

**MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OPERATING PERMIT TECHNICAL REVIEW DOCUMENT**

**Permitting and Compliance Division
1520 E. Sixth Avenue
P.O. Box 200901
Helena, Montana 59620-0901**

ConocoPhillips Company – Great Falls Product Terminal
NE ¼ of Section 3, Township 20 North, Range 4 East, in Cascade County
1401 52nd Street North
Great Falls, MT 59405

The following table summarizes the air quality programs testing, monitoring, and reporting requirements applicable to this facility.

Facility Compliance Requirements	Yes	No	Comments
Source Tests Required	xx		Method 9
Ambient Monitoring Required		xx	
COMS Required		xx	
CEMS Required		xx	
Schedule of Compliance Required		xx	
Annual Compliance Certification and Semiannual Reporting Required	xx		As Applicable
Monthly Reporting Required	xx		As Applicable
Quarterly Reporting Required		xx	
Applicable Air Quality Programs			
ARM Subchapter 7 – Montana Air Quality Permit	xx		
New Source Performance Standards (NSPS)		xx	Due to size or the year built, no tanks located at this facility are subject to NSPS standards. The previously permitted Transmix tank was never constructed. This tank would have been subject to 40 CFR 60 Subpart Kb.
National Emission Standards for Hazardous Air Pollutants (NESHAPS)		xx	
Maximum Achievable Control Technology (MACT)	xx		40 CFR 63, Subpart BBBBBB
Major New Source Review (NSR) – includes Prevention of Significant Deterioration (PSD) and/or Non-attainment Area (NAA) NSR		xx	
Risk Management Plan Required (RMP)		xx	
Acid Rain Title IV		xx	
Compliance Assurance Monitoring (CAM)		xx	
State Implementation Plan (SIP)	xx		General SIP

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SECTION I. GENERAL INFORMATION

A. Purpose

This document establishes the basis for the decisions made regarding the applicable requirements, monitoring plan, and compliance status of emission units affected by the operating permit proposed for this facility. The document is intended for reference during review of the proposed permit by the Environmental Protection Agency (EPA) and the public. It is also intended to provide background information not included in the operating permit and to document issues that may become important during modifications or renewals of the permit. Conclusions in this document are based on information provided in the renewal application submitted by ConocoPhillips Company (ConocoPhillips) dated July 11, 2008, and received by the Department of Environmental Quality (Department) on July 18, 2008. In addition, conclusions are also based on information submitted previously by ConocoPhillips and its predecessor, Conoco, Inc. (Conoco), in an administrative amendment received by the Department on March 30, 2006, an administrative amendment received by the Department on December 22, 2004, an administrative amendment received by the Department on March 4, 2004, the renewal operating permit application received by the Department on April 11, 2003, an administrative amendment received February 21, 2003, as well as the original operating permit application received on June 10, 1996.

B. Facility Location

The ConocoPhillips Great Falls Product Terminal is located just east of the Great Falls city limits in the NE ¼ of Section 3, Township 20 North, Range 4 East, in Cascade County at the address of 1401 52nd Street North, Great Falls, MT 59405. Cascade County is designated as an Unclassifiable/Attainment area for National Ambient Air Quality Standards (NAAQS) for all criteria pollutants. There are no schools, medical facilities, or recreational areas in the immediate vicinity of the terminal.

C. Facility Background Information

Montana Air Quality Permit (MAQP)

On October 9, 1997, **MAQP #2946-00** was issued to Conoco to exempt them from 40 Code of Federal Regulations (CFR) 63, Subpart R (Gasoline Distribution MACT (Maximum Achievable Control Technology)) applicability. The Great Falls Product Terminal tanks were constructed in 1960.

A letter from ConocoPhillips dated January 3, 2003, and received by the Department on January 10, 2003, notified the Department that Conoco had changed its name to ConocoPhillips and requested the name change on both their Montana Air Quality Permit and Title V Operating Permit. The permit action changed the name on the permit from Conoco to ConocoPhillips. MAQP #2946-01 had been updated to reflect current permit language and rule references used by the Department. **MAQP #2946-01** replaced MAQP #2946-00.

A letter from ConocoPhillips dated November 24, 2004, and received by the Department December 1, 2004, notified the Department that ConocoPhillips planned to install a 4,000-gallon vertical tank used to store a lubricity additive. Since the uncontrolled Potential to Emit (PTE) of the 4,000-gallon vertical tank was less than 15 tons per year of any regulated pollutant the tank was added to the permit under the provisions of Administrative Rules of Montana (ARM) 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. MAQP #2946-02 was updated to reflect current permit language and rule references used by the Department. **MAQP #2946-02** replaced MAQP #2946-01.

