vessels unless it is filled by a submerged fill pipe.

After December 31, 1982, the bulk plants, which are located in areas specified in Table 61 included in Part 6 of Michigan air pollution control rules and which has a throughput of less than 5,000,000 gallons of gasoline per year or which is located in any area that is not listed in table 61 and which delivers gasoline to a gasoline-dispensing facility subject to R 336.1606(3) and (4) or R 336.1703(2) and (3), are required to use vapor balance system pursuant to Michigan Administrative Rule 608(3). This facility is not subject to the requirements of Rule 608(3) because it has a throughput of less than 1,000,000 gallons of gasoline per year and it doesn't deliver gasoline to dispensing facilities.

40 CFR 60, Subpart Kb is not applicable to storage tanks located at bulk plants. The storage tanks are exempt from Michigan permit to install (R336.1201) requirements pursuant to Rule 284(g) which states that except as specified in R 336.1278, the requirement of R 336.1201(1) to obtain a permit to install does not apply to containers, reservoirs, or tanks used exclusively for any of the following:

(g) Gasoline or natural gas storage and handling equipment, as follows:

(i) Gasoline storage and handling equipment at loading facilities handling less than 20,000 gallons per day or at dispensing facilities.

After the meeting, he accompanied me for an inspection of the facility. He showed me the where the tanker is connected to fill the tanks and the loading racks for the squirt tanks.

On 2/23/2016, via email, I informed him that the facility is subject to 40 CFR 63, Subpart BBBBBB-National Emission Standards for Hazardous Air Pollutants for Source Category: Gasoline Distribution Bulk Terminals, Bulk Plants, and Pipeline Facilities. MDEQ/AQD has not sought nor obtained delegation to enforce the requirements of this subpart in Michigan. Therefore facility's compliance with 40 CFR 63, Subpart BBBBBB requirements was not verified.

Conclusion: The facility appears to be in compliance with applicable State air quality requirements.

NAME Sebastian Kallumbal

DATE 3/2/2016

SUPERVISOR

CJE

TABLE 61

List of major metropolitan areas

(Subject to R 336.1606, R 336.1607, R 336.1608, R 336.1703, R 336.1704, and R 336.1705)

| Metropolitan Area | County | Affected area(1) |
|-------------------|-----------|--|
| 1) Detroit | Macomb | T3N, R12E, Sections 3-10, 15-22, & 27-34 T3N, R13E, Sections 25, 35, & 36 T3N, R14E, Sections 11-14 & 19-32 T3N, R15E, Sections 7 and 18 T4N, R12E, Sections 27-34 Macomb County south of the T2N north township line |
| | Oakland | T1N, R8E, Sections 1-36 T1N, R9E, Sections 1-36 T1N, R10E, Sections 1-36 T1N, R11E, Sections 1-36 T2N, R8E, Sections 1-3, 10-16, & 19-36 T2N, R9E, Sections 1-36 T2N, R10E, Sections 1-36 T2N, R11E, Sections 1-36 T3N, R8E, Sections 13-15, 20-29, & 33-36 T3N, R9E, Sections 1-36 T3N, R10E, Sections 2-36 T3N, R11E, Sections 1-5 & 7-36 T4N, R9E, Sections 17, 19-22, & 26-36 T4N, R10E, Sections 1-3, 10-12, 14-16, 20-23, 25-29, & 31-35 T5N, R10E, Sections 22, 26-29, 34, & 35 |
| | Washtenaw | T2S, R5E, Sections 12-27 & 36 T2S, R6E, Sections 7-11 & 13-36 T2S, R7E, Sections 18, 19, & 29-36 T3S, R6E, Sections 1-6, 8-17, 23, & 24 T3S, R7E, Sections 1-26 |
| Metropolitan Area | County | Affected area(1) |
| | Wayne | All areas except the following: T1S, R8E, Sections 5-8, 17-20, 30, & 31 T2S, R8E, Sections 5-9, 16-21, & 28-30 T3S, R8E, Sections 31-35 T4S, R8E, Sections 2-36 T4S, R9E, Sections 1-5 & 9-36 T4S, R10E, Sections 7, 8, 17, & 18 |

