

4. Golden Gate/S.E.T. Petroleum Partners of Nevada, Storey County

Golden Gate/S.E.T. Petroleum Partners of Nevada (Golden Gate) operates a transmix facility in Storey County under Class 2 Air Quality Operating Permit #AP5171-2546.

While reviewing the 2012 annual actual production and emissions data submitted by Golden Gate, the BAPC discovered that Golden Gate self-reported exceedances of annual VOC emissions and fuel (transmix product) throughput limits. The affected unit is System 2A - Fuel Loading System. On October 9, 2013, Golden Gate confirmed the exceedances and expressed a desire to revise its Class 2 permit. The information provided by Golden Gate demonstrated that annual limits were exceeded for VOC and fuel throughput limits two times (a single annual limit exceeded for two different calendar years). The exceedance of throughput directly correlates with the VOC emissions; the more fuel loaded, the more VOCs emitted.

On March 26, 2014, a compliance meeting was held with Golden Gate to review the findings and to determine if there were extenuating facts. No new or contradictory evidence was provided. The BAPC reviewed the penalty matrix and provided the proposed penalty amount shown herein. The company was cooperative and the BAPC discussed how the company could revise its permit limit through a permit revision. Golden Gate submitted an application for permit revision to increase the fuel throughput levels. NOAV #2484 was issued on April 3, 2014. Golden Gate did not appeal the NOAV.

Industrial Process

Transportation mixture (transmix) is produced when refined petroleum products such as gasoline and diesel mix together. When combined, these products no longer meet approved specifications and cannot be used. A transmix processing unit distills transmix into various types and grades of gasoline and diesel to form saleable gasoline and diesel fuels.

Pollutant Emissions

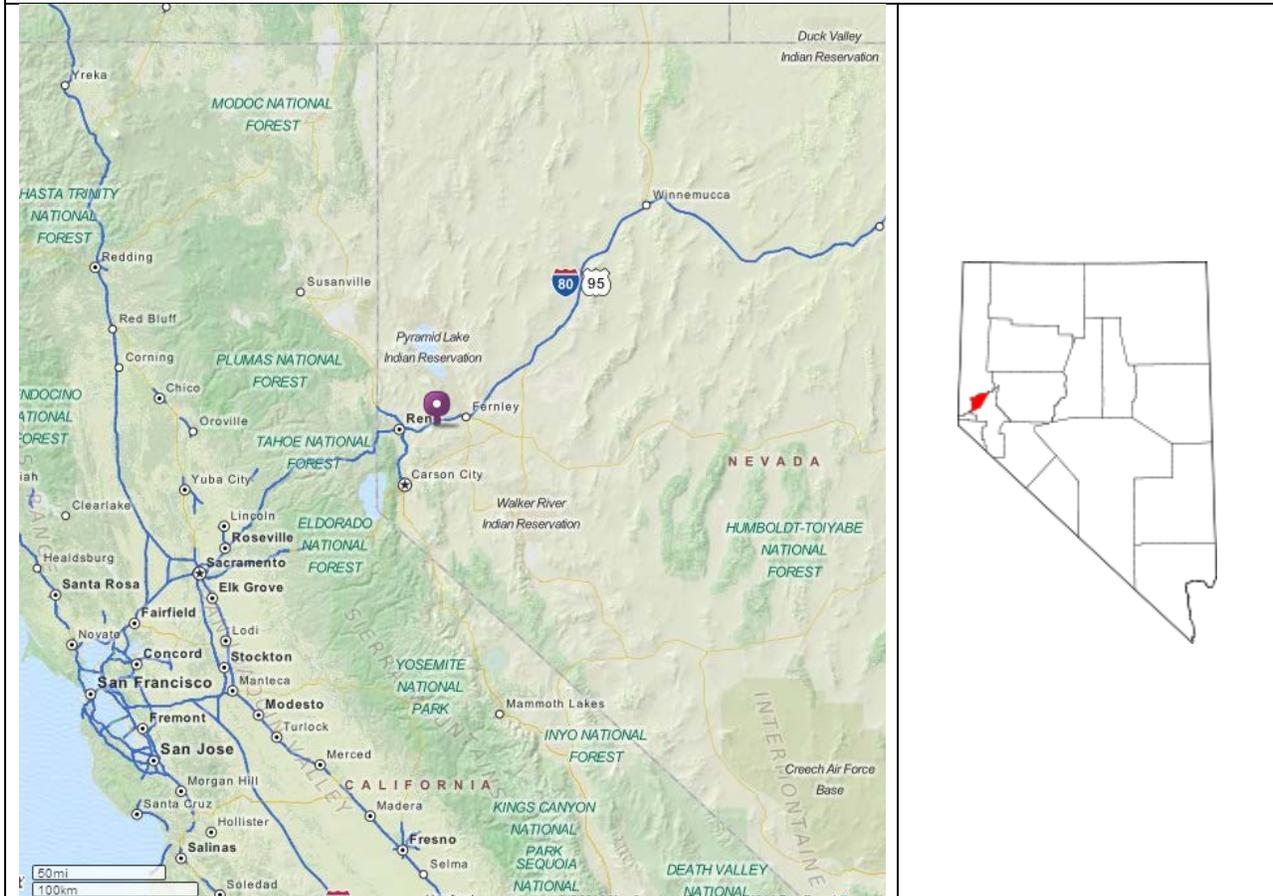
Pollutant emissions at a transmix facility include emissions from natural gas combustion from the distillation process heater(s) and **VOCs** from the loading and unloading of the transmix fuel. In this case, the pollutant emissions of concern are **VOCs** from the exceedance of permitted transmix throughput limits. **VOCs** are a precursor to the formation of **Ozone**, which is a criteria pollutant.