A letter from ConocoPhillips dated December 6, 2004, and received by the Department December 15, 2004, notified the Department that ConocoPhillips planned to install a 20,000-barrel internal floating roof tank used to store a combination of distillates and gasoline. Since the uncontrolled PTE of the 20,000-

barrel internal floating roof tank was less than 15 tons per year of any regulated pollutant the tank was added to the permit under the provisions of ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. ConocoPhillips was considered a New Source Performance Standard (NSPS) affected facility under 40 CFR 60, Subpart Kb, Standards of Performance for Volatile Organic Liquid Storage Vessels. The emissions were conservatively calculated using more total throughput than allowed by the current permit. **MAQP #2946-03** replaced MAQP #2946-02.

Title V Operating Permit

Conoco's Great Falls Product Terminal was not required to obtain an air quality permit because this facility was constructed prior to November 23, 1968; however, Conoco requested a throughput limit on the facility to keep them below the 40 CFR 63, Subpart R applicability threshold. **Operating Permit #OP2946-00** was issued final and effective on October 9, 1997.

The permit action contained in #OP2946-01 changed the name on the permit from Conoco to ConocoPhillips. **Operating Permit #OP2946-01** replaced Operating Permit #OP2946-00.

The permit action was a renewal of ConocoPhillips' Title V Operating Permit #OP2946-01 for the Great Falls Product Terminal. ConocoPhillips' Operating Permit #OP2946-01 was applicable for 5 years and expired on January 12, 2004. ConocoPhillips applied for a renewal of their Title V Operating Permit on April 11, 2003. **Operating Permit #OP2946-02** replaced Operating Permit #OP2946-01.

On March 4, 2004, the Department received a letter from ConocoPhillips to change the responsible official from Tom Wanzeck to Karen L. Kennedy. **Operating Permit #OP2946-03** replaced Operating Permit #OP2946-02.

A letter from ConocoPhillips dated December 21, 2004, and received by the Department December 22, 2004, notified the Department that ConocoPhillips planned to install a 20,000-barrel internal floating roof tank used to store a combination of distillates and gasoline. Since the uncontrolled PTE of the 20,000-barrel internal floating roof tank was less than 15 tons per year of any regulated pollutant the tank was added to the permit under the provisions of ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. ConocoPhillips is considered a New Source Performance Standard (NSPS) affected facility under 40 Code of Federal Regulations (CFR) 60, Subpart Kb, Standards of Performance for Volatile Organic Liquid Storage Vessels. The emissions were conservatively calculated using more total throughput than allowed by the current permit. **Operating Permit #OP2946-04** replaced Operating Permit #OP2946-03.

On March 30, 2006, the Department received a letter from ConocoPhillips to change the responsible official from Karen L. Kennedy to John T. Barrett. **Operating Permit #OP2946-05** replaced Operating Permit #OP2946-04.

D. Current Permit Action

On July 18, 2008, the Department received a renewal application letter from ConocoPhillips dated July 11, 2008 to renew their current Title V Operating Permit. The fee associated with renewal was received by the department on July 31, 2008, completing the application. The only change requested was the inclusion of 40 CFR 63, Subpart BBBBBB. The Department also added or modified rule references and language including prompt deviation language and the general requirement for NESHAP SSM plans. Other changes include incorporation of de-minimis additions and removal of the previously permitted Transmix tank which to date has not been installed.

E. Taking and Damaging Analysis

HB 311, the Montana Private Property Assessment Act, requires analysis of every proposed state agency administrative rule, policy, permit condition or permit denial, pertaining to an environmental matter, to determine whether the state action constitutes a taking or damaging of private real property that requires compensation under the Montana or U.S. Constitution. As part of issuing an operating permit, the Department is required to complete a Taking and Damaging Checklist. As required by 2-10-101 through 2-10-105, MCA, the Department conducted the following private property taking and damaging assessment.

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	X	4. Does the action deprive the owner of all economically viable uses of the property?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property? (consider economic impact, investment-backed expectations, character of government action)
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally?
	X	7a. Is the impact of government action direct, peculiar, and significant?
	X	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	X	7c. Has government action lowered property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?
	X	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b; the shaded areas)

Based on this analysis, the Department determined there are no taking or damaging implications associated with this permit action.

F. Compliance Designation

The Department inspected the ConocoPhillips Great Falls Product Terminal on March 27, 2007. The inspection findings and all the material reviewed in the Department's files indicated that the facility is in compliance. ConocoPhillips, in the application cover letter, further verified that the terminal continues to be in compliance with all the requirements of Title V Operating Permit #OP2946-05.

SECTION II. SUMMARY OF EMISSION UNITS

A. Facility Process Description

ConocoPhillips operates a bulk gasoline terminal at the Great Falls Product Terminal. The terminal stores and transfers petroleum products (gasoline and distillate) received from the pipeline and distributes them to regional markets via cargo tanks (tank trucks). The Standard Industrial Classification (SIC) for this facility is "Wholesale Distribution" which has an SIC Code of "5171."

