

Bay Area Air Quality Management District

939 Ellis Street
San Francisco, CA 94109
(415) 771-6000

**Permit Evaluation
and
Statement of Basis
for
MINOR REVISION of**

MAJOR FACILITY REVIEW PERMIT

for
SFPP, L.P.
Facility # A4020

Facility Address:
2150 Kruse Drive
San Jose, CA 95131

Mailing Address:
1100 Town & Country Road
Orange, CA 92868

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Title V Statement of Basis

A. Background

This facility is subject to the Operating Permit requirements of Title V of the federal Clean Air Act, Part 70 of Volume 40 of the Code of Federal Regulations (CFR), and BAAQMD Regulation 2, Rule 6, Major Facility Review because it is a major facility as defined by BAAQMD Regulation 2-6-212. It is a major facility because it has the “potential to emit,” as defined by BAAQMD Regulation 2-6-218, of more than 100 tons per year of a regulated air pollutant.

Major Facility Operating permits (Title V permits) must meet specifications contained in 40 CFR Part 70 as contained in BAAQMD Regulation 2, Rule 6. The permits must contain all applicable requirements (as defined in BAAQMD Regulation 2-6-202), monitoring requirements, recordkeeping requirements, and reporting requirements. The permit holders must submit reports of all monitoring at least every six months and compliance certifications at least every year.

In the Bay Area, state and District requirements are also applicable requirements and are included in the permit. These requirements can be federally enforceable or non-federally enforceable. All applicable requirements are contained in Sections I through VI of the permit.

Each facility in the Bay Area is assigned a facility identifier that consists of a letter and a 4-digit number. This identifier is also considered to be the identifier for the permit. The identifier for this facility is A4020.

This facility received its initial Title V permit on November 21, 2001. This application is for a minor revision to the permit. The purpose of the revision is to change the permit condition ID# 7492 for loading racks, and modification of fifteen internal floating roof storage tanks which constitutes replacing single seal by double seals. The revision also includes updating the requirements of Regulation 8 Rule 5, 18, and 25 as a result of revision to Rules 5 and 18, and deletion of Rule 25. The proposed permit shows all changes to the permit in strikeout/underline format.

The revision was evaluated via Applications 7454 and 7901. These evaluations are attached in Appendices A, B, and C.

B. Facility Description

SFPP, L.P. is a bulk terminal where refined petroleum products are stored in storage tanks and dispensed by loading racks into truck tankers for distribution. Emissions from the facility are primarily volatile organic compounds, the main pollutant of concern.

There has been no significant change in emissions due to this revision.

C. Permit Content

The legal and factual basis for the permit follows. The permit sections are described in the order presented in the permit.

I. Standard Conditions

This section contains administrative requirements and conditions that apply to all facilities. If the Title IV (Acid Rain) requirements for certain fossil-fuel fired electrical generating facilities or the accidental release (40 CFR § 68) programs apply, the section will contain a standard condition pertaining to these programs. Many of these conditions derive from 40 CFR § 70.6, Permit Content, which dictates certain standard conditions that must be placed in the permit. The language that the District has developed for many of these requirements has been adopted into the BAAQMD Manual of Procedures, Volume II, Part 3, Section 4, and therefore must appear in the permit.

The standard conditions also contain references to BAAQMD Regulation 1 and Regulation 2. These are the District's General Provisions and Permitting rules.

Changes to permit:

The dates of adoption and approval of rules in Standard Condition 1.A have been updated. The following language was added to Standard Condition I.B: "If the permit renewal has not been issued by [], but a complete application for renewal has been submitted in accordance with the above deadlines, the existing permit will continue in force until the District takes final action on the renewal application." This is the "application shield" pursuant to BAAQMD Regulation 2-6-407.

II. Equipment

This section of the permit lists all permitted or significant sources. Each source is identified by an S and a number (e.g., S24).

Permitted sources are those sources that require a BAAQMD operating permit pursuant to BAAQMD Rule 2-1-302.

Significant sources are those sources that have a potential to emit of more than 2 tons of a "regulated air pollutant," as defined in BAAQMD Rule 2-6-222, per year or 400 pounds of a "hazardous air pollutant," as defined in BAAQMD Rule 2-6-210, per year.

All abatement (control) devices that control permitted or significant sources are listed. Each abatement device whose primary function is to reduce emissions is identified by an A and a number (e.g., A-24).

The equipment section is considered to be part of the facility description. It contains information that is necessary for applicability determinations, such as fuel types, contents or sizes of tanks, etc. This information is part of the factual basis of the permit.

