



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY TIDEWATER REGIONAL OFFICE

Doug Domenech
Secretary of Natural Resources

5636 Southern Boulevard, Virginia Beach, Virginia 23462
(757) 518-2000 Fax (757) 518-2009
www.deq.virginia.gov

David K. Paylor
Director

Maria R. Nold
Regional Director

September 12, 2013

Mr. Joe DeMatteo
General Manager, Mid-Atlantic Region
Kinder Morgan Operating LP "C" – Pier IX/X Terminal
1900 Harbor Access Road
Newport News, Virginia 23607

Location: Newport News
Registration No.: 60979
AFS Id. No.: 51-700-00071

Dear Mr. DeMatteo:

Attached is a permit to modify and operate a dry bulk cement distribution facility in accordance with the provisions of the Virginia State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution. This permit supersedes your permit dated February 8, 2012.

This permit contains legally enforceable conditions. Failure to comply may result in a Notice of Violation and/or civil charges. Please read all permit conditions carefully.

In the course of evaluating the application and arriving at a final decision to approve the project, the Department of Environmental Quality (DEQ) deemed the application complete on September 4, 2013.

This permit approval to modify and operate shall not relieve Kinder Morgan Operating LP "C" – Pier IX/X Terminal of the responsibility to comply with all other local, state, and federal permit regulations.

The Board's Regulations as contained in Title 9 of the Virginia Administrative Code 5-170-200 provide that you may request a formal hearing from this case decision by filing a petition with the Board within 30 days after this case decision notice was mailed or delivered to you. 9 VAC 5-170-200 provides that you may request direct consideration of the decision by the Board if the Director of the DEQ made the decision. Please consult the relevant regulations for additional requirements for such requests.

As provided by Rule 2A:2 of the Supreme Court of Virginia, you have 30 days from the date you actually received this permit or the date on which it was mailed to you, whichever occurred first, within which to initiate an appeal of this decision by filing a Notice of Appeal with:

David K. Paylor, Director
Department of Environmental Quality
PO Box 1105
Richmond, VA 23218-1105

If this permit was delivered to you by mail, three days are added to the thirty-day period in which to file an appeal. Please refer to Part Two A of the Rules of the Supreme Court of Virginia for information on the required content of the Notice of Appeal and for additional requirements governing appeals from decisions of administrative agencies.

If you have any questions concerning this permit, please contact Lindsey Evans by phone at (757) 518-2168 or by e-mail at lindsey.evans@deq.virginia.gov.

Sincerely,

Troy D. Breathwaite
Regional Air Permits Manager

TDB/LME/60979_010_13_NSRart6mod_KinderMorganPierIX-XCement.docx

Attachment: Permit

cc: Manager, Data Analysis (electronic file submission)
Manager/Inspector, Air Compliance



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STATIONARY SOURCE PERMIT TO MODIFY AND OPERATE

This permit supersedes your permit dated February 8, 2012.

In compliance with the Federal Clean Air Act and the Commonwealth of Virginia Regulations for the Control and Abatement of Air Pollution,

Kinder Morgan Operating LP "C"
1900 Harbor Access Road
Newport News, Virginia 23607
Registration No.: 60979
AFS Id. No.: 51-700-00071

is authorized to modify and operate

a dry bulk cement distribution facility

located at

Pier IX/X Terminal
1900 Harbor Access Road
Newport News, Virginia 23607

in accordance with the Conditions of this permit.

Approved on: **September 12, 2013.**

Troy D. Breathwaite
Regional Air Permits Manager

September 12, 2013
Signature Date

Permit consists of 8 pages.
Permit Conditions 1 to 24.

INTRODUCTION

1. This permit approval is based on the permit applications dated April 26, 1989, June 29, 1994, September 17, 2010, December 14, 2011, and July 23, 2013, including amendment information dated August 1, 1989, July 15, 1994, April 4, 1995, July 26, 1995, January 12, 2012, January 31, 2012, and February 2, 2012, and supplemental information dated October 26, 2010, November 11, 2010, August 1, 2013, August 7, 2013, August 23, 2013, and September 4, 2013. Any changes in the permit application specifications or any existing facilities which alter the impact of the facility on air quality may require a permit. Failure to obtain such a permit prior to construction may result in enforcement action. In addition, this facility may be subject to additional applicable requirements not listed in this permit.