B. Emission Units and Pollution Control Device Identification

Currently, the Great Falls Product Terminal owns and operates three gasoline tanks, two distillate tanks, and one off spec product tank. Fugitive and miscellaneous emissions include emissions from valves, flanges, pump seals, additive tanks, provers, tank cleaning, wastewater sumps, rack drains, tank roof landings, connections, meters, and open-ended lines.

C. Categorically Insignificant Sources/Activities

The Administrative Rules of Montana (ARM) 17.8.1201(22)(a) defines an insignificant emission unit as one that emits less than 5 tons per year of any regulated pollutant, has the potential to emit less than 500 pounds per year of lead or any hazardous air pollutant, and is not regulated by an applicable requirement other than a generally applicable requirement.

The miscellaneous emissions from the ConocoPhillips Product Terminal include emissions from tank cleaning, rack drains, additive tanks, etc. These units are insignificant because they emit less than 5 tons per year of any regulated pollutant.

SECTION III. PERMIT CONDITIONS

A. Emission Limits and Standards

The ConocoPhillips Great Falls Product Terminal is limited to a maximum of 88,200,000 gallons of gasoline and 88,200,000 gallons of distillate product throughput for the truck loadout operation during any 12-month rolling period. ConocoPhillips is also required to conduct monthly leak checks for fugitive emissions. Detection methods incorporating sight, sound, or smell are acceptable for the purposes of these inspections. The emission units at this facility have synthetic minored out of the 40 CFR 63, Subpart R Gasoline Distribution MACT requirements. Due to the federally enforceable limitations on throughput of the loading rack operations, this facility is also not subject to PSD regulations.

40 CFR 63, Subpart BBBBBB will be applicable to this facility. The compliance date for these requirements is January 10, 2011, except for storage tanks which are equipped with floating roofs and not already meeting these requirements, for which compliance must be achieved by the first degassing and cleaning activity after January 10, 2011, or by January 10, 2018, whichever is first. The emissions limits, management practices, and standards of this rule vary depending on the compliance methods chosen by ConocoPhillips. Therefore, the permit addresses these requirements by reference and these requirements are not yet applicable.

B. Monitoring Requirements

ARM 17.8.1212(1) requires that all monitoring and analysis procedures or test methods required under applicable requirements are contained in operating permits. In addition, when the applicable requirement does not require periodic testing or monitoring, periodic monitoring must be prescribed that is sufficient to yield reliable data from the relevant time period that is representative of the source's compliance with the permit.

The requirements for testing, monitoring, recordkeeping, reporting, and compliance certification sufficient to assure compliance do not require the permit to impose the same level of rigor for all emissions units. Furthermore, they do not require extensive testing or monitoring to assure compliance with the applicable requirements for emission units that do not have significant potential to violate emission limitations or other requirements under normal operating conditions. When compliance with the underlying applicable requirement for an insignificant emissions unit is not threatened by lack of regular monitoring and when periodic testing or monitoring is not otherwise required by the applicable requirement, the status quo (i.e., no monitoring) will meet the requirements of ARM 17.8.1212(1). Therefore, the permit does not include monitoring for insignificant emission units.

The permit includes periodic monitoring or recordkeeping for each applicable requirement. The information obtained from the monitoring and recordkeeping will be used by the permittee to periodically certify compliance with the emission limits and standards. However, the Department may request additional testing to determine compliance with the emission limits and standards.

The 40 CFR 63, Subpart BBBBBB rules include monitoring requirements and are therefore included by reference. The monitoring requirements applicable to this facility will depend upon the compliance methods chosen by ConocoPhillips. These requirements are not yet applicable due to the compliance dates of the rule.

C. Test Methods and Procedures

The operating permit may not require testing for all sources if routine monitoring is used to determine compliance, but the Department has the authority to require testing if deemed necessary to determine compliance with an emission limit or standard. In addition, the permittee may elect to voluntarily conduct compliance testing to confirm its compliance status.

D. Recordkeeping Requirements

The permittee is required to keep all records listed in the operating permit as a permanent business record for at least 5 years following the date of the generation of the record.

The 40 CFR 63, Subpart BBBBBB rules include recordkeeping requirements. Therefore, the permit incorporates these recordkeeping requirements by reference. The recordkeeping requirements applicable to this facility will depend upon the compliance methods chosen by ConocoPhillips. These requirements are not yet applicable due to the compliance dates of the rule.

E. Reporting Requirements

Reporting requirements are included in the permit for each emissions unit, and Section V of the operating permit "General Conditions" explains the reporting requirements. However, the permittee is required to submit semi-annual and annual monitoring reports to the Department and to annually certify compliance with the applicable requirements contained in the permit. The reports must include a list of all emission limit and monitoring deviations, the reason for any deviation, and the corrective action taken as a result of any deviation.

