

June 26, 2023

Chet Greene, VP Pipeline & Terminals  
Par Montana, LLC.  
Billings Bulk Distribution Terminal  
670 ExxonMobil Road  
Billings, MT 59101

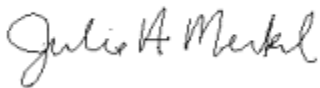
Sent via email: [cgreene@parpacific.com](mailto:cgreene@parpacific.com)

**RE: Final Permit Issuance for MAQP #2967-04**

Dear Mr. Greene:

Montana Air Quality Permit (MAQP) #2967-04 is deemed final as of June 17, 2023, by DEQ. This permit is for Par Montana, LLC, - Billings Bulk Petroleum Distribution Terminal. All conditions of the Decision remain the same. Enclosed is a copy of your permit with the final date indicated.

For DEQ,



Julie A. Merkel  
Permitting Services Section Supervisor  
Air Quality Bureau  
(406) 444-3626



John P. Proulx  
Air Quality Engineer  
Air Quality Bureau  
(406) 444-5391

**Montana Department of Environmental Quality  
Air, Energy & Mining Division  
Air Quality Bureau**

Montana Air Quality Permit #2967-04

Par Montana, LLC. – Billings Bulk Distribution Terminal  
Section 24 & 25, Township 1 North, Range 26 East  
670 ExxonMobil Rd.  
Billings, MT 59101

June 17, 2023



## MONTANA AIR QUALITY PERMIT

Issued to: Par Montana, LLC.  
Billings Bulk Distribution Terminal  
607 Exxon Road  
Billings, MT 59101

MAQP: #2967-04  
Administrative Amendment (AA)  
Received: 04/13/2024  
Department Decision Issued: 06/01/2023  
Permit Final: 06/17/2023

A Montana Air Quality Permit (MAQP), with conditions, is hereby granted to Par Montana, LLC.,(Par), pursuant to Sections 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

### SECTION I: Permitted Facilities

#### A. Plant Location

Par operates a bulk marketing distribution terminal, located in the South ½ of Section 24 and North ½ of Section 25, Township 1 North, Range 26 East, which is approximately two miles East of Billings in Yellowstone County. The facility is adjacent to and south of the Par Refinery at 700 Par Road.

#### B. Current Permit Action

On April 13, 2023, the Montana Department of Environmental Quality – Air Quality Bureau (DEQ) received an Intent to Transfer Ownership notification from Par Montana, LLC., to transfer ownership of the bulk petroleum distribution facility from ExxonMobil Corporation to Par Montana, LLC. The transfer of ownership was dated June 1, 2023.

### SECTION II: Conditions and Limitations

#### A. Facility Wide

1. Par shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304).
2. Par shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).

3. Par shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.4 (ARM 17.8.749).
4. Par shall comply with all applicable standards and limitations, and the reporting, recordkeeping and notification requirements contained in 40 CFR 60, Subpart XX, Standards of Performance for Bulk Gasoline Terminals (ARM 17.8.340 and 40 CFR 60, Subpart XX).
5. Par shall comply with all applicable standards, limitations, reporting, recordkeeping, and notification requirements of ARM 17.8.342, as specified in 40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants, Subpart A and Subpart R (ARM 17.8.342, ARM 17.8.752, and 40 CFR 63, Subpart A and Subpart R):
  - a. Subpart A - General Provisions applies to all equipment or facilities subject to a NESHAP for source categories subpart as listed below.
  - b. Subpart R - National Emission Standards for Gasoline Distribution Facilities (Bulk Gasoline Terminals and Pipeline Breakout Stations) shall apply to, but not be limited to, the product loading rack and vapor combustion unit.

B. Loading Rack

1. The total Volatile Organic Compound (VOC) emissions to the atmosphere from the vapor processing system due to loading liquid product into cargo tanks shall not exceed 10.0 milligrams per liter (mg/L) of gasoline and/or ethanol loaded (ARM 17.8.749, ARM 17.8.342, and 40 CFR 63 Subpart R).
2. Par shall be limited to a maximum of 230,000,000 gallons of gasoline and/or ethanol throughput for the loadout operation during any rolling twelve (12) month period (ARM 17.8.749).
3. Par shall be limited to a maximum of 130,000,000 gallons of distillate products, including jet, avgas and additives, throughput for the loadout operation during any rolling twelve (12) month period (ARM 17.8.749).
4. The product loading rack shall be operated and maintained as follows:
  - a. Par's product loading rack shall be equipped with a vapor collection system designed to collect the organic compound vapors displaced from tank trucks during gasoline and/or ethanol product loading (ARM 17.8.749, ARM 17.8.342).

