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Notice of Construction Worksheet (3/7/17)

RO No. 50	Source: Petrogas Ferndale Terminal 4100 Unick Road Ferndale WA, 98248 NOC Contact: Nicole Finnermore NWCAA No.: 1395
Permit Engineer: Agata McIntyre	
Application Received: 4/28/22	

A. Project Description

This Order (RO-50) is a voluntary limit requested by the facility on the facility-wide emissions of VOC from all stationary sources at the Petrogas Ferndale Terminal (the facility). RO-50 includes conditions to uphold this limit, consistent with the requirements of NWCAA 104.1 and WAC 173-400-091.

After RO-50 is issued, it will serve as a federally enforceable limit to keep the facility out of both the Air Operating Permit (AOP) and Prevention of Significant Deterioration (PSD) programs. This is also known as a "Synthetic Minor" limit.

RO-50 is being processed subsequent to NWCAA issuing NOV 4516a. NOV 4516a alleged that the Petrogas Ferndale Terminal emitted in excess of 250 tons/yr of VOC. See NOV 4516a for additional details.

While RO-50 will provide a federally enforceable limit (80 tons/yr of VOC, facility-wide), it will not approve the specific equipment installations needed to achieve this limit. Equipment will be approved under NWCAA's New Source Review program (NWCAA Section 300) through permits known as "Orders of Approval to Construct", or "OACs".

Currently, the facility is operating with temporary equipment (thermal oxidizer) to control VOCs which was approved under OAC 1296a. The facility applied for OAC 1389 for permanent equipment to capture VOCs and use them to run the existing onsite compressors. OAC 1389 also includes a new ZEECO flare to replace the existing flare at the facility. OAC 1389 is under review.

B. Regulatory Order (RO) Fees

NWCAA RO fees were assessed in accordance with the fee schedule effective January 1, 2022 and emailed to Nicole Finnermore, Altagas.

C. Public Notice

In accordance with NWCAA Section 305.1, NWCAA posted an internet notice on its website that the application was received. The notice was posted for 15 consecutive days, ending on May 13, 2022. NWCAA received no questions or requests for public comment.

In accordance with NWCAA Section 305.2, certain actions require a mandatory 30-day public comment period before a permit can be issued. While RO-50 will be issued under

NWCAA’s own regulations, it qualifies for the mandatory public comment because it is also “an Order issued under WAC 173-400-091 that establishes limitations on a source's potential to emit”. Therefore, NWCAA will post RO-50 for a 30-day public comment period.

D. SEPA Review

NO SEPA NEEDED: Synthetic minor permits that limit facility-wide emissions, without approving any new or modified equipment, are SEPA exempt based on a February 2015 opinion from attorney TC Richmond (excerpt below).

Any order that establishes limitations on a source's potential to emit
(WAC 173-400-091; NWCAA Reg 104.1)

Exempt. The synthetic minor determination pertains to the issuance of an air operating permit and is thus also exempt under RCW 43.21C.0381. Applying for this determination is a decision by the source to “opt-out” of the AOP program. The order issued by NWCAA establishes the limitations and conditions for “opting-out” of the AOP program. The fact that the limits (which are to assure that the AOP permit threshold is not triggered) are set forth in a federally enforceable order, rule, or permit condition is not determinative for purposes of SEPA compliance.⁶

Copy of guidance saved: M:\FinalDocs\Registered Sources\Ferndale_Terminal_1395-EM03-W\Regulatory Orders\RO 50 Ferndale Terminal.

E. Permit History

- OAC 452 was issued in 1994 for installation and operation of two natural gas compressor engines (205 and 206). It was superseded by OAC 1236.
- OAC 1196 was issued in 2014 for a degassing project on Tank T1. The project is finished and the temporary equipment approved under OAC 1196 was removed.
- OACs 1236, 1236a, and 1236b – OAC 1236 was issued in 2016 to replace the 205 and 206 compressors with new Caterpillar natural gas compressors. In 2017, 1236 was cancelled/superseded by 1236a (retain engines 205 and 206 as backups instead of mothballing). In 2018, 1236a was cancelled/superseded by 1236b (numerous changes to existing permit language including testing and formaldehyde limits; no new equipment).
- OAC 1269a – OAC issued to Envent to allow operation of their mobile oxidizer as a temporary solution for disposing (combusting) VOC emissions from the non-condensables vent. The temporary equipment is slated to be replaced by the equipment in OAC 1389.
- OAC 1389 – Permit currently being drafted. Permit to cover new equipment and piping to capture process gases from the non-condensables vent for use as fuel by existing compressors. The application also includes a new ground flare.

