



PRELIMINARY DETERMINATION
ON PERMIT APPLICATION

Date of Mailing: July 17, 2009

Name of Applicant: ConocoPhillips Company

Source: Gasoline and Distillate Bulk Product Terminal

Proposed Action: The Department of Environmental Quality (Department) proposes to issue a permit, with conditions, to the above-named applicant. The application was assigned Montana Air Quality Permit Application # 2907-05.

Proposed Conditions: See attached.

Public Comment: Any member of the public desiring to comment must submit such comments in writing to the Air Resources Management Bureau (Bureau) of the Department at the above address. Comments may address the Department's analysis and determination, or the information submitted in the application. In order to be considered, comments on this Preliminary Determination are due by August 17, 2009. Copies of the application and the Department's analysis may be inspected at the Bureau's office in Helena. For more information, you may contact the Department.

Departmental Action: The Department intends to make a decision on the application after expiration of the Public Comment period described above. A copy of the decision may be obtained at the above address. The permit shall become final on the date stated in the Department's Decision on this permit, unless an appeal is filed with the Board of Environmental Review (Board).

Procedures for Appeal: Any person jointly or severally adversely affected by the final action may request a hearing before the Board. Any appeal must be filed by the date stated in the Department's Decision on this permit. The request for a hearing shall contain an affidavit setting forth the grounds for the request. Any hearing will be held under the provisions of the Montana Administrative Procedures Act. Submit requests for a hearing in triplicate to: Chairman, Board of Environmental Review, P.O. Box 200901, Helena, MT 59620.

For the Department,

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Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-3490

Shawn Juers
Environmental Engineer
Air Resources Management Bureau
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VW:SJ
Enclosures

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901, Helena, Montana 59620
(406) 444-3490

DRAFT ENVIRONMENTAL ASSESSMENT (EA)

Issued To: ConocoPhillips Pipeline Company
2330 5th Ave South
Billings, MT 59101

Montana Air Quality Permit Number: 2907-05

Preliminary Determination Issued: 7/17/2009

Department Decision Issued:

Permit Final:

1. *Legal Description of Site:* This facility is located in the SE¹/₄ of the NE¹/₄ of Section 28, Township 10 North, Range 3 West, in Lewis and Clark County, MT
2. *Description of Project:* The Department received an Application for a Modification of MAQP #2907-04 from Bison Engineering, Inc. on behalf of ConocoPhillips. The application is for a project to remove the north truck loading bay from service, and to use an existing VCU for VOC emissions control from both the truck loading rack and the railcar loading rack. The project will result in a net decrease of emissions, significantly reducing VOC emissions with a slight increase in conventional combustion products.
3. *Objectives of Project:* The objective of the project is to reduce VOC emissions.
4. *Alternatives Considered:* In addition to the proposed action, the Department also considered the “no-action” alternative. The “no-action” alternative would deny issuance of the air quality preconstruction permit to the proposed facility. However, the Department does not consider the “no-action” alternative to be appropriate because ConocoPhillips demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the “no-action” alternative was eliminated from further consideration.
5. *A Listing of Mitigation, Stipulations, and Other Controls:* A list of enforceable conditions, including a BACT analysis, would be included in MAQP #2907-05.
6. *Regulatory Effects on Private Property:* The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and do not unduly restrict private property rights.

7. The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Terrestrial and Aquatic Life and Habitats				xx		Yes
B	Water Quality, Quantity, and Distribution				xx		Yes
C	Geology and Soil Quality, Stability and Moisture				xx		Yes
D	Vegetation Cover, Quantity, and Quality				xx		Yes
E	Aesthetics				xx		Yes
F	Air Quality			xx			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources				xx		Yes
H	Demands on Environmental Resource of Water, Air and Energy			xx			Yes
I	Historical and Archaeological Sites				xx		Yes
J	Cumulative and Secondary Impacts				xx		Yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS: The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats

This project would significantly reduce VOC emissions, with a very small increase in combustion products such as CO and NO_x as a result of burning the VOCs. The Department determined that there would be no discernible impact on terrestrial and aquatic life. No habitats would be directly impacted, since the project would occur on existing developed industrial land. Therefore, no impacts to terrestrial and aquatic life habitats would be expected as a result of this permit action.