| | | |
|-----------------|---------|--|
| 2) Flint | Genesee | T6N, R5E, Sections 1-3 T6N, R6E, Sections 1-6, 11-14, 24, & 25 T6N, R7E, Sections 1-30 T7N, R5E, Sections 34-36 T7N, R6E, Sections 1-36 T7N, R7E, Sections 1-36 T7N, R8E, Sections 3-11, 14-19, 21, 22, and 30 T8N, R5E, Sections 13-15, 22-27, & 34-36 T8N, R6E, Sections 1, 2, 11-14, & 19-36 T8N, R7E, Sections 5-11 & 13-36 T9N, R6E, Sections 11, 14, 15, 22-27, 35, and 36 T9N, R7E, Sections 31 & 32 |
| 3) Grand Rapids | Kent | T5N, R11W, Sections 4-8, 17, & 18 T5N, R12W, Sections 1, 12, & 13 T6N, R10W, Sections 3-10, 15-21, & 28-33 T6N, R11W, Sections 1-36 T6N, R12W, Sections 1-36 T7N, R10W, Sections 28-35 T7N, R11W, Sections 3-10, 15-23, & 25-36 T7N, R12W, Sections 1-36 T8N, R11W, Sections 13-16, 19-23, & 26-34 |
| | Ottawa | T5N, R13W, Sections 4 & 5 T6N, R13W, Sections 9-16, 21-29, 32, & 33 |
| 4) Lansing | Clinton | T5N, R2W, Sections 4, 5, 7-9, 15-18, 20-23, 26-29, & 31-35 |
| | Eaton | T3N, R3W, Sections 1-3 & 9-12 T4N, R3W, Sections 1-4, 9-16, 20-26, 35, and 36 |
| | Ingham | T3N, R2W, Sections 1-12 14-16, 22, & 23 T4N, R1W, Sections 2-11, 14-23, 26-29, & 33 T4N, R2W, Sections 1-36 |

(1) Maps of affected areas may be reviewed and inspected at the Lansing office of the Air Quality Division of the department of environmental quality.

TABLE 61-a

List of counties referenced in R 336.1606 through R 336.1609

| | | |
|-----------|------------|------------|
| Allegan | Ingham | Muskegon |
| Barry | Ionia | Oakland |
| Bay | Jackson | Ottawa |
| Berrien | Kalamazoo | Saginaw |
| Branch | Kent | St. Clair |
| Calhoun | Lapeer | St. Joseph |
| Cass | Lenawee | Sanilac |
| Clinton | Livingston | Shiawassee |
| Eaton | Macomb | Tuscola |
| Genesee | Marquette | Van Buren |
| Gratiot | Midland | Washtenaw |
| Hillsdale | Monroe | Wayne |
| Huron | Montcalm | |

History: 1980 AACCS; 1989 AACCS; 2002 AACCS.

R 336.1607 Loading gasoline into existing stationary vessels of more than 2,000-gallon capacity at loading facilities.

Rule 607. (1) After June 30, 1980, it is unlawful for a person to load, or allow the loading of, gasoline from a delivery vessel into any existing stationary vessel of more than 2,000-gallon capacity located at a gasoline-loading facility in any county listed in table 61-a, unless the stationary vessel is equipped with a permanent submerged fill pipe.

(2) After June 30, 1981, it is unlawful for a person to load, or allow the loading of gasoline from a delivery vessel into any existing stationary vessel of more than 2,000-gallon capacity located at a gasoline-loading facility outside of any county listed in table 61-a, unless the stationary vessel is equipped with a permanent submerged fill pipe.

(3) After December 31, 1982, it is unlawful for a person to load, or allow the loading of, gasoline from a delivery vessel into any existing stationary vessel of more than 2,000-gallon capacity located at either of the following loading facilities, unless the stationary vessel is controlled by a vapor balance system or an equivalent control system approved by the department:

(a) A loading facility located in any area listed in table 61.

(b) A loading facility which is located in any area that is not listed in table 61 and which delivers gasoline to a gasoline-dispensing facility subject to R 336.1606(3) and (4) or R 336.1703(2) and (3). The vapor balance system shall capture displaced gasoline vapor and air by means of a vaportight collection line and shall be designed to return not less than 90%, by weight, of the displaced gasoline vapor from the stationary vessel to the delivery vessel.