- b. Par's collected gasoline and/or ethanol vapors shall be routed to a vapor processing system at all times (ARM 17.8.749, ARM 17.8.342, and 40 CFR 63 Subpart R).
- c. The vapor collection and liquid loading equipment shall be designed and operated to prevent gauge pressure in the gasoline and/or ethanol tank truck from exceeding 4,500 Pascals (Pa) (450 millimeters [mm] of water) during product loading. This level shall not be exceeded when measured by the procedures specified in the test methods and procedures in 40 CFR 60.503(d) (ARM 17.8.342).
- d. No pressure-vacuum vent in the permitted terminal's vapor collection system shall begin to open at a system pressure less than 4,500 Pa (450 mm of water) (ARM 17.8.342).
- e. The vapor collection system shall be designed to prevent any VOC vapors collected at one loading position from passing to another loading position (ARM 17.8.342).
- f. Loadings of liquid products into gasoline (including (incl.) ethanol) cargo tanks shall be limited to vapor-tight gasoline (incl. ethanol) cargo tanks using the following procedures (ARM 17.8.342):
  - i. Par shall obtain annual vapor tightness documentation described in the test methods and procedures in 40 CFR 63.425(e) for each gasoline (incl. ethanol) cargo tank that is to be loaded at the product loading rack;
  - ii. Par shall require the cargo tank identification number to be recorded as each gasoline (incl. ethanol) cargo tank is loaded at the terminal;
  - iii. Par shall cross-check each tank identification number obtained during product loading with the file of tank vapor tightness documentation within 2 weeks after the corresponding cargo tank is loaded;
  - iv. Par shall notify the owner or operator of each non-vapor-tight cargo tank loaded at the product loading rack within 3 weeks after the loading has occurred; and
  - v. Par shall take the necessary steps to ensure that any non-vapor-tight cargo tank will not be reloaded at the product loading rack until vapor tightness documentation for that cargo tank is obtained which documents that:
    - 1. The gasoline (incl. ethanol) cargo tank meets the applicable test requirements in 40 CFR 63.425(e) to this permit;
    - 2. For each gasoline (incl. ethanol) cargo tank failing the test

requirements in 40 CFR 63.425(f) or (g), the gasoline (incl. ethanol) cargo tank must either:

- a. Before the repair work is performed on the cargo tank, meet the test requirements in 40 CFR 63.425 (g) or (h), or
  - b. After repair work is performed on the cargo tank before or during the tests in 40 CFR 63.425 (g) or (h), subsequently passes, the annual certification test described in 40 CFR 63.425(e).
- g. Par shall ensure that loadings of gasoline (incl. ethanol) cargo tanks at the product loading rack are made only into cargo tanks equipped with vapor collection equipment that is compatible with the terminal's vapor collection system (ARM 17.8.342).
- h. Par shall ensure that the terminal's and the cargo tank's vapor recovery systems are connected during each loading of a gasoline (incl. ethanol) cargo tank at the product loading rack (ARM 17.8.342).
- i. Loading of cargo tanks shall be restricted to the use of submerged fill and dedicated normal service (ARM 17.8.749).
- j. Par shall perform a monthly leak inspection of all equipment in gasoline (incl. ethanol) service. The inspection must include, but is not limited to, all valves, flanges, pump seals, and open-ended lines. For purposes of this inspection, detection methods incorporating sight, sound, or smell are acceptable. Each piece of equipment shall be inspected during the loading of a gasoline (incl. ethanol) cargo tank (ARM 17.8.342).
- k. A log book shall be used and shall be signed by the owner or operator at the completion of each inspection. A section of the log shall contain a list, summary description, or diagram(s) showing the location of all equipment in gasoline (incl. ethanol) service at the facility (ARM 17.8.342).
- l. Each detection of a liquid or vapor leak shall be recorded in the log book. When a leak is detected, an initial attempt at repair shall be made as soon as practicable, but no later than 5 calendar days after the leak is detected. Repair or replacement of leaking equipment shall be completed within 15 calendar days after detection of each leak, except as provided in m below (ARM 17.8.342).
- m. Delay of repair of leaking equipment will be allowed upon a demonstration to DEQ that repair within 15 days is not feasible. The owner or operator shall provide the reason(s) a delay is needed and the date by which each repair is expected to be completed (ARM 17.8.342).

