

Commonwealth of Virginia
Registration No: 60979

AFS Plant ID: 700-00071

Plant Name: Pier IX Terminal Company

Classification: Synthetic Minor

Address: Pier 9 Harbor Road

Region: TRO

AIR INSPECTION REPORT
Inspection Date: 09/23/05

Contact Name: Doug Sterrit

Type: FCE With Site Visit

Contact Phone No: (767) 928-1520

Inspector: Philip S Murphy

Air Program Subpart
Inspection Result: In Compliance

SIP

Reason:

Complete FCE (Full Compliance Evaluation)

****Additional Information is Attached****
Inspector Comments:

Kinder-Morgan Bulk Terminals, Incorporated operates Pier IX in Newport News, VA. The facility operates under three permits: A November 1987 permit for a coal storage and export facility; an August 1995 permit for a cement unloading, storage, and truck and railcar loadout facility; and an October 2004 permit for an alternative fuel plant.

Coal at this facility is received by railcar and is unloaded within an enclosed rotary railcar dumper. Arrays of nozzles located on a header that runs the length of the dumping area spray water at the open ends as the coal is being dumped to control fugitive dust emissions. A small amount of surfactant is sometimes added per tandem dump to increase the effectiveness of the wet suppression system. A computer controls the coal transport system, but can be manually overridden if needed. During the inspection, the rail car dumper was operating. Dumping was observed. The spray nozzle arrays at both ends of the dumper building created an effective barrier preventing the coal dust from escaping the building. After removal from the railcar, the coal is transported by a shielded conveyor belt, at a maximum rate of 1000 ft/min, up to the gantry and is dispersed into the storage piles by a retractable chute. This system can stack the coal into piles at a rate of 4800 tons per hour. A bulldozer is used to compact and truncate the piles to reduce fugitive emissions. The coal is transported from the piles to cargo ships on shielded conveyor belts. Underneath the coal piles are hoppers covered by hatches that open, allowing the coal to drop onto a conveyor belt. From there, the coal travels to the ship. Portions of the conveyor belt are equipped with a wet suppression system, which is activated when necessary to reduce fugitive coal dust.

The facility employs a computer controlled wet suppression system that is based upon factors as defined in Appendix A of the 1987 permit system. The system takes into consideration weather conditions, such as temperature, relative humidity, wind speed, and wind direction. Based on the hourly readings of these parameters, the computer determines how often the rain birds must cycle. The yard is divided into four quadrants. During a wetting cycle, water is

Commonwealth of Virginia

Registration No: 60979 **AFS Plant ID:** 700-00071
Plant Name: Pier IX Terminal Company **Classification:** Synthetic Minor
Address: Pier 9 Harbor Road **Region:** TRO

INSPECTION CHECKLIST

| Permit Date # or Basis | Requirement Narrative | Observation | Comp Status |
|---|---|--|------------------------------|
| 11-07-87 4 | The yearly throughput of coal shall not exceed 30×10^6 tons. | The highest 12-month rolling throughput for coal was 7,077,839 tons in May 2005. | In Comp |
| 11-07-87 5 | The maximum quantity of coal in storage at any time shall not exceed 1.0×10^6 tons. | The highest amount of coal in storage was 402,988 tons in May 2005. | In Comp |
| 11-07-87 6 | Fugitive coal dust emissions from the storage piles shall be controlled by a permanent wet suppression system capable of wetting the entire coal storage area. | The facility employs a computer controlled wet suppression system which uses rainbirds to control fugitive emissions from the storage piles. | In Comp |
| 11-07-87 7 | Coal dust emissions from the rotary dumper and transfer points shall be controlled by wet suppression which shall include the use of a surfactant. | The emissions from the rotary dumper and transfer points are very effectively controlled by wet suppression combined with a surfactant. | In Comp |
| 11-07-87 9 | Opacity at all emission points shall be limited to less than 5 percent. | No detectable visible emissions were observed at any operating point during the inspection. | In Comp |
| 11-07-87 11 | Each spray cycle shall attain 100 percent coverage of the coal storage area and shall consist of at least 20,000 gallons of water, except for assurance cycles. | During a wetting cycle, water is applied to each quadrant for six minutes at a rate of 1000 gallons per minute. Approximately 24,000 gallons of water reaches the coal piles in a cycle. | In Comp |

| Permit Date | # | Requirement | Narrative | Observation | Status | or Basis |
|-------------|----|--|-----------|----------------------------------|-----------------------------|---|
| 11-07-87 | 12 | Whenever Pier IX Terminal Company is appropriate wet suppression | In Comp | using a particular piece of coal | procedures were utilized on | handling equipment (e.g., a dumper, coal handling equipment. No |