(4) Any stationary vessel that is subject to the provisions of subrule (3) of this rule shall be equipped, maintained, or controlled with all of the following:

(a) An interlocking system or procedure to ensure that the vaportight collection line is connected before any gasoline can be loaded.

(b) A device to ensure that the vaportight collection line shall close upon disconnection so as to prevent the release of gasoline vapor.

(c) Pressure-vacuum relief valves on aboveground stationary vessels with a minimum pressure valve setting of 8 ounces, if that setting does not exceed the container's maximum pressure rating.

(5) Any delivery vessel subject to subrule (3) of this rule shall be vaportight.

(6) A person who is responsible for the operation of all control measures required by this rule shall develop written procedures for the operation of all such control measures. The procedures shall be posted in an accessible, conspicuous location near the stationary vessel.

History: 1980 AACS; 1989 AACS; 2002 AACS.

R 336.1608 Loading gasoline into delivery vessels at existing loading facilities handling less than 5,000,000 gallons per year.

Rule 608. (1) After June 30, 1980, it is unlawful for a person to load, or allow the loading of, gasoline from a stationary vessel into any delivery vessel located at an existing gasoline-loading facility which is located in any county listed in table 61-a and which has a throughput of less than 5,000,000 gallons of gasoline per year, unless the delivery vessel is filled by a submerged fill pipe.

(2) After June 30, 1981, it is unlawful for a person to load, or allow the loading of, gasoline from a stationary vessel into any delivery vessel located at an existing gasoline-loading facility which is located outside of any county listed in table 61-a and which has a throughput of less than 5,000,000 gallons of gasoline per year, unless the delivery vessel is filled by a submerged fill pipe.

(3) After December 31, 1982, it is unlawful for a person to load, or allow the loading of, gasoline from a stationary vessel into any delivery vessel located at either of the following loading facilities having a throughput of less than 5,000,000 gallons per year, unless the delivery vessel is controlled by a vapor balance system or an equivalent control system approved by the department:

(a) An existing loading facility located in any area listed in table 61.

(b) An existing loading facility which is located in any area that is not listed in table 61 and which delivers gasoline to a gasoline-dispensing facility subject to R 336.1606(3) and (4) or R 336.1703(2) and (3). The vapor balance system shall capture displaced gasoline vapor and air by means of a vaportight collection line and shall be designed to return not less than 90%, by weight, of the displaced gasoline vapor from the delivery vessel to the stationary vessel.

(4) Any delivery vessel that is loaded at a facility subject to subrule (3) of this rule shall be equipped, maintained, or controlled with all of the following:

(a) An interlocking system or procedure to ensure that the vaportight collection line is connected before any gasoline can be loaded.

(b) A device to ensure that the vaportight collection line will close upon disconnection so as to prevent the release of gasoline vapor.

(c) A device or procedure to accomplish complete drainage before the loading device is disconnected or to prevent liquid drainage from the loading device when not in use.

(d) Pressure-vacuum relief valves that are vaportight and set to prevent the emission of displaced gasoline vapor during the loading of the delivery vessel, except under emergency conditions.

(e) Hatch openings that are kept closed and vaportight during the loading of the delivery vessel.

(5) Any stationary vessel at a facility subject to subrule (3) of this rule shall be vaportight.

(6) A person who is responsible for the operation of all control measures required by this rule shall develop written procedures for the operation of all such control measures. The procedures shall be posted in an accessible, conspicuous location near the loading device.

(7) The provisions of subrule (3) of this rule shall not apply to any gasoline-loading facility that has a throughput of less than 1,000,000 gallons of gasoline per year.

History: 1980 AACS; 1989 AACS; 2002 AACS.

R 336.1609 Loading delivery vessels with organic compounds having true vapor pressure of more than 1.5 psia at existing loading facilities handling 5,000,000 or more gallons of such compounds per year.