B. Water Quality, Quantity and Distribution

This project would significantly reduce VOC emissions, with a very small increase in combustion products such as CO and NO_x as a result of burning the VOCs. This project would not require the use of water, and there is no surface water on the site. There would be a reduction in the number of valves, connections, load arms, and pump seals and meters, therefore reducing leak possibilities. The Department determined that there would be no discernible impacts to water quality, quantity and distribution for this permit action.

C. Geology and Soil Quality, Stability and Moisture

This project would significantly reduce VOC emissions, with a very small increase in combustion products such as CO and NO_x as a result of burning the VOCs. There would be a reduction in the number of valves, connections, load arms, and pump seals and meters, therefore reducing leak possibilities. The project would occur on existing developed industrial land on site. Therefore, the Department determined that there would be no discernible impacts to water quality, quantity and distribution for this permit action.

D. Vegetation Cover, Quantity, and Quality

This project would significantly reduce VOC emissions, with a very small increase in combustion products such as CO and NO_x as a result of burning the VOCs. Deposition of pollutants from this permitting action would be minute due to the very small amount of pollutants emitted. Overall, there would be no discernable impacts to vegetation cover, quantity, and quality.

E. Aesthetics

This project would occur within the current site for this terminal. The project would remove equipment. The VCU would be required to be enclosed, and have no visible emissions, therefore no visible flame or visible emissions would result from this project. Therefore, there would be no impacts to aesthetics as a result of this permitting action.

F. Air Quality

This project would significantly reduce VOC emissions, with a very small increase in combustion products such as CO and NO_x as a result of burning the VOCs. The table below illustrates the net changes as a result of this proposed project being completed:

TON/YR	VOC	NO _x	CO	HAPs
MAQP #2907-04:	236.4	3.5	8.8	12.9
MAQP #2907-05:	65.99	4.78	11.95	4.55
NET CHANGE:	-170.41	+1.28	+3.15	-8.35

Given the large decrease in VOC emissions and small increase in NO_x and CO, this permitting action would result in a minor impact to air quality.

G. Unique Endangered, Fragile, or Limited Environmental Resources

This project would significantly reduce VOC emissions, with a very small increase in combustion products such as carbon monoxide and oxides of nitrogen as a result of burning the VOCs. Furthermore, the facility resides in an area which has been used for industrial purposes for longer than 50 years. Therefore, there would be expected to be no impacts to unique, endangered, fragile, or limited environmental resources.

H. Demands on Environmental Resource of Water, Air and Energy

This project would significantly reduce VOC emissions, with a very small increase in combustion products such as CO and NO_x as a result of burning the VOCs. Therefore, there would be no demands on air resources. The project would combust VOCs using a VCU which may be supplemented with additional fuel, and so therefore would have a minor demand for energy. The project would not require the use of water, and the Department determined that there would be no discernible impacts to water quality, quantity and distribution for this permit action. Therefore, no demand on water resources would be expected as a result of this project.

I. Historical and Archaeological Sites

This project would occur on-site and therefore not disturb any land on which has not already been developed and currently in use by ConocoPhillips. Therefore, no impacts to any historical or archaeological site would be anticipated.

J. Cumulative and Secondary Impacts

This project would significantly reduce VOC emissions, with a very small increase in combustion products such as CO and NO_x as a result of burning the VOCs. The Department therefore would expect that there would be no cumulative and secondary impacts as a result of this project.