Registrator No: 60979 Plant Name: Pier IX Terminal Company Address: Pier 9 Harbor Road
 AFS Plant ID: 700-00071 Classification: Synthetic Minor

COMMONWEALTH OF VIRGINIA



Commonwealth of Virginia

Registration No: 60979 **AFS Plant ID:** 700-00071
Plant Name: Pier IX Terminal Company **Classification:** Synthetic Minor
Address: Pier 9 Harbor Road **Region:** TRO

INSPECTION CHECKLIST

| Permit Date # | | Requirement Narrative | Observation | Comp Status |
|----------------------|----|---|---|--------------------|
| 11-07-87 | 14 | <p>The following actions are considered detrimental to the control of coal emissions, but are not limited to:</p> <p>a. Failure to stop any coal movement operation when it becomes known that installed air pollution control systems are inoperative and would cause excess emissions.</p> <p>b. Failure to stop a coal movement operation when it becomes known that pieces of coal handling equipment needed for that operation are malfunctioning or operating significantly below designed specifications.</p> <p>c. Failure of equipment operators to take immediate precautions to preclude fugitive dust emissions from the operation of bulldozers, front-end loaders, automobiles or trucks through the use of water suppression to control the dust, or limiting the speed of movement to below 10 miles per hour.</p> <p>d. Failure of personnel to give precedence to controlling fugitive dust emissions over routine coal operations to personnel designed with the responsibility of controlling fugitive emissions.</p> | <p>Personnel understood the emphasis on pollution control. Upon inquiry equipment operators and supervisory personnel were aware of actions and precautions necessary in order to minimize excess emissions. No vehicular traffic was observed traveling at speeds which would create fugitive emissions.</p> | In Comp |

| Requirement # | Permit Date | Requirement Narrative | Observation | Status |
|---------------|-------------|---|-------------------------------------|---------------------------------------|
| 11-07-87 | 16 | All coal storage piles shall be stored and compacted so as to truncate and compacted with | minimize fugitive coal dust | emissions. |
| 08-08-95 | 3 | The annual throughput of cement shall not exceed 500,000 tons, | calculated as the sum of each | consecutive 12 month period. |
| 08-08-95 | 6 | Fugitive particulate emissions from each truck loadout system shall be observed in operation. | controlled by automatically | mainstaining negative pressure in the |
| 08-08-95 | 7 | Fugitive particulate emissions from In Comp | retractable chute for not less than | 15 seconds after truck loading is |
| | | truck loading. | observed during or after the | truck loading. |
| | | In Comp | In Comp | In Comp |

INSPECTION CHECKLIST

Registration No: 60979
 Plant Name: Pier IX Terminal Company
 Address: Pier 9 Harbor Road
 Region: TR0
 Classification: Synthetic Minor
 AFS Plant ID: 700-00071
 Commonwealth of Virginia



Commonwealth of Virginia

Registration No: 60979 **AFS Plant ID:** 700-00071
Plant Name: Pier IX Terminal Company **Classification:** Synthetic Minor
Address: Pier 9 Harbor Road **Region:** TRO

INSPECTION CHECKLIST

| Permit Date # or Basis | Requirement Narrative | Observation | Comp Status | | | | | | |
|-----------------------------------|---|--|------------------------|----------|-------|------------|----------|--|---------|
| 08-08-95 8 | <p>Total emissions from the operation of the cement unloading, storage, and truck and railcar loadout shall not exceed the limits specified below:</p> <table> <tr> <td>Total Suspended Particulate (TSP)</td> <td>1.6 lbs/hr</td> <td>0.8 T/yr</td> </tr> <tr> <td>PM-10</td> <td>1.6 lbs/hr</td> <td>0.8 T/yr</td> </tr> </table> | Total Suspended Particulate (TSP) | 1.6 lbs/hr | 0.8 T/yr | PM-10 | 1.6 lbs/hr | 0.8 T/yr | <p>These emissions are derived from the estimated overall emission contribution from operating limits. Self monitoring, recordkeeping, and required reporting are complete. Operation within the permit limits shall be considered credible evidence of the compliance with the emission limits.</p> | In Comp |
| Total Suspended Particulate (TSP) | 1.6 lbs/hr | 0.8 T/yr | | | | | | | |
| PM-10 | 1.6 lbs/hr | 0.8 T/yr | | | | | | | |
| 08-08-95 9 | Visible emissions from any baghouse exhaust or vent filter shall not exceed five percent opacity as determined by EPA Method 9. | The cement operations were observed during the inspection. No detectable visible emissions were observed from the baghouses. | In Comp | | | | | | |
| 08-08-95 11 | <p>The permittee shall maintain records of all emission data and operating parameters necessary to demonstrate compliance with this permit. The content of and format of such records shall be arranged with the Director, Tidewater Regional Office.</p> <p>These records shall include, but are not limited to, the yearly throughput of cement, calculated as the sum of each consecutive twelve month period. These records shall be available for inspection by DEQ and shall be current for the most recent five years.</p> | All records were available and reviewed. Records were available for more than five years. | In Comp | | | | | | |