Environment

For Golden Gate, VOC emissions are directly tied to the throughput of fuel. As fuel is easily measured, and the release of VOCs is not, fuel throughput becomes a surrogate to demonstrate compliance with the permitted VOC limit. Excess VOC emissions create additional ozone, which is a criteria pollutant that negatively impacts the health of the public and environment.

4. Golden Gate/S.E.T. Petroleum Partners of Nevada

500 Ireland Drive, Sparks, Nevada 89434
Storey County, Nevada (39.547, -119.497)



System 02a – Facility Fuel Loading Rack System

PF 1.002a	Light Liquid Loading Rack (Gasoline)
PF 1.003a	Heavy Liquid Loading Rack (Diesel)

2. Emission Limits

- PF1.002a**, will not discharge VOC to the atmosphere that will exceed **1.61 tons per year**.
- PF1.003a**, will not discharge VOC to the atmosphere that will exceed **0.11 ton per year**.

3. Operating Parameters

- The maximum allowable throughput rate for **PF1.002a** will not exceed **11,037,600 gallons** of gasoline per any 12-month rolling period.
- The maximum allowable throughput rate for **PF1.003a** will not exceed **7,358,400 gallons** of diesel per any 12-month rolling period.



System 2A - Facility Fuel Loading Rack System

**Nevada Division of Environmental Protection
Bureau of Air Pollution Control
Administrative Fine Calculation Worksheet for Emissions Violations**

For: Golden Gate/S.E.T. Petroleum Partners of Nevada (Class II AP5171-2546; FIN A0573)

Violation: NAC 445B.275(c); Failure to comply with a permitted operating limitation

NOAV: 2484

I. Gravity Component

A. Base Penalty: \$1,000 or as specified in the Penalty Table = \$600

B. Extent of Deviation – Deviation Factors:

1. Volume of Release:

A. For CEMS or source testing, see *Guidelines* on page 3.

Adjustment to Base Penalty = _____

B. For opacity, see *Guidelines* on page 3 and refer to table below.

1	1.5	2.5	4	6
Negligible amount	Relatively low amount	Medium amount	Relatively high amount	Extremely high amount

Adjustment to Base Penalty = _____

2. Toxicity of Release: Hazardous Air Pollutant (if applicable)

3. Special Environmental/Public Health Risk (proximity to sensitive receptor):

1	2	3	4
Negligible amount	Medium amount	Relatively high amount	Extremely high amount

Deviation Factors 1 x 2 x 3:

C. Adjusted Base Penalty: Base Penalty (A) x Deviation Factors (B) =

D. Multiple Emission Unit Violations or Recurring Events:

600	X	2 * 1	=	\$1,200
Dollar Amount		Number of Years and Units		Total Gravity Fine

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II. Economic Benefit

A.	Delayed Costs	+	Avoided Costs	=	Economic Benefit
Subtotal	Total Gravity Fine	+	Economic Benefit	=	Fine Subtotal

III. Penalty Adjustment Factors

A. Mitigating Factors _____ %

B. History of Non-compliance

1. Similar Violations (NOAVs) in previous 5 years:
 - Within previous year (12 months) = 3X (+300%)
 - Within previous three years (36 months) = 2X (+200%)
 - Occurring over three years before = 1.5X (+150%) _____ %

2. All Recent Violations (NOAVs) in previous 5 years:
(+5%) X (Number of recent Violations) = x = _____

Total Penalty Adjustment Factors - Sum of A & B: _____ %

IV. Total Penalty

Penalty Subtotal (from Part II)	X	Total Adjustment Factors	=	Total Adjustment
Penalty Subtotal (from Part II)	+	Penalty Increase or Decrease	=	\$1,200 Total Penalty

Assessed by: _____ **Date:** _____

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Guidelines for I.A.1, Gravity Component: Potential for Harm, Volume of Release

Determining Volume of Release based on opacity:

1	1.5	2.5	4	6
Negligible amount	Relatively low amount	Medium amount	Relatively high amount	Extremely high amount

Opacity: < 20% or $\geq 20\%$ or $\geq 30\%$ $\geq 40\%$ $\geq 50\%$
 NSPS limit NSPS limit
 (where NSPS opacity limit is < 20%)

Determining Volume of Release based on CEMS or source testing:

Use excess emission ratio: Ratio of Emissions to Permitted Emission Limit, r

<u>Source & pollutant info</u>	<u>Emissions/(Permit limit)</u>	<u>Adjustment to Base Penalty</u>
Minor sources:	$r < 1.2$	(none)
<i>(all pollutants are minor)</i>	$r \geq 1.2$	proportional to r
Major & SM sources:		
Minor pollutant	$r < 1.2$	(none)
	$r \geq 1.2$	proportional to r
“Threshold” pollutant*	$r < 1.2$	(none)
	$r \geq 1.2$	proportional to r
Major pollutant	$r < 1.2$	(none)
	$r \geq 1.2$	proportional to r

Hazardous Air Pollutant (HAP) – see Part I.B.2 Toxicity of Release (2X multiplier)

Administrative Penalty Matrix - Non-Emissions Air Quality Violations
 (Note that the Penalty Worksheet is used to augment or adjust some penalties)

Permit Class	Constructing or Operating without a Permit (per major processing system or unit)	Failure to Install required Air Pollution Control Equipment (per emission unit)	Failure to Maintain Process or Air Pollution Control Equipment (The Penalty Matrix is used to assess the severity of any resulting Excess Emissions)	Failure to Comply with a Permitted Operating Parameter	Failure to Conduct Required Monitoring, or Reporting including incomplete or inadequate source test reports	Failure to Comply with a Stop Order or any provision in a Schedule of Compliance
1	\$10,000	\$5,000	\$1,000	\$1,000	ACC: \$2,000 SAMIR: \$1,000 AER: \$1,000 Other: \$600	\$10,000
2	\$3,000	\$1,000	\$600	\$600	\$600 [for major violations, as identified by NAC 445B.281.4]	up to \$10,000
2 - General	\$1,000	\$1,000	\$600	\$600	\$600 [for major violations, as identified by NAC 445B.281.4]	up to \$10,000
SAD	\$500 plus \$50 per acre of planned disturbance	N/A	\$600	\$600	\$600 [for major violations, as identified by NAC 445B.281.4]	up to \$5,000
3	800 (per facility)	\$600	\$600	\$600	\$600 [for major violations, as identified by NAC 445B.281.4]	up to \$5,000
Time Basis (Guideline)	Minimum: weekly to monthly (discretionary)	Daily	Event	Per standard or basis of operating parameter	Event	Daily