Each of the permitted sources has previously been issued a permit to operate pursuant to the requirements of BAAQMD Regulation 2, Permits. These permits are issued in accordance with state law and the District's regulations. The capacities in the permitted sources table are the maximum allowable capacities for each source, pursuant to Standard Condition I.J and Regulation 2-1-403.

Changes to permit

There are no changes to this part of the permit.

III. Generally Applicable Requirements

This section of the permit lists requirements that generally apply to all sources at a facility including insignificant sources and portable equipment that may not require a District permit. If a generally applicable requirement applies specifically to a source that is permitted or significant, the standard will also appear in Section IV and the monitoring for that requirement will appear in Sections IV and VII of the permit. Parts of this section apply to all facilities (e.g., particulate, architectural coating, odorous substance, and sandblasting standards). In addition, standards that apply to insignificant or unpermitted sources at a facility (e.g., refrigeration units that use more than 50 pounds of an ozone-depleting compound) are placed in this section.

Unpermitted sources are exempt from normal District permits pursuant to an exemption in BAAQMD Regulation 2, Rule 1. They may, however, be specifically described in a Title V permit if they are considered significant sources pursuant to the definition in BAAQMD Rule 2-6-239.

Changes to permit:

Language has been added to Section III to clarify that this section contains requirements that may apply to temporary sources. This provision allows contractors that have "portable" equipment permits that require them to comply with all applicable requirements to work at the facility on a temporary basis, even if the permit does not specifically list the temporary source. Examples are temporary sand-blasting or soil-vapor extraction equipment.

Section III has been modified to say that SIP standards are now found on EPA's website and are not included as part of the permit.

The note regarding SIP information from the Rule Development Section has been deleted since the SIP standards are now found on EPA's website.

Table III has been updated by adding the following rules and standards to conform to current practice:

- SIP Regulation 5, Open Burning
- BAAQMD Regulation 8, Rule 40 Aeration of Contaminated Soil and Removal of Underground Storage Tanks
- BAAQMD Regulation 8, Rule 47, Air Stripping and Soil Vapor Extraction Operations
- California Health and Safety Code Section 41750 et seq., Portable Equipment

- California Health and Safety Code Section 44300 et seq., Air Toxics “Hot Spots” Information and Assessment Act of 1987
- 40 CFR Part 61, Subpart M, National Emission Standards for Hazardous Air Pollutants – National Emission Standard for Asbestos

The dates of adoption or approval of the rules and their "federal enforceability" status in Table III have also been updated.

IV. Source-Specific Applicable Requirements

This section of the permit lists the applicable requirements that apply to permitted or significant sources. These applicable requirements are contained in tables that pertain to one or more sources that have the same requirements. The order of the requirements is:

- District Rules
- SIP Rules (if any) are listed following the corresponding District rules. SIP rules are District rules that have been approved by EPA for inclusion in the California State Implementation Plan. SIP rules are “federally enforceable” and a “Y” (yes) indication will appear in the “Federally Enforceable” column. If the SIP rule is the current District rule, separate citation of the SIP rule is not necessary and the “Federally Enforceable” column will have a “Y” for “yes”. If the SIP rule is not the current District rule, the SIP rule or the necessary portion of the SIP rule is cited separately after the District rule. The SIP portion will be federally enforceable; the non-SIP version will not be federally enforceable, unless EPA has approved it through another program.
- Other District requirements, such as the Manual of Procedures, as appropriate.
- Federal requirements (other than SIP provisions)
- BAAQMD permit conditions. The text of BAAQMD permit conditions is found in Section VI of the permit.
- Federal permit conditions. The text of Federal permit conditions, if any, is found in Section VI of the permit.

Section IV of the permit contains citations to all of the applicable requirements. The text of the requirements is found in the regulations, which are readily available on the District’s or EPA’s websites, or in the permit conditions, which are found in Section VI of the permit. All monitoring requirements are cited in Section IV. Section VII is a cross-reference between the limits and monitoring requirements. A discussion of monitoring is included in Section C.VII of this permit evaluation/statement of basis.

This permit did not require any complex applicability determinations.

Changes to permit:

Section IV has been modified to say that SIP standards are now found on EPA's website and are not included as part of the permit.

The applicable requirements of Regulation 8 Rules 5, 18, and 25 have been updated. Sections 8-5-321.3.3 and 8-5-322.4 do not apply because there are no riveted tanks at this facility.

Section 8-5-321.4 does not apply because there are no resilient –toroid-seal equipped tanks at this facility.

Section 8-5-328 applies and was added, since it was omitted in error.

Previous Table IV – C is split into two tables C and D because the storage tanks listed in these new tables have different regulatory requirements. Table C lists storage tanks for which seals were changed from single seal to double seals, while Table D lists storage tanks that continue to have a single seal.

V. Schedule of Compliance

A schedule of compliance is required in all Title V permits pursuant to BAAQMD Regulation 2-6-409.10 which provides that a major facility review permit shall contain the following information and provisions:

“409.10 A schedule of compliance containing the following elements:

- 10.1 A statement that the facility shall continue to comply with all applicable requirements with which it is currently in compliance;
- 10.2 A statement that the facility shall meet all applicable requirements on a timely basis as requirements become effective during the permit term; and
- 10.3 If the facility is out of compliance with an applicable requirement at the time of issuance, revision, or reopening, the schedule of compliance shall contain a plan by which the facility will achieve compliance. The plan shall contain deadlines for each item in the plan. The schedule of compliance shall also contain a requirement for submission of progress reports by the facility at least every six months. The progress reports shall contain the dates by which each item in the plan was achieved and an explanation of why any dates in the schedule of compliance were not or will not be met, and any preventive or corrective measures adopted.”

Since the District has not determined that the facility is out of compliance with an applicable requirement, the schedule of compliance for this permit contains only sections 2-6-409.10.1 and 2-6-409.10.2.

There are no changes in compliance status.

VI. Permit Conditions

During the Title V permit development, the District has reviewed the existing permit conditions, deleted the obsolete conditions, and, as appropriate, revised the conditions for clarity and enforceability. Each permit condition is identified with a unique numerical identifier, up to five digits.

When necessary to meet Title V requirements, additional monitoring, recordkeeping, or reporting has been added to the permit.

All changes to existing permit conditions are clearly shown in “strike-out/underline” format in the proposed permit. When the permit is issued, all ‘strike-out’ language will be deleted and all “underline” language will be retained, subject to consideration of comments received.

The existing permit conditions are derived from previously issued District Authorities to Construct (A/C) or Permits to Operate (P/O). Permit conditions may also be imposed or revised as part of the annual review of the facility by the District pursuant to California Health and Safety Code (H&SC) § 42301(e), through a variance pursuant to H&SC § 42350 *et seq.*, an order of abatement pursuant to H&SC § 42450 *et seq.*, or as an administrative revision initiated by District staff. After issuance of the Title V permit, permit conditions will be revised using the procedures in Regulation 2, Rule 6, Major Facility Review.

Conditions that are obsolete or that have no regulatory basis have been deleted from the permit.

The regulatory basis is listed following each condition. The regulatory basis may be a rule or regulation. The District is also using the following terms for regulatory basis:

- **BACT:** This term is used for a condition imposed by the Air Pollution Control Officer (APCO) to ensure compliance with the Best Available Control Technology in Regulation 2-2-301.
- **Cumulative Increase:** This term is used for a condition imposed by the APCO that limits a source's operation to the operation described in the permit application pursuant to BAAQMD Regulation 2-1-403.
- **Offsets:** This term is used for a condition imposed by the APCO to ensure compliance with the use of offsets for the permitting of a source or with the banking of emissions from a source pursuant to Regulation 2, Rules 2 and 4.
- **PSD:** This term is used for a condition imposed by the APCO to ensure compliance with a Prevention of Significant Deterioration permit issued pursuant to Regulation 2, Rule 2.
- **TRMP:** This term is used for a condition imposed by the APCO to ensure compliance with limits that arise from the District's Toxic Risk Management Policy.

Changes to permit:

Permit condition ID# 7492, part 2 is revised to clarify that hourly throughput limit is for direct mode operation only.

VII. Applicable Limits and Compliance Monitoring Requirements

This section of the permit is a summary of numerical limits and related monitoring requirements for each source. The summary includes a citation for each monitoring requirement, frequency of monitoring, and type of monitoring. The applicable requirements for monitoring are completely contained in Sections IV, Source-Specific Applicable Requirements, and VI, Permit Conditions, of the permit.

The District has reviewed all monitoring and has determined the existing monitoring is adequate. Monitoring in Regulation 8 Rule 5 has increased and is adequate.

Changes to permit:

Type of limit is made pollutant specific, where applicable.

Limits and monitoring type are made more specific, where needed.