Words or terms used in this permit shall have meanings as provided in 9 VAC 5-10-10 of the State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution. The regulatory reference or authority for each condition is listed in parentheses () after each condition.

Annual requirements to fulfill legal obligations to maintain current stationary source emissions data will necessitate a prompt response by the permittee to requests by the DEQ or the Board for information to include, as appropriate: process and production data; changes in control equipment; and operating schedules. Such requests for information from the DEQ will either be in writing or by personal contact.

The availability of information submitted to the DEQ or the Board will be governed by applicable provisions of the Freedom of Information Act, § 2.2-3700 through 2.2-3714 of the Code of Virginia, § 10.1-1314 (addressing information provided to the Board) of the Code of Virginia, and 9 VAC 5-170-60 of the State Air Pollution Control Board Regulations. Information provided to federal officials is subject to appropriate federal law and regulations governing confidentiality of such information.

PROCESS REQUIREMENTS

2. **Equipment List** - Equipment at this facility consists of the following:

Equipment permitted prior to the date of this permit			
Equipment Reference No.	Equipment Description	Maximum Rated Capacity	Original Permit Date
UP-4 and UP-5	Two (2) carrier truck unloading stations (pneumatic truck unloading transfer pipes to Silo #3)	37.5 tons/hr (each)	2/8/2012
UP-6	One (1) carrier truck unloading station (pneumatic truck unloading transfer pipe to bucket elevator)	37.5 tons/hr	2/8/2012
01	One (1) Siwertel Series "F" ship unloader leg with 3 screw elevators	1,000 tons/hr	6/29/1989
Conveyors #1 and #2	Two (2) enclosed 48" wide belt conveyors	1,100 tons/hr	6/29/1989
03	One (1) vertical bucket elevator servicing the storage silos	1,100 tons/hr	6/29/1989
ASD	One (1) air slide distribution box	N/A	6/29/1989
AS-1, 2, 3, 4, 5, 6, and 7	Seven (7) air slides (3 to upload silos, 3 for loading carrier trucks, and 1 for loading railcars)	(load) 1,100 tons/hr (unload) 500 tons/hr	6/29/1989
UP-1 and UP-3	Two (2) carrier truck unloading stations (pneumatic truck unloading transfer pipes to Silo #1)	37.5 tons/hr (each)	6/29/1989

Equipment permitted prior to the date of this permit			
Equipment Reference No.	Equipment Description	Maximum Rated Capacity	Original Permit Date
Silo #1, #2, and #3	Three (3) elevated storage silos	(2) - 11,445 tons (1) - 12,110 tons	6/29/1989 8/15/1989
LO-1	One (1) carrier truck load-out with telescoping load-out chute	500 tons/hr	6/29/1989
SB-1	One (1) railcar hopper (surge bin)	150 tons/hr	8/8/1995
HOP	One (1) pneumatic transfer pipe from silos to railcar hopper	500 tons/hr	8/8/1995
---	One (1) cyclone type alleviator located at hopper railcar load-out bldg	500 tons/hr	8/8/1995
LO-2	One (1) railcar load-out system with Midwest "Roundabout" rotary spout positioner and telescoping load-out spout	500 tons/hr	7/19/1994
---	Multiple pneumatic pumps and blower equipment	Capacities vary	6/29/1989 7/19/1994 8/8/1995

Specifications included in the permit under this Condition are for informational purposes only and do not form enforceable terms or conditions of the permit.
(9 VAC 5-80-1180 D 3)

3. **Emission Controls** - Particulate emissions from each of the following transfer operations shall be controlled by the use of fabric filters (baghouses) and completely enclosed conveyors (*except where noted below):