- n. Par shall not allow gasoline and/or ethanol to be handled in a manner that would result in vapor releases to the atmosphere for extended periods of time. Measures to be taken include, but are not limited to, the following (ARM 17.8.342):
  - i. Minimize gasoline/ethanol spills;
  - ii. Clean up spills as expeditiously as practicable;
  - iii. Cover all open gasoline/ethanol containers with a gasketed seal when not in use; and
  - iv. Minimize gasoline/ethanol sent to open waste collection systems that collect and transport gasoline/ethanol to reclamation and recycling devices, such as oil/water separators.
- 5. Par shall implement and maintain a leak inspection, recording, and repair program to minimize fugitive VOC emissions from piping components (ARM 17.8.752).

C. Monitoring and Testing Requirements

- 1. Par shall meet the requirements of all applicable testing and procedures of ARM 17.8.342, which adopts 40 CFR 63, MACT, Subpart R, NESHAPs for Gasoline Distribution Facilities. This shall apply to, but not be limited to, the bulk gasoline and distillate truck loading rack, the vapor processing system, and all gasoline equipment (ARM 17.8.342 and 40 CFR 63, Subpart R).
- 2. Compliance with the product loading rack vapor processing system VOC emissions limitation contained in Section II.B.1 shall be demonstrated by utilizing data taken from Par's VOC continuous monitoring system (CMS) (ARM 17.8.342 and 40 CFR 63 Subpart R).
- 3. CMS are to be in operation at all times when the emission units are operating, except for quality assurance and control checks, breakdowns and repairs (ARM 17.8.749).
- 4. All gaseous CMS shall be required to comply with quality assurance/quality control procedures in 40 CFR 60, Appendix F (ARM 17.8.749).
- 5. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
- 6. The Department may require further testing (ARM 17.8.105).

D. Operational Reporting Requirements

- 1. Par shall supply DEQ with annual production information for all emission points, as required by DEQ in the annual emission inventory request.

The request will include, but is not limited to, all sources of emissions identified in the emission inventory contained in the permit analysis.

Production information shall be gathered on a calendar-year basis and submitted to DEQ by the date required in the emission inventory request. Information shall be in the units required by DEQ. This information may be used to calculate operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).

2. Par shall notify DEQ of any construction or improvement project conducted, pursuant to ARM 17.8.745, that would include ***the addition of a new emissions unit***, change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation. The notice must be submitted to DEQ, in writing, 10 days prior to startup or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(l)(d) (ARM 17.8.745).
3. All records compiled in accordance with this permit must be maintained by Par as a permanent business record for at least 5 years following the date of the measurement, must be available at the plant site for inspection by DEQ, and must be submitted to DEQ upon request (ARM 17.8.749).
4. Par shall document, by month, the gasoline (incl. ethanol) and distillate throughput for the truck loadout operation. By the 25<sup>th</sup> day of each month, Par shall total the gasoline (incl. ethanol) and distillate throughput for the truck loadout operation for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitations in Sections II.B.2 and II.B.3. The information for each of the previous months shall be submitted along with the annual emission inventory (ARM 17.8.749).
5. Par shall document the total new VOC fugitive emissions as monitored within the leak inspection, recording, and repair program required under Section II.B.5. The information shall be maintained on site (ARM 17.8.749).

E. Additional Reporting Requirements - NSPS, NESHAP, and MACT

1. Par shall keep all records and furnish all reports to DEQ as required by 40 CFR 63, Subpart R, NESHAPs for Gasoline Distribution Facilities. These reports shall include information described in 40 CFR 63.424, 63.427 and 63.428 (ARM 17.8.342 and 40 CFR 63, Subpart R).

F. Notification

Par shall provide DEQ with written notification of the following dates within the specified time periods:



1. Pretest information forms must be completed and received by DEQ no later than 25 working days prior to any proposed test date, according to the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
2. The Department must be notified of any proposed test date 10 working days before that date according to the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

### SECTION III: General Conditions

- A. Inspection –Par shall allow DEQ’s representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (continuous emission monitors (CEMS), continuous emission rate monitor system (CERMS), continuous monitoring system (CMS)) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver –The permit and the terms, conditions, and matters stated herein shall be deemed accepted if Par fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations –Nothing in this permit shall be construed as relieving Par of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.* (ARM 17.8.756).
- D. Enforcement –Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties, or other enforcement action as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals –Any person or persons jointly or severally adversely affected by DEQ’s decision may request, within 15 days after DEQ renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay DEQ’s decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of DEQ’s decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, DEQ’s decision on the application is final 16 days after DEQ’s decision is made.
- F. Permit Inspection –As required by ARM 17.8.755, Inspection of Permit, a copy of the MAQP shall be made available for inspection by DEQ at the location of the source.
- G. Permit Fee –Pursuant to Section 75-2-220, MCA, failure to pay the annual operation fee by Par may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.

- H. Duration of Permit –Construction or installation must begin or contractual obligations entered into that would constitute substantial loss within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall expire (ARM 17.8.762).

Montana Air Quality Permit Analysis  
Par Montana, LLC.  
Billings Bulk Terminal  
Montana Air Quality Permit (MAQP) #2967-04

I. Introduction/ Process Description

A. Site Location

Par Montana, LLC operates a bulk marketing distribution terminal which stores and transfers petroleum products (gasoline and distillate) received from the Par's Billings Refinery in addition to ethanol and distributes them to regional markets via tank truck. This facility is located in Section 25, Township 1 North, Range 26 East, which is approximately two miles East of Billings in Yellowstone County. The facility is adjacent to and south of Par's Refinery at 700 ExxonMobil Road.

B. Existing Source & Process Description

<u>Source</u>	<u>Product Stored, Capacity, Type of Tank</u>
Loading Rack	Controlled via Vapor Processing System
Tank 201	Additive, 360 barrels (bbls), Cone Fixed Roof
Tank 202	Additive, 360 bbls, Cone Fixed Roof
Tank 204	Interface, 70 bbls, Horizontal
Tank 206	Additive, 100 bbls, Horizontal
Tank 207	Oil/water separator Underground Storage Tank, 3,000 gal
Tank 210	Wastewater Underground Storage Tank, 70 bbls
Tank 211	Diesel Lubricity Additive, 70 bbls, Horizontal
Tank 212	Diesel Conductivity Additive Tote, 550 gal, Horizontal
Fugitive Emissions*	
Miscellaneous Emissions*	

\* See Section III - emission inventory

Products manufactured in the refinery are pumped to the terminal for storage or loaded directly into cargo tank trucks for delivery to the retail point. Products loaded at the facility include motor gasoline (premium and regular unleaded and leaded regular), two grades of aviation gasoline, jet fuel, several different grades of diesel, heating oil, and interface. Interface consists of the mixture of water and hydrocarbons that results from draining any water from the storage tanks and any product drained from the cargo tanks prior to being loaded at the loading rack. Denatured ethanol, stored at the Par Corporation Billings Refinery, is also loaded at the facility by way of transportation through existing piping to the terminal. The terminal is capable of either loading pure denatured ethanol or blending this ethanol with gasoline.

Several additives are added at the point of loading to enhance certain desirable product characteristics. Additive arrives at the terminal via rail or truck. Additive destined for use at other Par Montana terminals is brought by railcar, stored at Billings and loaded directly into cargo tank trucks for over the road transport. Loading is accomplished at three lanes at the loading rack. Product is pumped from

storage on the terminal's property or directly from refinery storage. All of the distillate products (jet, diesel, and heating oil) are loaded directly from refinery storage.

The loading rack is controlled by a John Zink Adsorption/Absorption Gasoline Vapor Recovery Unit. The effective hydrocarbon vapor recovery system utilizes the processes of physical adsorption in combination with absorption to recover gasoline vapors and return the recovered product into storage. Par installed the VRU in 1994 which has a performance guarantee for hydrocarbon emissions not to exceed 10 milligrams per liter (mg/l) of product loaded at the loading rack for any consecutive (6) hour period during normal operations.

Loading occurs by each cargo tank truck getting a "permissive" based on information about individual tank truck tightness testing maintained in an on-site electronic database. Without the permissive the truck cannot be loaded without intervention by a Par employee. Once a permissive has been received, this process only requires seconds, the vapor recovery system will be engaged and the normal loading will commence. This system was installed to facilitate Clean Air Act, NSPS, DOT and state tightness certification requirements.