8. *The following table summarizes the potential economic and social effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.*

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Social Structures and Mores				xx		Yes
B	Cultural Uniqueness and Diversity				xx		Yes
C	Local and State Tax Base and Tax Revenue				xx		Yes
D	Agricultural or Industrial Production				xx		Yes
E	Human Health			xx			Yes
F	Access to and Quality of Recreational and Wilderness Activities				xx		Yes
G	Quantity and Distribution of Employment				xx		Yes
H	Distribution of Population				xx		Yes
I	Demands for Government Services			xx			Yes
J	Industrial and Commercial Activity			xx			Yes
K	Locally Adopted Environmental Plans and Goals					xx	Yes
L	Cumulative and Secondary Impacts				xx		Yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores

The proposed facility would not cause a disruption to any native or traditional lifestyles or communities (social structures or mores) in the area because the project would take place at a previously disturbed, industrial site. The proposed project would not change the nature of the site.

B. Cultural Uniqueness and Diversity

The proposed project would not cause a change in the cultural uniqueness and diversity of the area because the land is currently used as a bulk terminal; therefore, the land use would not be changing.

C. Local and State Tax Base and Tax Revenue

The terminal's overall throughput capacity limitation would not change as a result of the proposed project. In addition, no new employees would be expected to be needed for this project. Therefore, no impacts to the local and state tax base and tax revenue are anticipated from this project.

D. Agricultural or Industrial Production

The proposed project would not result in a reduction of available acreage or productivity of any agricultural land; therefore, agricultural production would not be affected. The bulk terminal's overall throughput capacity limitation would not change as a result of the proposed project. Therefore, industrial production would not be affected.

E. Human Health

This project would significantly reduce VOC emissions, with a very small increase in combustion products such as CO and NO_x as a result of burning the VOCs. Furthermore, modeling and a human health risk assessment were completed as a part of this permitting action. The risk assessment was assessing emissions that would be lower as a part of this project than they currently would be if the project was not completed. Therefore this permitting action has a net positive affect to overall Human Health.

F. Access to and Quality of Recreational and Wilderness Activities

This project would not have an impact on recreational or wilderness activities because this project would not result in any changes in access to and quality of recreational and wilderness activities.

G. Quantity and Distribution of Employment

No change in the number of employees currently onsite is anticipated as a result of this project. Therefore, this project would have not impacts to the quantity and distribution of employment at the facility

H. Distribution of Population

This project does not involve any significant physical or operational change that would affect the location, distribution, density, or growth rate of the human population. The distribution of population would not change as a result of this project.

I. Demands for Government Services

The demands on government services would experience a minor impact. The primary demand on government services would be the acquisition of the appropriate permits by the facility and compliance verification with those permits. However, as a result of completion of this project, the facility would be able to rescind the Title V permit for this facility, ultimately lowering the air quality related government services required.

J. Industrial and Commercial Activity

The bulk terminal's overall capacity would not change as a result of the proposed project. Industrial and commercial activity in the neighboring area is not anticipated to be affected by issuing MAQP #2907-05. It is not known if removal of one of the truck terminals would result in an increase in traffic in the future. Therefore, minor impacts on industrial activity may be expected as a result.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans and goals that would be impacted by this project.

L. Cumulative and Secondary Impacts

This project would significantly reduce VOC emissions, with a very small increase in combustion products such as CO and NO_x as a result of burning the VOCs. The project would result in removal of equipment, a net reduction in emissions, no expected change in the quantity or distribution of employment, and a potential decrease in demands for governmental services. Therefore, no cumulative or secondary impacts are expected to result from this permitting action.

Recommendation: No Environmental Impact Statement (EIS) is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permitting action is for the modification of loading racks and associated emissions control. MAQP #2907-05 includes conditions and limitations to ensure the facility would operate in compliance with all applicable rules and regulations. In addition, there are no significant impacts associated with this proposal.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

Individuals or groups contributing to this EA: Department of Environmental Quality – Air Resources Management Bureau

EA prepared by: Shawn Juers
Date: 6/10/2009