VIII. Test Methods

This section of the permit lists test methods that are associated with standards in District or other rules. It is included only for reference. In most cases, the test methods in the rules are source

test methods that can be used to determine compliance but are not required on an ongoing basis. They are not applicable requirements.

If a rule or permit condition requires ongoing testing, the requirement will also appear in Section IV of the permit.

Changes to permit:

Applicable requirements of true vapor pressure, VOC emissions for tank cleaning, and pressure vacuum leak concentration have been updated.

IX. Permit Shield:

The District rules allow two types of permit shields. The permit shield types are defined as follows: (1) A provision in a major facility review permit explaining that specific federally enforceable regulations and standards do not apply to a source or group of sources, or (2) A provision in a major facility review permit explaining that specific federally enforceable applicable requirements for monitoring, recordkeeping and/or reporting are subsumed because other applicable requirements for monitoring, recordkeeping, and reporting in the permit will assure compliance with all emission limits.

The second type of permit shield is allowed by EPA's White Paper 2 for Improved Implementation of the Part 70 Operating Permits Program. The District uses the second type of permit shield for all streamlining of monitoring, recordkeeping, and reporting requirements in Title V permits. The District's program does not allow other types of streamlining in Title V permits.

This facility has no permit shields.

X. Revision History

Changes to Permit:

The revision history was updated.

XI Glossary

Changes to permit:

There is no change in the glossary.

XII. Appendix A - State Implementation Plan

Changes to permit:

Section XII has been modified to say that SIP standards are now found on EPA's website and are not included as part of the permit.

D. Alternate Operating Scenarios:

Permit Evaluation and Statement of Basis: Site A4020, SFPP, L.P., 2150 Kruse Drive, San Jose, CA 95131

No alternate operating scenario has been requested for this facility.

APPENDIX A
PERMIT EVALUATION FOR APPLICATION 7454

**ENGINEERING EVALUATION REPORT
SFPP, L.P.
PLANT NUMBER 4020
APPLICATION NUMBER 7454**

BACKGROUND

SFPP, L.P. operates a Title V facility (a terminal) in San Jose. There are five loading racks operating at this terminal. They are subject to the permit condition ID # 7492. Item #2 of this condition limits an hourly material throughput of 200,000 gallons without specifying direct mode. CARB certified this limit only for direct mode. Normal and by-pass mode operation do-not have any material throughput limit provided loading rack automatic shutdown system is operational. The applicant has requested to make the necessary amendment to the permit condition, revision to Title V permit, and also change the name of responsible official.

The application covers the following source:

S-1, S-28 through S-32 Loading Racks.

EMISSION CALCULATIONS

Emission calculation is not required. Annual and daily POC emissions will remain unchanged.

TOXIC RISK SCREENING ANALYSIS

A toxic risk screening analysis is not required because Benzene emissions will not increase due to the amendment of the permit condition.

PLANT CUMULATIVE EMISSION INCREASE

POC: 0.0 tpy

STATEMENT OF COMPLIANCE

The loading racks continue to comply with the requirements of Regulation 8 Rule 33.

The project is considered to be ministerial under the District's proposed CEQA Regulation 2-1-311 (PHBK chapter 3.1), and therefore is not subject to CEQA review.

The project is over 1000 feet from the nearest school, and therefore is not subject to the public notice requirements of Regulation 2-1-412.

BACT requirements of Regulation 2-2-301 are not triggered.

Offset requirements of Regulation 2-2-302 are not triggered for POC emissions.

PSD, NSPS, and NESHAPS do not apply.

PERMIT CONDITIONS

The permit condition ID # 7492 is revised.

RECOMMENDATIONS

It is recommended that SFPP, L.P. shall be issued a change of permit condition letter, and Title V permit with minor revisions.

EXEMPTIONS: None

BY: _____
Dharam Singh, AQE II

APPENDIX B
PERMIT EVALUATION FOR APPLICATION 7901

**ENGINEERING EVALUATION REPORT
SFPP, L.P.
PLANT NUMBER 4020
APPLICATION NUMBER 7901**

BACKGROUND

SFPP, L.P. has applied to obtain an authority to construct for the modification of fifteen internal floating roof storage tanks at the terminal in San Jose, CA. The modification constitutes replacing existing primary seals (liquid mounted foam log) by primary seals (metallic shoe) and secondary seals (rim-mounted compression plates). This modification will not result in an increase of either the daily or annual emissions of VOC, or an increase in the production rate or capacity of the storage tank.

The application covers the following sources:

- S-3 Storage tank modification (seal replacement: primary seal (liquid mounted foam log) by primary seal (metallic shoe) and secondary seal (rim-mounted compression plate)
- S-7 Storage tank modification (seal replacement: primary seal (liquid mounted foam log) by primary seal (metallic shoe) and secondary seal (rim-mounted compression plate)
- S-8 Storage tank modification (seal replacement: primary seal (liquid mounted foam log) by primary seal (metallic shoe) and secondary seal (rim-mounted compression plate)
- S-9 Storage tank modification (seal replacement: primary seal (liquid mounted foam log) by primary seal (metallic shoe) and secondary seal (rim-mounted compression plate)
- S-10 Storage tank modification (seal replacement: primary seal (liquid mounted foam log) by primary seal (metallic shoe) and secondary seal (rim-mounted compression plate)
- S-14 Storage tank modification (seal replacement: primary seal (liquid mounted foam log) by primary seal (metallic shoe) and secondary seal (rim-mounted compression plate)
- S-17 Storage tank modification (seal replacement: primary seal (liquid mounted foam log) by primary seal (metallic shoe) and secondary seal (rim-mounted compression plate)
- S-18 Storage tank modification (seal replacement: primary seal (liquid mounted foam log) by primary seal (metallic shoe) and secondary seal (rim-mounted compression plate)
- S-20 Storage tank modification (seal replacement: primary seal (liquid mounted foam log) by primary seal (metallic shoe)

and secondary seal (rim-mounted
compression plate)

- S-22 Storage tank modification (seal
replacement: primary seal (liquid mounted
foam log) by primary seal (metallic shoe)
and secondary seal (rim-mounted
compression plate)
- S-25 Storage tank modification (seal
replacement: primary seal (liquid mounted
foam log) by primary seal (metallic shoe)
and secondary seal (rim-mounted
compression plate)
- S-27 Storage tank modification (seal
replacement: primary seal (liquid mounted
foam log) by primary seal (metallic shoe)
and secondary seal (rim-mounted
compression plate)
- S-34 Storage tank modification (seal
replacement: primary seal (liquid mounted
foam log) by primary seal (metallic shoe)
and secondary seal (rim-mounted
compression plate)
- S-35 Storage tank modification (seal
replacement: primary seal (liquid mounted
foam log) by primary seal (metallic shoe)
and secondary seal (rim-mounted
compression plate)
- S-36 Storage tank modification (seal
replacement: primary seal (liquid mounted
foam log) by primary seal (metallic shoe)
and secondary seal (rim-mounted
compression plate)

EMISSION CALCULATIONS

A sample calculation is done to demonstrate that volatile organic compounds (VOC) emissions from the storage tanks will decrease after seal replacement. Volatile organic compounds (VOC) emissions from a tank are calculated by executing the Tank Program 4.0 (Program result printout attached). This program is based on the procedures described in AP-42 for storage tanks. Physical properties of gasoline are used to calculate emissions.

POC emissions from tank (S-3) with existing primary seal = 3255 lbs/yr
POC emissions from tank (S-3) with new primary and secondary seal = 2949 lbs/yr

PLANT CUMULATIVE INCREASE

POC = 0.0 tpy

TOXIC RISK SCREENING ANALYSIS

Toxic risk screening analysis is not required because there will be no increase in benzene emissions from any tank.

STATEMENT OF COMPLIANCE

The storage tanks will be in compliance with the requirements of the District Regulation 8 Rule 5, Storage of Organic Liquids.

The project is considered to be ministerial under the District's CEQA Regulation 2-1-311 (PHBK chapter 4.1), and therefore is not subject to CEQA review.

The sources are not located within 1000 feet of the nearest school, and therefore are not subject to the public notice requirements of Regulation 2-1-412.

BACT requirements of Regulation 2-2-301 are not triggered for the storage tanks.

Offset requirements of Regulation 2-2-302 are not triggered for the storage tanks.

Storage tanks are subject to and expected to comply with the requirements of NSPS, Subpart Kb.

PSD, and NESHAPS do not apply.

PERMIT CONDITIONS

None.

RECOMMENDATIONS

I recommend that SFPP, L.P. be issued Authority to Construct for the modification of the sources as described in the background section of this report.

EXEMPTIONS: None

BY: _____
Dharam Singh, PE
Air Quality Engineer

APPENDIX C

TANK CALCULATION FOR APPLICATION 7901