Rule 609. (1) After June 30, 1981, it is unlawful for a person to load, or allow the loading of, any organic compound that has a true vapor pressure of more than 1.5 psia at actual conditions from any stationary vessel into any delivery vessel located at an existing loading facility which is outside any county listed in table 61-a and which has a throughput of 5,000,000 or more gallons of such compounds per year, unless such delivery vessel is filled by a submerged fill pipe.

(2) After December 31, 1982, it is unlawful for a person to load, or allow the loading of, any organic compound that has a true vapor pressure of more than 1.5 psia at actual conditions from any stationary vessel into any delivery vessel located at an existing loading facility which is in any county listed in table 61-a and which has a throughput of 5,000,000 or more gallons of such compounds per year, unless such delivery vessel is controlled by a vapor recovery system that captures all displaced organic vapor and air by means of a vapor-tight collection line and recovers the organic vapor such that emissions to the atmosphere do not exceed 0.7 pounds of organic vapor per 1,000 gallons of organic compounds loaded.

(3) Any delivery vessel located at a facility that is subject to the provisions of subrule (2) of this rule shall be equipped, maintained, or controlled with all of the following:

(a) An interlocking system or procedure to ensure that the vapor-tight collection line is connected before any organic compound can be loaded.

(b) A device to ensure that the vapor-tight collection line shall close upon disconnection so as to prevent the release of organic vapor.

(c) A device to accomplish complete drainage before the loading device is disconnected, or a device to prevent liquid drainage from the loading device when not in use.

(d) Pressure-vacuum relief valves that are vapor-tight and set to prevent the emission of displaced organic vapor during the loading of the delivery vessel, except under emergency conditions.

(e) Hatch openings that are kept closed and vapor-tight during the loading of the delivery vessel.

(4) A person who is responsible for the operation of all control measures required by this rule shall develop written procedures for the operation of all such control measures. Such procedures shall be posted in an accessible, conspicuous location near the loading device.

(5) The provisions of subrule (2) of this rule shall not apply to the loading of crude oil or condensate into delivery vessels at production facilities if such loading is accomplished with a submerged fill pipe after June 30, 1981.

History: 1980 AACRS; 1989 AACRS.

R 336.1610 Existing coating lines; emission of volatile organic compounds from existing automobile, light-duty truck, and other product and material coating lines.

Rule 610. (1) A person shall not cause or allow the emission of volatile organic compounds from the coating of automobiles and light-duty trucks, from any existing coating line, in excess of the applicable emission rates shown in table 62.

(2) A person shall not cause or allow the emission of volatile organic compounds from the coating of any of the following, from an existing coating line, in excess of the applicable emission rates shown in column A of table 63 or the equivalent emission rates in column B of table 63:

- (a) Cans.
- (b) Coils.
- (c) Large appliances.
- (d) Metal furniture.
- (e) Magnet wire.
- (f) The nonmetallic surfaces of fabrics, vinyl, or paper.

(3) Subrule (2) of this rule notwithstanding and as an alternative to the allowable emission rate established by table 63, the existing paper coating lines at Fletcher paper company of Alpena may comply with subrule (2) of this rule by not exceeding a volatile organic compound emission rate of 180 tons per calendar year and 30 tons per calendar month.

(4) A person who is responsible for the operation of a coating line that is subject to this rule shall obtain current information and keep records necessary for the determination of compliance with this rule, as required in R 336.2041.

(5) For each coating line, compliance with the emission limits specified in table 62 and table 63 shall be based upon all of the following provisions:

(a) For prime coat operations that utilize an electrodeposition process in automobile and light-duty truck coating lines that are regulated under table 62, compliance shall be based upon all coatings that belong to the same coating category that is used during each calendar month averaging period. For all other coatings, compliance shall be based upon the volume-weighted average of all coatings which belong to the same coating category and which are used during each calendar day averaging period. The department may specifically authorize compliance to be based upon a longer averaging period, which shall not be more than 1 calendar month.

(b) If coatings that belong to more than 1 coating category are used on the same coating line during the specified averaging period, then compliance shall be determined separately for each coating category.

(c) The information and records as required by subrule (4) of this rule.

(6) Compliance with the emission limits specified in this rule shall be determined using the applicable method described in the following subdivisions: