DEPARTMENT OF ENVIRONMENTAL QUALITY AIR QUALITY DIVISION

ACTIVITY REPORT: Self Initiated Inspection

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FACILITY: Sunoco Pipeline LP	-Temporary Flare	SRN / ID: P0471				
LOCATION: 29359 32 Mile Ro	ad, RICHMOND	DISTRICT: Southeast Michigan				
CITY: RICHMOND		COUNTY: MACOMB				
CONTACT: Monica Styles, En	vironmental Projects Supervisor	ACTIVITY DATE: 02/04/2014				
STAFF: Erik Gurshaw	COMPLIANCE STATUS: Compliance	SOURCE CLASS:				
SUBJECT: Self-Initiated Inspection						
RESOLVED COMPLAINTS:						

SRN: P0471

COMPANY: Sunoco Pipeline, LP

COMPANY ADDRESS: 29359 32 Mile Road; Richmond, MI 48062

PURPOSE OF INSPECTION: Self-Initiated

CONTACT PERSON: Ms. Monica Styles, Environmental Projects Supervisor (Ph: 313-292-9847; Cell:

302-463-7483; Email: mlstyles@sunocologistics.com)

COMPANY PHONE NUMBER: 313-292-9847

On February 4, 2014, AQD staff, Erik Gurshaw, conducted an unannounced, self-initiated inspection at Sunoco Pipeline, LC located at 29359 32 Mile Road in Richmond, Michigan. The purpose of the inspection was to determine compliance with the Federal Clean Air Act; Article II, Part 55, Air Pollution Control of Natural Resources and Environmental Protection Act, 1994 Public Act 451; Michigan Department of Environmental Quality, Air Quality Division (MDEQ-AQD) Rules; and the conditions of Permit-To-Install (PTI) Number 139-13 for a portable/temporary flare. The portable/temporary flare was permitted to purge approximately 10,000 barrels of liquid ethane and nitrogen from an existing pipeline.

Upon arriving at the facility, AQD staff introduced themselves and stated the purpose of the visit to Mr. Steve Veerkamp (Ph: 814-489-3164; Cell: 406-459-8118; Fax: 814-489-3158; E-mail: StevenV.EIINT@gmail.com), a subcontractor with Engineering & Inspections International hired by Sunoco to oversee construction activities at the Richmond Pipeline location. Mr. Veerkamp was at the facility during the morning of the inspection to print some records pertaining to the construction activity. Mr. Veerkamp indicated that the Sunoco Pipeline facility in Richmond is generally unmanned and that the pump station at the location will be in operation 24 hours a day, 7 days a week when fully operational.

Sunoco's Richmond Pipeline is a portion of a liquid ethane pipeline carrying ethane generated in Houston, Pennsylvania to several distribution centers in Canada. The ethane is being converted into plastic pellets by these Canadian companies to be used in the plastic injection molding industry. The site is currently undergoing Phase II of an ongoing construction project. Phase II entails the installation of electricity at the location by DTE Energy, the installation of pipeline to and from a valve station to the pump station, the installation of a prefabricated electrical building, the construction of a pump house building, and the installation of a booster pump. The booster pump will be a 1500 horsepower electrically powered compressor engine. All of the construction activity is being done to create a booster station to increase pressure within the pipeline at this portion of the pipeline. The project is scheduled to be completed by May or June of this year.

As previously mentioned, the site was issued PTI #139-13 for a portable/temporary flare to evacuate existing liquid ethane from the pipeline so that construction activity could take place. The flare was not at the location at the time of the inspection. According to Mr. Veerkamp, the flaring of the liquid ethane occurred during the week after Thanksgiving 2013 and the flare was removed from the location during the week of December 9, 2013. Mr. Veerkamp provided AQD staff with the phone number of Mr. Michael Martin (Ph: 313-292-9834), Project Manager for the site. After leaving the site, AQD staff called Mr. Martin and was informed that flaring had already taken place and that he believed the flare was being stored in a warehouse in Taylor, Michigan. Mr. Martin was not totally sure if the flare was

being stored in Taylor, however, so he instructed AQD staff to call Mr. Greg Mesthos, Project Integration Manager for Sunoco (Ph: 215-840-5148). Mr. Mesthos verified that the flare had been used during the time period specified by Mr. Veerkamp and that he believed it was being stored in a warehouse in Taylor. Mr. Mesthos was also not totally sure of the flare's whereabouts so he told AQD staff that he would need to make a few phone calls to verify its location. AQD staff asked Mr. Mesthos why the AQD was not notified that the flaring project had been completed and why a request to void the PTI for the flare had not been made. Mr. Mesthos said that there was an outside chance that the flare would still be used at the location so the company did not want to void the PTI at this point in time.