The 40 CFR 63, Subpart BBBBBB rules include reporting requirements. Therefore, the permit incorporates these requirements by reference. The reporting requirements applicable to this facility will depend upon the compliance methods chosen by ConocoPhillips. These requirements are not yet applicable.

F. Public Notice

In accordance with ARM 17.8.1232, a public notice was published in the Great Falls Tribune newspaper on July 23, 2009. The Department provided a 30-day public comment period on the draft operating permit from July 27, 2009, to August 26, 2009. ARM 17.8.1232 requires the Department to keep a record of both comments and issues raised during the public participation process. The comments and issues received by August 26, 2009, will be summarized, along with the Department's responses, in the following table. All comments received during the public comment period will be promptly forwarded to ConocoPhillips so they may have an opportunity to respond to these comments as well.

G. Draft Permit Comments

Summary of Public Comments

Person/Group Commenting	Comment	Department Response
No Comments Received		

Summary of Permittee Comments

Permit Reference	EPA Comment	Department Response

Summary of EPA Comments

Permit Reference	EPA Comment	Department Response

SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS

Requirement	Reason
ARM 17.8.601 ARM 17.8.602 ARM 17.8.1201(10)(a) ARM 17.8.1201(10)(f) ARM 17.8.1201(10)(i) ARM 17.8.1201(10)(k)	This is a statement of purpose, an applicability statement, regulatory definitions, or a statement of incorporation by reference. These types of rules do not have specific requirements associated with them.
ARM 17.8.604 ARM 17.8.605 ARM 17.8.606 ARM 17.8.611 ARM 17.8.612 ARM 17.8.613 ARM 17.8.614 ARM 17.8.615	These rules are Open Burning rules. The department is not aware of any activities at this facility for which these rules apply. These rules are not applicable to the normal operation of this facility. These rules have specific requirements for open burning. These rules may become relevant during the permit term.

SECTION V. FUTURE PERMIT CONSIDERATIONS

A. MACT Standards and NESHAP Standards

The requirements of 40 CFR 63, Subpart BBBBBB will apply to this facility. The compliance date for most of the requirements is January 10, 2011, except for storage tanks which are equipped with floating roofs and not already meeting these requirements, for which compliance must be achieved by the first degassing and cleaning activity after January 10, 2011, or by January 10, 2018, whichever is first. These rules apply to gasoline related equipment only.

It is expected that installation of control options may allow the facility to become a synthetic minor under the Title V rules. An application for Modification of the Montana Air Quality Permit will be required prior to installation of the control device. Although the facility may become a synthetic minor with respect to Title V following the MAQP permit modification described above, the requirements of 40 CFR 63, Subpart BBBBBB would still apply. ConocoPhillips is also subject to the notification requirements of this rule. The notification requirements of 40 CFR 63, Subpart BBBBBB reference the notification rules outlined in 40 CFR 63.9.

One of the control options available in meeting the requirements of 40 CFR 63, Subpart BBBBBB is utilization of a flare. Should ConocoPhillips apply to install a flare, the requirements of ARM 17.8.770 would apply. This rule requires a human health risk assessment to be completed as described in the rule.

B. NSPS Standards

40 CFR 60, Subpart Kb would have applied to the Transmix Tank that was included in Operating Permit #OP2946-04. However, ConocoPhillips notified the Department in the application cover letter that this tank has not yet been installed. Therefore, these standards do not apply. The tank was removed from the MAQP as the 3 year time period since the addition was permitted has lapsed.

As of the draft issuance of Operating Permit #OP2945-06, the Department is unaware of any future NSPS Standards that may be promulgated that will affect this facility.

C. Risk Management Plan

As of the draft issuance of Operating Permit #OP2945-06, the Department is unaware of any regulated substance listed in 40 CFR 68.115 which exceeds the minimum threshold quantities for any facility process. Consequently, this facility is not required to submit a Risk Management Plan.

If a facility has more than a threshold quantity of a regulated substance in a process, the facility must comply with 40 CFR 68 requirements no later than June 21, 1999; 3 years after the date on which a regulated substance is first listed under 40 CFR 68.130; or the date on which a regulated substance is first present in more than a threshold quantity in a process, whichever is later.

D. CAM Applicability

Compliance Assurance Monitoring under 40 CFR 64.2 is exempted for facilities that have emission limitations or standards proposed after November 15, 1990 pursuant to Section 111 or 112 of the Clean Air Act. Therefore, 40 CFR 63, Subpart BBBBBB would not make this facility subject to these CAM rules. However, within the rules of 40 CFR 63, Subpart BBBBBB are requirements for monitoring of the operations of the control technology selected.