



Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor

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May 2, 2011

Mr. Frank Rogers
Exxon Mobil Corporation
c/o Exxon Mobil Bozeman Terminal
220 W. Griffin Road
Bozeman, Montana 59715

Dear Mr. Rogers:

The Department of Environmental Quality (Department) has made its decision on the Montana Air Quality Permit application for Exxon Mobil Corporation, Bozeman Terminal. The application was given permit number #2830-03. The Department's decision may be appealed to the Board of Environmental Review (Board). A request for hearing must be filed by May 17, 2011. This permit shall become final on May 18, 2011, unless the Board orders a stay on the permit.

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 before the final date stated above. 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, Montana 59620.

Conditions: See attached.

For the Department,

Vickie Walsh
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-9741

Deanne Fischer, P.E.
Environmental Engineer
Air Resources Management Bureau
(406) 444-3403

VW:DF
Enclosure

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: Exxon Mobil Corporation

Montana Air Quality Permit Number: 2830-03

Preliminary Determination Issued: April 12, 2011

Department Decision Issued: May 2, 2011

Permit Final:

1. *Legal Description of Site:* Section 6, Township 2 South, Range 6 East, in Gallatin County, Montana
2. *Description of Project:* Bulk distribution terminal for petroleum products. The modification changes the designated use of one existing diesel storage tank (Tank 206) to store denatured ethanol, adds a new offloading rack dedicated to unloading denatured ethanol, and, installs associated pipe fittings, flanges and pumps.
3. *Objectives of Project:* The objective of the modification is to enable distribution of ethanol additized fuels from the Bozeman Bulk Terminal.
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 Exxon Mobil Corporation (Exxon Mobil) 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 #2830-03.
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				X		Yes
B	Water Quality, Quantity, and Distribution				X		Yes
C	Geology and Soil Quality, Stability and Moisture				X		Yes
D	Vegetation Cover, Quantity, and Quality				X		Yes
E	Aesthetics				X		Yes
F	Air Quality			X			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources				X		Yes
H	Demands on Environmental Resource of Water, Air and Energy				X		Yes
I	Historical and Archaeological Sites				X		Yes
J	Cumulative and Secondary Impacts			X			Yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS: The following comments have been prepared by the Department. Because the proposed modifications include changing the use of an existing above ground tank (Tank 206) (including the associated piping, valves and pumps) and adding a Denatured Ethanol truck unloading rack with no change in plant throughput that will result in minor increases in potential pollutant emissions, it is expected that there will be minor or no potential physical or biological effects.

A. Terrestrial and Aquatic Life and Habitats

The project would result in minor increases of VOC emissions. The applicant stated that there are no known fish or wildlife habitat at the site. Therefore, 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

The project would result in minor increases of VOC emissions. This project would not require the use of water and there are no known proposed discharges to surface water at the site. 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

The project would result in minor increases of VOC emissions. The project would occur on existing developed industrial land on site. Therefore, the Department determined that there would be no discernible impacts to geology and soil quality, stability and moisture for this permit action.

D. Vegetation Cover, Quantity, and Quality

The project would result in minor increases of VOC emissions. Deposition of pollutants from this permitting action would be minute due to the very small amount of pollutants emitted. There are no known plant species near the construction site except for landscaping. 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. An existing tank is being modified and additional pumps and piping will be installed within the footprint of the existing terminal. Therefore, there would be no impacts to aesthetics as a result of this permitting action.

F. Air Quality

The project would result in minor increases of VOC emissions. New piping components are expected to increase potential fugitive VOC emissions by 0.22 tons per year (tpy). The fugitive tank emissions will increase by less than 0.1 tpy as a result of switching from diesel to denatured ethanol. VOC emissions resulting from truck loading racks are currently, and will continue to be, controlled by a vapor recovery unit that limits VOC emissions to no more than 35 milligrams per liter of aoline loaded. VOC emissions from truck loading will not increase as a result of the proposed project. Given the small increase in VOCs, this permitting action would result in a minor impact to air quality.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The project would result in minor increases of VOC emissions. The facility resides in an existing industrial area. 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

The project would result in minor increases of VOC emissions. Therefore, there would be minor demands on air resources. 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 Exxon Mobil. Therefore, no impacts to any historical or archaeological site would be anticipated.

J. Cumulative and Secondary Impacts

The project would result in minor increases of VOC emissions. However, the project would occur on existing developed industrial land, and there would be no discernable changes to the use of the property. Therefore, the Department 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				X		Yes
B	Cultural Uniqueness and Diversity				X		Yes
C	Local and State Tax Base and Tax Revenue			X			Yes
D	Agricultural or Industrial Production				X		Yes
E	Human Health			X			Yes
F	Access to and Quality of Recreational and Wilderness Activities				X		Yes
G	Quantity and Distribution of Employment			X			Yes
H	Distribution of Population				X		Yes
I	Demands for Government Services			X			Yes
J	Industrial and Commercial Activity				X		Yes
K	Locally Adopted Environmental Plans and Goals				X		Yes
L	Cumulative and Secondary Impacts				X		Yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department. Because the proposed modifications include changing the use of an existing above ground tank (Tank 206) (including the associated piping, valves and pumps) and adding a Denatured Ethanol truck unloading rack, with no change in plant throughput, it is expected that there will be minor or no potential economic or social effects.

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 permanent jobs will be created for this project. The project may add temporary construction jobs. Therefore, minor 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

The project would result in minor increases of VOC emissions. The land is currently used as a bulk terminal and residences are located approximately one-quarter mile to one-half mile north of the site, therefore minor impacts to overall Human Health are expected from this permitting action.

F. Access to and Quality of Recreational and Wilderness Activities

The East Gallatin Recreation Area is located approximately one-quarter mile north of the facility and people may swim, fish or otherwise recreate at the area. 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 permanent employees currently onsite is anticipated as a result of this project. The project may add temporary construction jobs. Therefore, this project would have minor 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.

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 #2830-03. Therefore, no 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

The project would result in minor increases of VOC emissions. However there would be no expected change in the quantity or distribution of employment, and the proposed project would not change the nature of the site. The Department therefore would expect that there would be no cumulative and secondary impacts as a result of this project.

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 an existing bulk distribution terminal for petroleum products.

MAQP #2830-03 includes conditions and limitations to ensure the facility will 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: Deanne Fischer

Date: March 15, 2011