AQD staff spoke with Monica Styles, Environmental Projects Supervisor with Sunoco, during the afternoon of February 6, 2014. Ms. Styles indicated that the temporary flare used in Richmond was the same flare which was used to purge a small amount of liquid ethane at the Carleton Pump Station on January 15, 2014. The flare was operated under the Rule 285(f) exemption for the installation of a control device provided the control device does not generate a significant amount of emissions. In an E-mail provided to AQD staff, it was indicated that 19,728 standard cubic feet of ethane gas was flared over a 17 hour period on January 15, 2014, at the Carleton Pump Station resulting in NOx and CO emissions of 2.4 lbs and 13 lbs, respectively. An additional small flaring event occurred at Carleton on January 22, 2014, resulting in NOx and CO emissions of 0.7 lbs and 3.7 lbs, respectively. Ms. Styles indicated that the flare which had been used in Carleton and Richmond is currently in storage at a facility on Inkster Road in Taylor.

AQD staff asked Ms. Styles why Sunoco did not notify the AQD that the flaring event in Richmond had been completed and why a request to void PTI #139-13 had not been made. She said that Sunoco did not want to void the PTI issued for the Richmond Pipeline since there was a chance that the flare would need to be used in the future at the location. At the time of the phone call, however, Ms. Styles said that a determination had been made that future flaring would not be needed in Richmond. Therefore, she is going to send an electronic and hard copy request to the AQD indicating that the flaring activity in Richmond has been completed and that PTI #139-13 can be voided. AQD staff also asked Ms. Styles if Sunoco had records for the flaring event in Richmond to demonstrate that the flare had been operated in compliance with its PTI over this time period. The flaring began on November 29, 2013, and concluded on December 3, 2013. Ms. Styles said that operational records were recorded during the flaring event and that she would include these records with the notification that flaring had been completed and that the PTI could be voided. AQD staff estimates that these records would be received at the Southeast Michigan District Office during the week of February 10, 2014. An analysis of the records will be made once they are received.

AQD staff John Vial, Diane Kavanaugh-Vetort, and Erik Gurshaw had a conference call with Monica Styles and Greg Mesthos of Sunoco during the morning of February 18, 2014. The purpose of the conference call was to determine whether PTI #139-13 would be modified to enable the flare to be used in a mobile capacity or whether the existing PTI would be voided. As a result of this conference call, it was determined that PTI #139-13 would be voided and that the company would continue to use the Rule 285(f) exemption for control devices when the flare is used in the future. Sunoco also agreed, however, to provide the appropriate DEQ District Office with an E-mail notification of future flaring events 5-7 days before they take place. Providing prior notification will enable the AQD to keep track of the flare's whereabouts, properly respond to potential complaints, and perform spot checks on the flare while it is being operated. Ms. Styles indicated that she would send a request to void PTI #139-13 and operational records for the Richmond flaring event to Erik Gurshaw by the end of the week.

AQD staff, Erik Gurshaw, received the request to void PTI #139-13 and operational records for the Richmond flaring event during the morning of February 19, 2014. The operational records indicate that the flare was used in Richmond from November 29, 2013, through December 3, 2013. The records show that no visible emissions were observed from the flare while it was being operated and that the ethane concentration of the material being flared was greater than 11.5%. A total of 5,424 barrels of ethane was flared during the flaring period and Sunoco personnel were continually onsite to monitor the flare to ensure that it was operated in accordance with manufacture specifications and to conduct

visible emission readings. Ethane concentrations were measured every 2 hours and visible emission readings were conducted every 2 hours as required by PTI #139-13. Based on these records, it appears as though the flare was operated in compliance with the conditions of PTI #139-13.

Based on this inspection, it was determined that the flaring activity at Sunoco's Richmond Pipeline had taken place prior to the inspection, but that the flare was operated in compliance with the conditions of PTI #139-13 while it was being operated. Sunoco submitted a request to void PTI #139-13 since the flaring activity in Richmond had been completed. Therefore, AQD staff will submit a request to void the PTI to Ms. Sue Thelen. The February 19, 2014, E-mail sent by Ms. Monica Styles to AQD staff, Erik Gurshaw, the request to void PTI #139-13, and flare operational records from November 29, 2013, through December 4, 2013, are attached to this report.

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