



## BUCKEYE TERMINALS, LLC

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Five Tek Park  
9999 Hamilton Blvd.  
Breinigsville, PA 18031  
Tel (610) 904-4000  
Fax (610) 904-4549

June 6, 2017

Attn: Rex I. Lane  
Senior Environmental Quality Analyst  
Michigan Department of Environmental Quality  
Kalamazoo District – Air Quality Division  
7953 Adobe Road  
Kalamazoo, MI 49009

Re: Response to Violation Notice  
Buckeye Terminals, LLC – Marshall Terminal  
12451 Old US 27 South, Marshall MI

Dear Mr. Lane,

Buckeye Terminals, LLC (Buckeye) is submitting this letter in response to the Violation Notice issued to Buckeye on May 17, 2017 in regards to a DEQ inspection performed at the Marshall Terminal.

The DEQ provided comments in the Violation Notice from their inspection at the Marshall Terminal. Each comment is addressed below.

### Comment 1:

In 2006, the Facility converted Tanks 28-1 and 28-3 from gasoline storage to ethanol and ultra-low sulfur diesel (ULSD) fuel. In 2006, the Facility also installed Tank 10 to store ULSD lubricity additive and Tank 11 to store diesel dye additive.

### Response 1:

ULSD storage is exempt from the requirement to obtain a Permit to Install per R336.1284(2)(d). ULSD is just a lower sulfur content version of generic No. 2 fuel oil and the two products are considered the same from an emissions and storage perspective. Therefore, no PTI was required to store ULSD in Tank 28-1 and 28-3.

PTIs are required for “modifications” to existing emission units. Michigan Rule 113(j) defines modification of an emission unit as the physical or operational change to an existing emission unit that results in the emission of a toxic air contaminant (TAC) that was not permitted before the change, the increase of an air contaminant over a permitted limit, or the increase of an air contaminant for which there is no permitted limit. The storage of ethanol in a storage tank permitted for gasoline does not result in the increase of an air contaminate over a permitted limit, not does it result in the increase of an air

contaminant for which there is not permitted limit as denatured ethanol has the same HAP profile as gasoline and denatured ethanol is much less volatile and therefore less emissive than gasoline. Furthermore, ethanol was not listed as a regulated TAC until 2/9/2017 so at the time of the change the change did not result in the release of a TAC that was not permitted before the change. In the future Buckeye will submit a PTI application for ethanol storage in existing storage tanks permitted for gasoline storage.

Tanks 10 and 11 are horizontal tanks containing additives and fit under multiple PTI exemptions. These exemptions include R336.1284(2)(i), which exempts storage operations of volatile organic compounds or non-carcinogenic liquids in a vessel that has a capacity of not more than 40,000 gallons where the contents have a vapor pressure of not more than 1.5 psia at the actual storage conditions. Tanks 10 and 11 are 7,980 and 4,000 gallons, respectively, and they both store distillate additives which have a maximum vapor pressure of less than 0.5 psia at actual storage conditions. These tanks are also exempt per R336.1290.

Comment 2:

The SVE uses catalytic oxidizer controls and is required to meet a minimum of 98% reduction efficiency of hydrocarbon emissions to the atmosphere. Based on a review of provided quarterly emission records for March 2016 through March 2017, the reduction efficiency ranged between 53% and 80%.

Response 2:

Please see attached response from Buckeye's remediation contractor

Comment 3:

The GWPT uses an air stripper with a dual stage activated carbon system and is required to meet a minimum of 95% reduction efficiency of hydrocarbon emissions to the atmosphere. Based on a review of provided biweekly photoionization detector monitoring records for 1/27 /17 through 3/23/17, the reduction efficiency ranged between 79% and 93%.

Response 3:

Please see attached response from Buckeye's remediation contractor.

Comment 4:

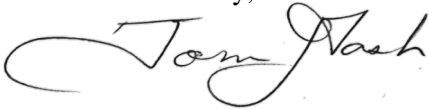
The permittee is required to monitor dual-stage activated carbon system for breakthrough on a biweekly basis. The permittee shall not operate the system once breakthrough occurs without carbon change out, and breakthrough is considered to occur when the reading between the first and second canister is 20% or more of the influent volatile organic compound concentration. A review of provided carbon monitoring records indicates that the mid-carbon unit organic concentration exceeded the 20% breakthrough limit on 2/9/17 (21%), 03/14/17 (39%), and 3/23/17 (22%).

Response 4:

Please see attached response from Buckeye's remediation contractor.

If there are any questions regarding this matter or additional information is needed please contact Keith Ocheski of Buckeye at (610) 904-4017 or KOcheski@buckeye.com.

Sincerely,

A handwritten signature in black ink that reads "Tom Nash". The signature is written in a cursive, flowing style with a large initial "T" and "N".

Tom Nash  
Operations Manager

cc: Keith Ocheski, Buckeye  
Kim Trostel, Buckeye  
Lee Beck, Buckeye