Equipment Ref. No.	Transfer Point	Control Device Ref. No.
01 Conveyor #1	Ship unloader to Conveyor #1 through screw elevators	DF-01
Conveyor #1 Conveyor #2	Conveyor #1 to Conveyor #2	DF-02
Conveyor #2 03	Conveyor #2 to bucket elevator	DF-03
UP-6 03	Trucks to bucket elevator through pneumatic transfer pipe	DF-04
03 ASD	Bucket elevator to air slide distribution box	DF-04
ASD AS-1, AS-2, and AS-3 Silos #1, #2, and #3	Distribution box to storage silos #1, #2, and #3 through air slides	DF-04
Silos #1, #2, and #3 AS-4, AS-5, and AS-6 LO-1	Storage silos #1, #2, and #3 to carrier truck loading spout through air slide	DF-05
UP-1, UP-3, UP-4, and UP-5 Silos #1, #2, and #3	Trucks to storage silos #1, #2, and #3 through pneumatic transfer pipes	DF-06
Silos #1, #2, and #3 HOP SB-1	Storage silos #1, #2, and #3 to railcar hopper through pneumatic transfer pipe	DF-07
SB-1 AS-7 LO-2	Railcar hopper to railcar loadout through air slide	DF-08

* Where the Siwertel gantry screw delivers product to the hooded discharge area of conveyor C13 there is a small open gap area. This is required for clearance purposes due to the traveling nature of the gantry.

Each baghouse shall be provided with adequate access for inspection. Whenever any of the transfer operations listed above are conducted, the appropriate baghouse used for controlling particulate emissions from that transfer process shall be in operation.

(9 VAC 5-80-1180 and 9 VAC 5-50-260)

4. **Fugitive Emission Controls** - Fugitive particulate emissions resulting from carrier truck loading operations (Equipment Ref. No. LO-1) shall be controlled by automatically maintaining a negative pressure through the retractable delivery chute system for not less than 15 seconds after the truck loading has been completed.
(9 VAC 5-50-90 and 9 VAC 5-80-1180)
5. **Fugitive Emission Controls** - Fugitive particulate emissions from carrier truck and other vehicle traffic shall include the following, or equivalent, as approved by DEQ:
 - a. Application of asphalt, water, or suitable chemicals on dirt roads and other surfaces which may create airborne dust; paving of roadways, and maintenance of roadways in a clean condition.
 - b. Reasonable precautions shall be taken to prevent deposition of dirt on public roads and subsequent dust emissions. Dirt, product, or raw material spilled or tracked onto paved surfaces shall be promptly removed to prevent particulate matter from becoming airborne.(9 VAC 5-50-90 and 9 VAC 5-80-1180)

OPERATING LIMITATIONS

6. **Cement Throughput - UP-6** - The annual throughput of bulk Type I/II Portland cement from carrier trucks to the storage silos via the bucket elevator (Equipment Ref. No. UP-6) shall not exceed 250,000 tons per year, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
(9 VAC 5-80-1180)
7. **Cement Throughput - Facility** - The total annual throughput of bulk Type I/II Portland cement at the facility shall not exceed 500,000 tons per year, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
(9 VAC 5-80-1180)
8. **Granulated Furnace Slag Throughput - Facility** - The total annual throughput of granulated furnace slag at the facility shall not exceed 150,000 tons per year, calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months.
(9 VAC 5-80-1180)

EMISSION LIMITS

9. **Process Emission Limits - UP-6** - Emissions from the transfer of Type I/II Portland cement from carrier trucks to the storage silos via the bucket elevator (Equipment Ref. No. UP-6) shall not exceed the limits specified below:

Particulate Matter (PM)	0.5 tons/yr
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These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits may be considered credible evidence of the exceedance of emission limits. Compliance with this emission limit may be determined as stated in Conditions 3, 6, 11, and 13. (9 VAC 5-80-1180 and 9 VAC 5-50-260)

10. **Facility-wide Emission Limits** - Total emissions from the operation of the dry bulk cement distribution facility shall not exceed the limits specified below:

Particulate Matter (PM)	1.5 tons/yr
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PM-10	1.0 tons/yr
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PM-2.5	1.0 tons/yr
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These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits may be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Conditions 3 - 8, 11, and 13. (9 VAC 5-80-1180 and 9 VAC 5-50-260)

11. **Visible Emission Limit** - Visible emissions from any baghouse exhaust stack shall not exceed five percent (5%) opacity as determined by EPA Method 9 (reference 40 CFR 60, Appendix A). This condition applies at all times except during startup, shutdown, and malfunction. (9 VAC 5-80-1180 and 9 VAC 5-50-260)