| Permit Date | # | or Basis | Requirement | Narrative | Observation | Comments | Status |
|-------------|---|--------------------------------|------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------|
| 10-22-04 | 3 | Particulate emissions from the | Alternative Fuel Plant | was not in operation during | control by partial enclosures | wet suppression. The pollution | Plant is operating. |

INSPECTION CHECKLIST

Registration No: 60979
 Plant Name: Pier IX Terminal Company
 AFS Plant ID: 700-00071
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 Region: TR0

COMMONWEALTH OF VIRGINIA



Commonwealth of Virginia

Registration No: 60979 **AFS Plant ID:** 700-00071
Plant Name: Pier IX Terminal Company **Classification:** Synthetic Minor
Address: Pier 9 Harbor Road **Region:** TRO

INSPECTION CHECKLIST

| Permit Date # or Basis | Requirement Narrative | Observation | Comp Status |
|---|--|--|------------------------------|
| 10-22-04 | <p>4 Unless otherwise specified, dust emission controls specific to synfuel operations shall include the following, or equivalent, as a minimum:</p> <p>a. Dust from all material handling, transfers, load-outs and traffic areas, shall be controlled by wet suppression or equivalent (as approved by the Director, Tidewater Regional Office). There shall be no exemption from this requirement due to cold weather.</p> <p>b. All material being stockpiled shall be kept moist to control dust during storage and handling or covered at all times to minimize emissions.</p> <p>c. Haul roads shall be controlled by wet suppression, or equivalent (as approved by the DEQ).</p> <p>d. Reasonable precautions shall be taken to prevent deposition of coal dust and dirt on public roads and subsequent dust emissions. Coal and dirt spilled or tracked onto public paved surfaces shall be promptly removed to prevent particulate matter from becoming airborne.</p> | <p>Wet suppression is used to control fugitive emissions. Material is kept moist and/or covered when stockpiled. Haul roads were moist from wet suppression, and there was no evidence of tracking coal or dirt onto the public roads.</p> | In Comp |

| Permit Date # | Status | Requirements Narrative | Observation | Comments |
|---------------|--------|---|---|---|
| 10-22-04 | 5 | The production of Syngas plant began to exceed 4 million tons per year, exceeding 4 million tons in February 2004. The highest production level since calculated monthly as the sum of each consecutive 12-month period. The highest 12-month production in February 2004, not exceeded 10,000 tons per year, but exceeded 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. | The production of Syngas plant began to exceed 4 million tons per year, exceeding 4 million tons in February 2004. The highest production level since calculated monthly as the sum of each consecutive 12-month period. The highest 12-month production in February 2004, not exceeded 10,000 tons per year, but exceeded 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. | The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. The highest production level since calculated monthly as the sum of each consecutive 12-month period. The highest 12-month production in February 2004, not exceeded 10,000 tons per year, but exceeded 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. |
| 10-22-04 | 6 | The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. The highest production level since calculated monthly as the sum of each consecutive 12-month period. The highest 12-month production in February 2004, not exceeded 10,000 tons per year, but exceeded 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. The throughput of latex binder to the Syngas plant began to exceed 10,000 tons per year, exceeding 10,000 tons in June 2004. | These emissions from the operation of the Alternative Fuel Plant shall not exceed the highest 12-month production level from the estimated overall facility emissions specified below: Particulate Matter (PM) 13.7 T/YR operating limits. Self-exceed the emission contract from the Alternative Fuel Plant shall not exceed the overall facility emissions specified below: PM-10 5.3 T/YR monitoring, recording, (as Vinyl acetate monomer) 1.0 T/YR complete. Operation within the permit limits shall be considered credible evidence of the compliance with the emission limits. | In Comp |
| 10-22-04 | 7 | Emissions from the operation of the Alternative Fuel Plant shall not exceed the estimated overall facility emissions specified below: Particulate Matter (PM) 13.7 T/YR operating limits. Self-exceed the emission contract from the Alternative Fuel Plant shall not exceed the overall facility emissions specified below: PM-10 5.3 T/YR monitoring, recording, (as Vinyl acetate monomer) 1.0 T/YR complete. Operation within the permit limits shall be considered credible evidence of the compliance with the emission limits. | In Comp | In Comp |
| 10-22-04 | 8 | The permittee is limited to use of the following volatile toxic compounds only the latex binder with the Vinyl Acetate is used. No other HAPS are used at the time. The facility is emulsion binder specified as FTH-300 this time. The latex only the latex binder with the Vinyl Acetate is used. Compounds or hazardous air pollutants (HAPS) in the latex compounds or hazardous air pollutants (HAPS) are used at the facility. | In Comp | In Comp |
| | | The following volatile toxic compounds only the latex binder with the Vinyl Acetate is used. No other HAPS are used at the facility. | In Comp | In Comp |

INSPECTION CHECKLIST

AFS Plant ID: 50971
Classifications: Synthetic Minor
Category: Consumer
Region: TRO
Site: 9 Harbor Road

COMMONWEALTH OF VICTORIA



Commonwealth of Virginia

Registration No: 60979

AFS Plant ID: 700-00071

Plant Name: Pier IX Terminal Company

Classification: Synthetic Minor

Address: Pier 9 Harbor Road

Region: TRO

INSPECTION CHECKLIST

| Permit Date # or Basis | Requirement Narrative | Observation | Comp Status |
|---------------------------|--|---|----------------|
| 10-22-04 9 | Hazardous air pollutant (HAP) emissions, as defined by ?112(b) of the Clean Air Act, from the Alternative Fuel Plant shall not exceed 10 tons per year of any individual HAP or 25 tons per year of any combination, calculated monthly as the sum of each consecutive 12-month period. HAPs which are not accompanied by a specific CAS number shall be calculated as the sum of all compounds containing the named chemical when determining compliance with the individual HAP emissions limitation of 10 tons per year | These emissions are derived from the estimated overall emission contribution from operating limits. Self monitoring, recordkeeping, and required reporting are complete. Operation within the permit limits shall be considered credible evidence of the compliance with the emission limits. | In Comp |
| 10-22-04 10 | Visible emissions from the Alternative Fuel Plant shall not exceed 10 percent opacity as determined by the EPA Method 9 (reference 40 CFR 60, Appendix A). This condition applies at all times except during startup, shutdown, and malfunction | The Alternative Fuel Plant was no in operation during the inspection; therefore, no visible emissions could be observed. | In Comp |

Annual Throughputs

The annual throughput of cement shall not exceed 500,000 tons, calculated monthly as the sum of each preceding 12-month period.

The yearly throughput of coal shall not exceed 30 million tons, calculated monthly as the sum of each preceding 12-month period.

The maximum quantity of coal in storage at any time shall not exceed 1,000,000 Tons.

| Month/Year | Cement Tons | 12-month Running Total Tons | Coal Received Tons | 12-month Running Total Tons | Coal in Storage Tons | Iron Oxide Tailings Tons |
|------------|----------------|-----------------------------------|-----------------------|-----------------------------------|-------------------------|--------------------------------|
| Jan-04 | 29,762.0 | 60,175.0 | 423,417.0 | 1,704,042.0 | 138,619.0 | |
| Feb-04 | 29,695.0 | 89,870.0 | 455,908.0 | 2,159,950.0 | 226,563.0 | |
| Mar-04 | 0.0 | 89,870.0 | 665,888.0 | 2,825,838.0 | 270,835.0 | |
| Apr-04 | 0.0 | 89,870.0 | 580,490.0 | 3,406,328.0 | 243,408.0 | |
| May-04 | 28,512.0 | 118,382.0 | 600,873.0 | 4,007,201.0 | 233,927.0 | |
| Jun-04 | 29,280.0 | 147,662.0 | 583,239.0 | 4,590,440.0 | 93,626.0 | |
| Jul-04 | 0.0 | 147,662.0 | 470,721.0 | 5,061,161.0 | 129,959.0 | |
| Aug-04 | 28,929.0 | 176,591.0 | 589,603.0 | 5,650,764.0 | 136,117.0 | |
| Sep-04 | 28,875.0 | 205,466.0 | 670,296.0 | 6,023,994.0 | 162,622.0 | |
| Oct-04 | 25,197.0 | 206,737.0 | 654,012.0 | 6,305,107.0 | 158,959.0 | |
| Nov-04 | 29,212.0 | 229,462.0 | 570,850.0 | 6,571,065.0 | 172,064.0 | |
| Dec-04 | 54,220.0 | 283,682.0 | 503,375.0 | 6,768,672.0 | 305,201.0 | |
| Jan-05 | 0.0 | 253,920.0 | 560,967.0 | 6,906,222.0 | 328,507.0 | |
| Feb-05 | 28,920.0 | 253,145.0 | 593,071.0 | 7,043,385.0 | 315,137.0 | |
| Mar-05 | 31,323.0 | 284,468.0 | 615,791.0 | 6,993,288.0 | 376,061.0 | |
| Apr-05 | 34,096.0 | 318,564.0 | 553,991.0 | 6,966,789.0 | 231,692.0 | |
| May-05 | 0.0 | 290,052.0 | 711,923.0 | 7,077,839.0 | 402,988.0 | |
| Jun-05 | 28,589.0 | 289,361.0 | 521,745.0 | 7,016,345.0 | 269,334.0 | 7375.0 |
| Jul-05 | 59,064.0 | 348,425.0 | 513,738.0 | 7,059,362.0 | 315,367.0 | 22034.0 |
| Aug-05 | 30,665.0 | 350,161.0 | 539,662.0 | 7,009,421.0 | 402,797.0 | 22043.0 |
| Sep-05 | | 321,286.0 | | 6,339,125.0 | | |
| Oct-05 | | 296,089.0 | | 5,685,113.0 | | |
| Nov-05 | | 266,877.0 | | 5,114,263.0 | | |
| Dec-05 | | 212,657.0 | | 4,610,888.0 | | |

PRODUCTION

The production of synfuel shall not exceed 4 million tons per year, calculated monthly as the sum of each consecutive 12-month period.

The throughput of latex binder shall not exceed 10,000 tons per year, calculated monthly as the sum of each consecutive 12-month period.

| Month/Year | Synfuel Production Tons | 12-month Running Total Tons | Latex Binder Received Tons | 12-month Running Total Tons |
|------------|----------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| Feb-04 | 188,375.00 | 188,375.00 | 678.73 | 678.73 |
| Mar-04 | 282,312.00 | 470,687.00 | 685.29 | 1,364.02 |
| Apr-04 | 241,305.00 | 711,992.00 | 619.13 | 1,983.15 |
| May-04 | 211,978.00 | 923,970.00 | 523.56 | 2,506.71 |
| Jun-04 | 250,332.00 | 1,174,302.00 | 596.26 | 3,102.97 |
| Jul-04 | 325,448.00 | 1,499,750.00 | 849.08 | 3,952.05 |
| Aug-04 | 324,105.00 | 1,823,855.00 | 802.64 | 4,754.69 |
| Sep-04 | 253,140.66 | 2,076,995.66 | 827.55 | 5,582.24 |
| Oct-04 | 318,977.77 | 2,395,973.43 | 732.19 | 6,314.43 |
| Nov-04 | 295,483.59 | 2,691,457.01 | 800.77 | 7,115.20 |
| Dec-04 | 320,542.63 | 3,011,999.64 | 893.65 | 8,008.85 |
| Jan-05 | 307,278.87 | 3,319,278.51 | 758.41 | 8,767.26 |
| Feb-05 | 273,576.61 | 3,404,480.12 | 666.64 | 8,755.17 |
| Mar-05 | 215,881.06 | 3,338,049.18 | 552.88 | 8,622.76 |
| Apr-05 | 201,834.98 | 3,298,579.16 | 412.51 | 8,416.14 |
| May-05 | 304,671.42 | 3,391,272.57 | 869.99 | 8,762.57 |
| Jun-05 | 298,338.20 | 3,439,278.77 | 826.56 | 8,992.87 |
| Jul-05 | 303,776.85 | 3,417,607.61 | 780.11 | 8,923.90 |
| Aug-05 | 302,871.37 | 3,396,373.99 | 781.95 | 8,903.21 |
| Sep-05 | | 0.00 | | 0.00 |
| Oct-05 | | 0.00 | | 0.00 |
| Nov-05 | | 0.00 | | 0.00 |
| Dec-05 | | 0.00 | | 0.00 |