#### C. Permit History

The terminal has not held any air quality permits from the Department of Environmental Quality (DEQ) for the loading rack because it was built prior to 1968 and did not trigger any permitting requirements until the operating permit program was initiated. In 1993, both DEQ and Yellowstone County received a letter requesting a permit determination for adding a loading arm and a vapor combustion unit. The Department determined that a permit was unnecessary as did Yellowstone County.

The terminal is defined as a major source because the loading rack has a potential to emit in excess of 100 tons per year (tpy) of VOCs. ExxonMobil requested to separate the terminal from the refinery for Title V permitting requirements. The Department reviewed ExxonMobil's request and agreed to separate the two facilities because the SIC codes for refineries and bulk terminals are different and the refinery and bulk terminal are not under common control. The terminal is located contiguous and adjacent to the refinery and under common ownership, however, the SIC codes for the refinery and the bulk terminal are different. The refinery SIC code is 2911 (petroleum refining) and the bulk terminal code is 5171 (petroleum and bulk stations and terminals). ExxonMobil is a publicly held corporation and, as such, has common ownership but the corporate structure is designed such that common control is different for the two facilities.

ExxonMobil applied for Montana Air Quality Permit (MAQP) **#2967-00** to establish federally enforceable limits for the product loading rack in order to reduce the potential to emit of the facility and synthetic minor out of the operating permit program.

Previously, this terminal was not required to obtain a Montana Air Quality Permit. At the time of issuance, it was noted that although the terminal may be issued a synthetic minor permit, it may later have to apply for an operating permit if EPA determines facilities subject to MACT standards (40 CFR 63 Subpart R - National Emission Standards for Gasoline Distribution Facilities) are required to obtain an operating permit.

Following further evaluation, DEQ determined the facility was not appropriately permitted under the synthetic minor regulations. The Department determined the Billings Terminal meets the definition of a “support facility” to the separately permitted ExxonMobil Refinery (OP1564). As a support facility to a major source, ExxonMobil was required to obtain a Title V Operating Permit. **Operating Permit #OP2967-00** was issued final on May 6, 2008.

On February 16, 2011, and February 24, 2011, DEQ received elements to fulfill a complete permit modification application from ExxonMobil. The application proposed modifications of piping and related components at the truck loading rack for the purpose of blending ethanol with gasoline for truck loadout and for loading denatured ethanol to tanker trucks. The project added pipe fittings, flanges, pumps, and other piping components. Changes to the permit included the addition of ethanol handling capabilities within existing permit conditions. The permit action modified MAQP #2967-00 to include the addition of ethanol handling capabilities within existing permit conditions as well as updated the rule references, permit format, and the emissions inventory. **MAQP #2967-01** replaced MAQP #2967-00.

The Department received from ExxonMobil a request to administratively amend the MAQP and the Title V Operating Permit. The purpose of the amendment request was to ensure the permit provides flexibility allowed by the underlying Maximum Achievable Control Technology rules. The change did not revise the associated performance standards but removed any specifics as to how that performance standard was to be achieved. This permitting action did not contemplate any change in emissions. Further, any changes to the vapor processing system would be evaluated separately. **MAQP #2967-02** replaced MAQP #2967-01.

The Department received from ExxonMobil a request to administratively amend the MAQP. The purpose of the amendment request is to ensure the permit equipment list in Section I.B of the permit analysis is up to date. The current permit action updates the equipment list as requested. MAQP #2967-03 replaces MAQP #2967-02.

### C. Current Permit Action

On April 13, 2023, the Montana Department of Environmental Quality – Air Quality Bureau (DEQ) received an Intent to Transfer Ownership notification from Par Montana, LLC., to transfer ownership of the bulk petroleum distribution facility from ExxonMobil Corporation to Par Montana, LLC. The transfer ownership was dated June 1, 2023. Along with the transfer of ownership, DEQ updated references throughout the permit. **MAQP #2967-04** replaces MAQP #2967-03.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations which apply to the facility. The complete rules are stated in the Administrative Rules of Montana (ARM) and are available, upon request, from DEQ. Upon request, DEQ will provide references for locations of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 – General Provisions, including but not limited to:

1. ARM 17.8.101 Definitions. This section includes a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emissions of any air contaminant into the outdoor atmosphere shall, upon written request of DEQ, provide the facilities and necessary equipment, including instruments and sensing devices, and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by DEQ.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by DEQ, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

Par shall comply with the requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Testing Protocol and Procedures Manual is available from DEQ upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by phone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation, or to continue for a period greater than 4 hours.