12. **Visible Emissions Observations** - Each of the baghouse exhaust stacks shall be observed no less than once per week during daylight hours, for at least a one-minute period while particulate is being controlled, to determine if there are any visible emissions. The presence of visible emissions shall indicate the need for prompt corrective action. The permittee shall maintain a record log of the observations made. The record log shall include the name of the observer, the date and time of the observation, and the presence or absence of visible emissions. If visible emissions are observed, the record log shall also include the duration of excess emissions after discovery (in hours) and a description of any corrective actions taken to eliminate visible emissions, including the date repairs were completed. These records shall be available for inspection by DEQ and shall be current for the most recent five (5) years. (9 VAC 5-80-1180)

RECORDS

13. **On Site Records** - The permittee shall maintain records of emission data and operating parameters as necessary to demonstrate compliance with this permit. The content and format of such records shall be arranged with the DEQ, Tidewater Regional Office (Air Compliance Inspector). These records shall include, but are not limited to:
- Annual throughput of Type I/II Portland cement transferred from carrier trucks to the storage silos via the bucket elevator (Equipment Ref. No. UP-6) (in tons), calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months;
 - Annual throughput of Type I/II Portland cement for the entire facility (in tons), calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months;
 - Annual throughput of granulated furnace slag for the entire facility (in tons), calculated monthly as the sum of each consecutive 12-month period. Compliance for the consecutive 12-month period shall be demonstrated monthly by adding the total for the most recently completed calendar month to the individual monthly totals for the preceding 11 months; and
 - Record logs of the visible emissions observations, including the name of the observer, the date and time of the observation, and the presence or absence of visible emissions. If visible emissions are observed, the record log shall also include the duration of excess emissions after discovery (in hours) and a description of any corrective actions taken to eliminate visible emissions, including the date repairs were completed, as required in Condition 12.

These records shall be available for inspection by the DEQ and shall be current for the most recent five (5) years.

(9 VAC 5-80-1180 and 9 VAC 5-50-50)

14. **Emissions Testing** - The facility shall be constructed/modified so as to allow for emissions testing upon reasonable notice at any time, using appropriate methods. Sampling ports shall be provided when requested at the baghouse exhaust vents and safe sampling platforms and access shall be provided.

(9 VAC 5-50-30 F and 9 VAC 5-80-1180)

NOTIFICATIONS

15. **Initial Notifications** - The permittee shall furnish written notification to the Tidewater Regional Office of:

- The actual date on which construction of UP-4, UP-5, and UP-6 commenced within 30 days after such date.
- The anticipated start-up date of UP-4, UP-5, and UP-6 postmarked not more than 60 days nor less than 30 days prior to such date.
- The actual start-up date of UP-4, UP-5, and UP-6 within 15 days after such date.

(9 VAC 5-50-50 and 9 VAC 5-80-1180)

GENERAL CONDITIONS

16. **Permit Invalidity** - The portions of this permit to construct UP-4, UP-5, and UP-6 shall become invalid, unless an extension is granted by the DEQ, if:
- a. A program of continuous construction not commenced within the latest of the following:
 - i. 18 months from the August 8, 2013 extension date granted by DEQ;
 - b. A program of construction is discontinued for a period of 18 months or more, or is not completed within a reasonable time, except for a DEQ approved period between phases of a phased construction project.
(9 VAC 5-80-1210)
17. **Permit Suspension/Revocation** - This permit may be suspended or revoked if the permittee:
- a. Knowingly makes material misstatements in the permit application or any amendments to it;
 - b. Fails to comply with the conditions of this permit;
 - c. Fails to comply with any emission standards applicable to a permitted emissions unit;
 - d. Causes emissions from the stationary source which result in violations of, or interfere with the attainment and maintenance of, any ambient air quality standard; or
 - e. Fails to operate in conformance with any applicable control strategy, including any emission standards or emission limitations, in the State Implementation Plan in effect at the time an application for this permit is submitted.
(9 VAC 5-80-1210 F)
18. **Right of Entry** - The permittee shall allow authorized local, state, and federal representatives, upon the presentation of credentials:
- a. To enter upon the permittee's premises on which the facility is located or in which any records are required to be kept under the terms and conditions of this permit;
 - b. To have access to and copy at reasonable times any records required to be kept under the terms and conditions of this permit or the State Air Pollution Control Board Regulations;
 - c. To inspect at reasonable times any facility, equipment, or process subject to the terms and conditions of this permit or the State Air Pollution Control Board Regulations; and
 - d. To sample or test at reasonable times.
- For purposes of this condition, the time for inspection shall be deemed reasonable during regular business hours or whenever the facility is in operation. Nothing contained herein shall make an inspection time unreasonable during an emergency.
(9 VAC 5-170-130 and 9 VAC 5-80-1180)
19. **Maintenance/Operating Procedures** - At all times, including periods of start-up, shutdown, and malfunction, the permittee shall, to the extent practicable, maintain and operate the affected source, including associated air pollution control equipment, in a manner consistent with good air pollution control practices for minimizing emissions.
(9 VAC 5-50-20 E and 9 VAC 5-80-1180 D)