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ENVIRONMENTAL QUALITY

Conunonwealth of Virginia

Registration No: 60979 AFS Plant ID: 700-00071

Plant Name: Pier IX Terminal Company Classification: Synthetic Minor

Address: Pier 9 Harbor Road Region: TRO

I AIR INSPECTION REPORT

Inspection Date: 09/23/05 Contact Name: Doug Sterrit

Type: FCE With Site Visit Contact Phone No: (767)928-1520

Inspector: Philip S Murphy Air Program Subpart

Inspection Result: In Compliance SIP

Reason:

Complete FCE (Full Compliance Evaluation)

"Additional Information is Attached**

Inspector Conunents:

Kinder-Morgan Bulk Terminals, Incorporated operates Pier IX in Newport News, V A. The facility

operates under three permits: A November 1987 permit for a coal storage and ex port facility;

an August 1995 permit for a cement unloading, storage, and truck and railcar l oadout facility;

and an October 2004 permit for an alternative fuel plant.

Coal at this facility is received by railcar and is unloaded within an enclose d rotary railcar

dumper. Arrays of nozzles located on a header that runs the length of the dum ping area spray

water at the open ends as the coal is being dumped to control fugitive dust em issions. A small

amount of surfactant is sometimes added per tandem dump to increase the effect iveness of the

wet suppression system. A computer controls the coal transport system, but ca n be manually

overridden if needed. During the inspection, the rail car dumper was operating. Dumping was

observed. The spray nozzle arrays at both ends of the dumper building created an effective

barrier preventing the coal dust from escaping the building. After removal from the railcar,

the coal is transported by a shielded conveyor belt, at a maximum rate of 1000 ft/min, up to

the gantry and is dispersed into the storage piles by a retractable chute. This system can

stack the coal into piles at a rate of 4800 tons per hour. A bulldozer is used to compact and

truncate the piles to reduce fugitive emissions. The coal is transported from the piles to

cargo ships on shielded conveyor belts. Underneath the coal piles are hoppers covered by

hatches that open, allowing the coal to drop onto a conveyor belt. From there, the coal

travels to the ship. Portions of the conveyor belt are equipped with a wet suppression system,

which is activated when necessary to reduce fugitive coal dust.

The facility employs a computer controlled wet suppression system that is based upon factors

as defined in Appendix A of the 1987 permit system. The system takes into consideration

weather conditions, such as temperature, relative humidity, wind speed, and wind direction.

Based on the hourly readings of these parameters, the computer determines how often the rain

cycles must occur. The yard is divided into four quadrants. During a wetting cycle, water is

VIRGINIA DE TMENT
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Commonwealth of Virginia

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Address: Pier 9 Harbor Road Region: TRO

Inspection Date: 09/23/05 Contact Name: Doug Sterrit

Type: FCE With Site Visit Contact Phone No: (767)928-1520

Inspector: Philip S Murphy Air Program Subpart

Inspection Result: In Compliance SIP

Additional information is Attached

Inspector Comments:

applied to each quadrant for six minutes at a rate of 1000 gallons per minute.
Approximately

24,000 gallons of water reaches the coal piles in a cycle. There are also 22
manually

controlled rainbirds located around the perimeter of the coal piles that are turned on when

necessary and water truck to supply water to areas where the rainbirds cannot adequately

reach. During the inspection the wet suppression system cycled through one operation and

appeared to adequately cover the area. No fugitive emissions were detected.

The facility receives cement by ship. The cement is offloaded unto a covered conveyor belt

then to a bucket elevator that deposits it into three storage silos. Silos 1 and 3 have a

rated capacity of 11,800 tons and Silo 2 has a rated capacity of 12,500 tons. All silos

appeared structurally sound. From the silos the cement is gravity fed into trucks or is pumped

underground to the railcar loadout and loaded into railcars. The cement loadout area was

operating during the inspection. Fugitive emissions from the cement operation are controlled

by eight baghouses; five for the silo filling and offloading, one for the truck loadout, and

two for the railcar loadout. The railcar system is not regularly used and was not in operation

during the inspection and no ships were being unloaded during the inspection. The truck

loadout baghouse was operating at a differential pressure of 2.5 inches of water with no

visible emissions.