5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means that, without resulting in reduction in the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

B. ARM 17.8, Subchapter 2 –Ambient Air Quality, including, but not limited to the following:

1. ARM 17.8.204 Ambient Air Monitoring
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
5. ARM 17.8.213 Ambient Air Quality Standard for Ozone
6. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standard for Visibility
9. ARM 17.8.222 Ambient Air Quality Standard for Lead
10. ARM 17.8.223 Ambient Air Quality Standard for PM<sub>10</sub>

Par must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 –Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed after Nov. 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, Par shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.
4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter in excess of the amount set forth in this rule.

5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. This rule requires that no person shall burn liquid, solid, or gaseous fuel in excess of the amount set forth in this rule.
6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank is equipped with a vapor loss control device as described in (1) of this rule.
7. ARM 17.8.340 Standard of Performance for New Stationary Sources and Emission Guidelines for Existing Sources. This rule incorporates, by reference, 40 CFR Part 60, Standards of Performance for New Stationary Sources (NSPS). Par is considered an NSPS affected facility under 40 CFR Part 60 and is subject to the requirements of the following subparts.
  - a. 40 CFR 60, Subpart A –General Provisions apply to all equipment or facilities subject to an NSPS Subpart as listed below:
  - b. 40 CFR 60, Subpart XX –Standard of Performance for Bulk Gasoline Terminals applies to the total of all the loading racks at a bulk gasoline terminal which deliver liquid product into gasoline tank trucks, the construction or modification of which is commenced after December 17, 1980. Because the gasoline and ethanol to be loaded at this facility meet the definition triggering applicability to 40 CFR 60, Subpart XX, and may be pumped through any of the loading racks and arms, Subpart XX applies to this facility.
  - c. 40 CFR 60, Subpart K – Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced after June 11, 1973, and prior to May 19, 1978 does not apply as the storage vessels included in this permit do not meet the applicability requirements.
  - d. 40 CFR 60, Subpart Ka - Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced after May 18, 1978, and prior to July 23, 1984 does not apply as the storage vessels included in this permit do not meet the applicability requirements.
  - e. 40 CFR 60, Subpart Kb - Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced after July 23, 1984 does not apply as the storage vessels included in this permit do not meet the applicability requirements. Gasoline (incl. ethanol) storage vessels applicable to 40 CFR 60, Subpart Kb, are included under the refinery permit (MAQP #1564).



8. ARM 17.8.341 Standards of Performance for Hazardous Air Pollutants. The source shall comply with the standards and provisions of 40 CFR Part 61, as appropriate.
  - a. 40 CFR 61, Subpart A – General Provisions apply to all equipment or facilities subject to a NESHAP Subpart as listed below:
  - b. 40 CFR 61, Subpart FF – National Emission Standard for Benzene Waste Operations applies to the Par Refinery, and because it is collocated with the refinery, to the bulk terminal as well.
9. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR Part 63, shall comply with the requirements of 40 CFR Part 63, as listed below:
  - a. 40 CFR 63, Subpart A – General Provisions apply to all equipment or facilities subject to a NESHAP Subpart as listed below:
  - b. 40 CFR 63, Subpart R – National Emission Standards for Gasoline Distribution Facilities shall apply to the bulk loading terminal. Although the terminal by itself does not emit HAPs in major source quantities, it is a major source of HAP emissions because it is located within a contiguous area and is under common control with the Par Refinery.
  - c. 40 CFR 63, Subpart EEEE – National Emission Standards for Hazardous Air Pollutants: Organic Liquids Distribution (Non-Gasoline) shall apply to the bulk loading terminal. Because the bulk loading terminal transfers applicable non-gasoline organic liquids, and because it is a major source of HAP emissions by virtue of its association with the adjacent refinery, Subpart EEEE applies.

D. ARM 17.8, Subchapter 5 – Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:

1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an MAQP application. A permit application is incomplete until the proper application fee is paid to DEQ. The current permit action is an administrative amendment, which does not require an application fee.
2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to DEQ by each source of air contaminants holding an MAQP (excluding an open burning permit) issued by DEQ. The air quality operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality

operation fee, as described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules, such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions that prorate the required fee amount.