F. Basis for Regulatory Order

The Regulatory Order (RO 50) is a voluntary permit limit requested by the facility. NWCAA’s authority for this Order comes from WAC 173-400-091. NWCAA adopted WAC 173-400-091

into its own rules by reference (see Section NWCAA 104.1). WAC 173-400-091 is a section of the Washington State regulation which governs issuance of voluntary limits on emissions.

RO-50 will provide the facility with a Synthetic Minor limit on facility-wide VOC emissions from stationary sources BELOW levels that were historically emitted (see NOV 4516a). This will keep the Ferndale Terminal out of the AOP and PSD programs. As a condition of this Order, the Ferndale Terminal must track air emissions monthly and report emissions to NWCAA.

G. Air Operating Permit (AOP) Program

Prior to the issuance of this Order, the facility was classified as subject to the AOP program because of the VOC emissions discussed in NOV 4516a. However, RO 50 will limit facility-wide VOC emissions such that the facility will no longer be subject to the AOP Program.

H. Prevention of Significant Deterioration (PSD)

Prior to the issuance of this Order, NWCAA alleged historical violations of the PSD program in NOV 4516a.

After this Order is issued, facility-wide emissions will be limited below PSD levels.

I. Confidential Business Information (CBI)

The application for RO-50 does not contain any CBI. However, portions of the application for OAC 1389 and portions of the information associated with NOV 4516a are CBI. Some of this information was referenced during review for RO-50. CBI was segregated into separate folders as per NWCAA policy.

J. Permit Conditions

Condition 1: less than 80.0 tpy VOC limit

This is the limit requested by the facility to limit facility-wide emissions BELOW EPA's SM-80 status.

Condition 2 - LDAR:

RO-50 must meet the requirements outlined in WAC 173-400-091. WAC 173-400-091(3) states that we must "include monitoring, recordkeeping and reporting requirements sufficient to ensure that the source or stationary source complies with any condition established under this section...".

The Petrogas facility is currently not required to operate a leak detection and repair (LDAR) program. However, given the nature of its operations, a robust LDAR program is of key importance to both limit VOC and ensure all VOC emissions are accounted for. NWCAA

concludes that a robust LDAR program is needed to meet the requirements of WAC 173-400-091(3) for sufficient monitoring.

Condition 2 of RO-50 requires the facility to implement an LDAR program consistent with the requirements of 40 CFR 60 Subpart OOOOa. Subpart OOOOa does not apply to this facility directly. However, NWCAA can make the fugitive monitoring requirements of the rule an enforceable part of RO-50 by listing the rule citation in the conditions of RO-50. Doing so provides the facility with detailed instructions for how to implement the LDAR program and supports compliance with the requirement for sufficient monitoring in WAC 173-400-091(3).

Condition 3 – How to calculate emissions:

The application for OAC 1389 laid out the emission points at the facility. These same emission points are listed in RO-50 with corresponding methods for calculating VOC emissions to show compliance with the 80.0 tpy facility-wide VOC limit in Condition 1. Note that RO-50 includes methods of calculating emissions from both the existing emission points (some of which are temporary) and the proposed (but not yet implemented) new emission points.

See tables C-8a and C-9a in the application for OAC 1389 for details about how propane and butane ship loading emissions were estimated.

Condition 4 – Notification if nearing limit in Condition 1

Condition 5 – Notification if exceed limit in Condition 1

Condition 6 – Requirement to keep records created in support of RO-50

K. Review

Timeline		Date
Application Received		4/28/22
Draft sent to review		8/31/22
Public comment		
Final issued		
Review		Date
Engineering:	Christos Christoforou	9/1/22
Legal:	Svend Brandt-Erichsen	8/31/22
Compliance:	Toby Mahar	Multiple reviews
Source:	Nicole Finnamore	9/6/22 & 11/14/22

L. Correspondence

There were numerous emails and conversations regarding this SM Order with Nicole Finnamore of Altagas. 2 drafts of the Order were provided for facility review. Copies of correspondence are saved with the Order review docs.