Inspector's Electronic Signature Manage@-Is Electronic Signature
Approval Date: Oct 31, 2005 Approval Date: /-, ell /, @, -/ @ -

1-0-1
VIRGINIA DEPARTMENT OF
ENVIRONMENTAL QUALITY

Commonwealth of Virginia

Registration No: 60979 AFS Plant ID: 700-00071

Plant Name: Pier IX Terminal Company Classification: Synthetic Minor

Address: Pier 9 Harbor Road Region: TRO

INSPECTION CHECKLIST

Permit Date Comp

or Basis Requirement Narrative Observation Status

11-07-87 4 The yearly throughput of coal shall The highest 12-month rolling In Comp

not exceed 30×10^6 tons. throughput for coal was
7,077,839 tons in May 2005.

11-07-87 5 The maximum quantity of coal in The highest amount of coal In Comp storage at any time shall not exceed in storage was 402,988 tons
 1.0×10^6 tons. in May 2005.

11-07-87 6 Fugitive coal dust emissions from The facility employs a In Comp the storage piles shall be computer controlled wet controlled by a permanent wet suppression system which suppression system capable of uses rainbirds to control wetting the entire coal storage fugitive emissions from the area. storage piles.

11-07-87 7 Coal dust emissions from the rotary The emissions from the In Comp dumper and transfer points shall be rotary dumper and transfer controlled by wet suppression which points are very effectively shall include the use of a controlled by wet

surfactant. suppression combined with a surfactant.

11-07-87 9 Opacity at all emission points shall be limited to less than 5 percent. No detectable visible emissions were observed at any operating point during the inspection.

11-07-87 11 Each spray cycle shall attain 100 percent coverage of the coal storage area and shall consist of at least 20,000 gallons of water, except for a rate of 1000 gallons per assurance cycles. minute. Approximately 24,000 gallons of water reaches the coal piles in a cycle.

VIRGINIA DE TME
ENVIRONMENTAL QUALITY

Commonwealth of Virginia

Registration No: 60979 AFS Plant ID: 700-00071

Plant Name: Pier IX Terminal Company Classification: Synthetic Minor

Address: Pier 9 Harbor Road Region: TRO

INSPECTION CHECKLIST

Permit Date Camp

or Basis Requirement Narrative Observation Status

11-07-87 12 Whenever Pier IX Terminal Company is Appropriate wet suppression In Comp

using a particular piece of coal procedures were utilized on handling equipment (e.g., a dumper, coal handling equipment. No a conveyor, etc.), it shall utilize safety hazards were the wet suppression controls for observed.

that piece of equipment unless the use of the equipment would cause a safety hazard or damage to the equipment from freezing.

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VIRGINIA DEPARTMENT OF
ENVIRONMENTAL QUALITY

Commonwealth of Virginia

Registration No: 60979 AFS Plant ID: 700-00071

Plant Name: Pier IX Terminal Company Classification: Synthetic Minor

Address: Pier 9 Harbor Road Region: TRO

INSPECTION CHECKLIST

Permit Date Comp

or Basis Requirement Narrative Observation Status

11-07-87 14 The following actions are considered Personnel understood the In C
omp

detrimental to the control of coal emphasis on pollution
emissions, but are not limited to: control. Upon inquiry

a. Failure to stop any coal equipment operators and
movement operation when it becomes supervisory personnel were
known that installed air pollution aware of actions and
control systems are inoperative and precautions necessary in
would cause excess emissions. order to minimize excess

b. Failure to stop a coal movement emissions. No vehicular
operation when it becomes known that traffic was observed
pieces of coal handling equipment traveling at speeds which
needed for that operation are would create fugitive
malfunctioning or operating emissions.

significantly below designed
specifications.

C. Failure of equipment operators
to take immediate precautions to

preclude fugitive dust emissions from the operation of bulldozers, front-end loaders, automobiles or trucks through the use of water suppression to control the dust, or limiting the speed of movement to below 10 miles per hour.

d. Failure of personnel to give precedence to controlling fugitive dust emissions over routine coal operations to personnel designed with the responsibility of controlling fugitive emissions.

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INSPECTION CHECKLIST

Permit Date Comp

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11-07-87 16 All coal storage piles shall be Storage piles were truncated In Co
mp

truncated and compacted so as to and compacted with
minimize fugitive coal dust bulldozers. No fugitive
emissions. emissions were observed
during truncating and
compacting operations.

08-08-95 3 The annual throughput of cement The highest 12-month rolling In Com
p
shall not exceed 500,000 tons, thoughput for cement was
calculated as the sum of each 350,161 tons in August 2005.
consecutive 12 month period.