- E. ARM 17.8.701, *et seq.* (Subchapter 7), Permit, Construction and Operation of Air Contaminant Sources, including, but not limited to:
1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
  2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an MAQP or permit modification to construct, modify, or use any air contaminant sources that have the potential to emit (PTE) greater than 25 tons per year of any pollutant. Par has a PTE greater than 25 tons per year of Volatile Organic Compounds (VOCs); therefore, an MAQP is required.
  3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the MAQP program.
  4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the MAQP Program.
  5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, modification, or use of a source. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. The current permit action is an administrative amendment and does not require an application or a public notice.
  6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by DEQ must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
  7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this permit analysis.
  8. ARM 17.8.755 Inspection of Permit. This rule requires that MAQPs shall be made available for inspection by DEQ at the location of the source.

9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving Part of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
  10. ARM 17.8.762 Duration of Permit. An MAQP shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or modified source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
  11. ARM 17.8.763 Revocation of Permit. An MAQP may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
  12. ARM 17.8.764 Administrative Amendment to Permit. An MAQP may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
  13. ARM 17.8.765 Transfer of Permit. This rule states that an MAQP may be transferred from one person to another if written notice of intent to transfer, including the names of the transferor and the transferee, is sent to DEQ.
- F. ARM 17.8, Subchapter 8 –Prevention of Significant Deterioration (PSD) of Air Quality, including, but not limited to:
1. ARM 17.8.801, Definitions. This rule is a list of applicable definitions used in this subchapter.
  2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications-Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification, with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.

The Department has determined that Par is not subject to PSD permitting for the project proposed within this permitting action as the current permit action is an administrative amendment. Any physical or operational changes will be evaluated separately.

G. ARM 17.8, Subchapter 12 –Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any source having:
  - a. PTE > 100 tons/year of any pollutant;
  - b. PTE > 10 tons/year of any one hazardous air pollutant (HAP), PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as DEQ may establish by rule; or
  - c. PTE > 70 tons/year of particulate matter with an aerodynamic diameter of 10 microns or less (PM<sub>10</sub>) in a serious PM<sub>10</sub> nonattainment area.
2. ARM 17.8.1204 Air Quality Operating Permit Program. (1) Title V of the FCAA amendments of 1990 requires that all sources, as defined in ARM 17.8.1204(1), obtain a Title V Operating Permit. In reviewing and issuing MAQP #2967-04 for Par, the following conclusions were made:
  - a. The facility's PTE is greater than 100 tons/year for VOCs (including Par Refinery).
  - b. The facility's PTE is greater than 10 tons/year for any one HAP and greater than 25 tons/year for all HAPs (including Par Refinery).
  - c. This source is not located in a serious PM<sub>10</sub> nonattainment area.
  - d. This facility is subject to current NSPS requirements.
  - e. This facility is subject to current NESHAP.
  - f. This source is not a Title IV affected source, or a solid waste combustion unit.
  - g. This source is not an EPA designated Title V source.

Based on these facts, DEQ determined that Par is subject to the Title V operating permit program.

### III. BACT Determination

A BACT determination is required for each new or modified source. Par shall install on the new or modified source the maximum air pollution control capability, which is technically

practicable and economically feasible, except that BACT shall be utilized.

The current permit action is an administrative action, therefore, no BACT analyses are included.

IV. Emission Inventory

No changes in allowable emissions are contemplated in the current permit action.

V. Existing Air Quality

Par is located at 700 Exxon Road, Billings, Montana in the south ½ of Section 24 and the north ½ of Section 25, Township 1 North, Range 26 East in Yellowstone County. This area is considered attainment for all criteria pollutants, including ozone (for which VOC is a precursor). The Laurel SO<sub>2</sub> nonattainment area is nearby. The Laurel SO<sub>2</sub> nonattainment area is about 31.9 kilometers (19.8 miles) southwest from the center of the main operating facility.

VI. Ambient Air Impact Analysis

No changes in allowable emissions are contemplated in the current permit action.

VII. Taking or Damaging Implication Analysis

As required by 2-10-105, MCA, DEQ 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)].
	X	5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
	X	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?

YES	NO	
	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, DEQ determined there are no taking or damaging implications associated with this permit action.

#### VIII. Environmental Assessment

As the current action is an administrative amendment, the current permit action does not require an environmental assessment.

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