20. **Record of Malfunctions** - The permittee shall maintain records of the occurrence and duration of any bypass, malfunction, shutdown or failure of the facility or its associated air pollution control equipment that results in excess emissions for more than one hour. Records shall include the date, time, duration, description (emission unit, pollutant affected, cause), corrective action, preventive measures taken and name of person generating the record.
(9 VAC 5-20-180 J and 9 VAC 5-80-1180 D)
21. **Notification for Facility or Control Equipment Malfunction** - The permittee shall furnish notification to the Director, Tidewater Regional Office of malfunctions of the affected facility or related air pollution control equipment that may cause excess emissions for more than one hour, by facsimile transmission, telephone or telegraph. Such notification shall be made as soon as practicable but no later than four daytime business hours after the malfunction is discovered. The permittee shall provide a written statement giving all pertinent facts, including the estimated duration of the breakdown, within two weeks of discovery of the malfunction. When the condition causing the failure or malfunction has been corrected and the equipment is again in operation, the permittee shall notify the Director, Tidewater Regional Office.
(9 VAC 5-20-180 C and 9 VAC 5-80-1180)
22. **Violation of Ambient Air Quality Standard** - The permittee shall, upon request of the DEQ, reduce the level of operation or shut down a facility, as necessary to avoid violating any primary ambient air quality standard and shall not return to normal operation until such time as the ambient air quality standard will not be violated.
(9 VAC 5-20-180 I and 9 VAC 5-80-1180)
23. **Change of Ownership** - In the case of a transfer of ownership of a stationary source, the new owner shall abide by any current permit issued to the previous owner. The new owner shall notify the Director, Tidewater Regional Office of the change of ownership within 30 days of the transfer.
(9 VAC 5-80-1240)
24. **Permit Copy** - The permittee shall keep a copy of this permit on the premises of the facility to which it applies.
(9 VAC 5-80-1180)

As provided by Rule 2A:2 of the Supreme Court of Virginia, you have 30 days from the date you actually received this permit or the date on which it was mailed to you, whichever occurred first, within which to initiate an appeal of this decision by filing a Notice of Appeal with:

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Sincerely,



Troy D. Breathwaite
Regional Air Permits Manager

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Attachment: Permit

cc: Manager, Data Analysis (electronic file submission)
Manager/Inspector, Air Compliance



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In compliance with the Federal Clean Air Act and the Commonwealth of Virginia Regulations for the Control and Abatement of Air Pollution,

Kinder Morgan Operating LP "C"
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Registration No.: 60979
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is authorized to modify and operate

a dry bulk cement distribution facility

located at

Pier IX/X Terminal
1900 Harbor Access Road
Newport News, Virginia 23607

in accordance with the Conditions of this permit.

Approved on: **September 12, 2013.**

A handwritten signature in black ink, appearing to read "Troy D. Breathwaite", written over a horizontal line.

Troy D. Breathwaite
Regional Air Permits Manager

September 12, 2013

Signature Date

Permit consists of 8 pages.
Permit Conditions 1 to 24.