08-08-95 6 Fugitive particulate emissions from The truck loadout was In Comp
each truck loadout system shall be observed in operation.
controlled by automatically Fugitive emissions were not
maintaining negative pressure in the observed during or after the
retractable chute for not less than truck loading.
15 seconds after truck loading is
complete.

08-08-95 7 Fugitive particulate emissions from Fugitive emission from In Comp truck traffic shall be controlled by vehicular traffic was not industrial vacuum cleaners or by wet observed. The facility uses suppression. wet suppression and minimizing the speed of vehicles.

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EWRONMENTAL QUALITY

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INSPECTION CHECKLIST

Permit Date Comp

or Basis Requirement Narrative Observation Status

08-08-95 8 Total emissions from the operation These emissions are derived In C
omp

of the cement unloading, storage, from the estimated overall
and truck and railcar loadout shall emission contribution from
not exceed the limits specified operating limits. Self
below: monitoring, recordkeeping,

Total Suspended Particulate(TSP) and required reporting are
1.6 lbs/hr 0.8 T/yr complete. Operation within
PM-10 1.6 lbs/hr 0.8 T/yr the permit limits shall be
considered credible evidence
of the compliance with the
emission limits.

08-08-95 9 Visible emissions from any baghouse The cement operations were In C
omp

exhaust or vent filter shall not observed during the
exceed five percent opacity as inspection. No detectable
determined by EPA Method 9. visible emissions were
observed from the baghouses.

08-08-95 11 The permittee shall maintain records All records were available In Comp

of all emission data and operating and reviewed. Records were parameters necessary to demonstrate available for more than five compliance with this permit. The years.

content of and format of such records shall be arranged with the Director, Tidewater Regional Office.

These records shall include, but are not limited to, the yearly throughput of cement, calculated as the sum of each consecutive twelve month period. These records shall be available for inspection by DEQ and shall be current for the most recent five years.

VIRGINIA DEP&RTME
ENVIRONMENTAL QUALITY

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INSPECTION CHECKLIST

Permit Date Comp

or Basis Requirement Narrative Observation Status

10-22-04 3 Particulate emissions from the The Alternative Fuel Plant In Comp
Alternative Fuel Plant shall be was not in operation during
controlled by partial enclosures and the inspection; however,
wet suppression. The pollution there are partial enclosures
control devices shall be in and wet suppression
operation when the Alternative Fuel apparatus for control of
Plant is operating. particulate emissions. The
surrounding area showed
evidence of recent
operation.

'GuaoqaTP buTwooaq woa; aaqqpui
aqPTnoTqapd qUOAaad oq PaAOW@
A,Tqduioad aq TTPT4s SG3P;anS PGApd
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PuP TPOO -suoTssTwa qsnP quanbasqns
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anp quewaATnbea sijj; uioaj uoTqdwaxa
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J@qPmaPTJ, laolooaici aLIq Aq PGAOaddp
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Oquo q3TP aO TPOO bUTN0P3:1 qam Aq POTTOJquOD aq TTPLIs 'sPGaP
90 aDuGPTAO OU SPM eaGqq PUP oTgjpaq pup sqno-PPOT 'sa0JsuPJq
luoTsseaddns qem woag qstoui 'buTTPuPT4 TPTJGqPw TTP uIOJJ qsnci p
aJGM SPPOa TnPH -PGTTdN3oqs :wnwTuTw
U8LjM POaeAOD aO/PUP P sP 'quOTPATnbG ao lbu-imOTTOJ
qSTOW qdaX ST TPTJGqeN Oqq apnTDuT TTvqs suoTqpaadO Tenjurs
'SUOTSSTUIG GATqTbn4 TOaquOD Oq DT;TDads sTO-TquOD uOTSSTUIG
dwoD uj oq pasn ST UOTSSOaddns -@aM qsnP 'POT-4Toads aSTMaOqqO SSGTufl T7 VO-Z
Z-OT

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VIRGINIA DEPARTMENT OF
ENVIRONMENTAL QUALITY

Commonwealth of Virginia

Registration No: 60979 AFS Plant ID: 700-00071

Plant Name: Pier IX Terminal Company Classification: Synthetic minor

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INSPECTION CHECKLIST

Permit Date Comp

or Basis Requirement Narrative observation Status

10-22-04 5 The production of synfuel shall not The Synfuel plant began In Comp
exceed 4 million tons per year, production in February 2004.
calculated monthly as the sum of The highest 12-month
each consecutive 12-month period. production level since
operations began was
3,439,278.77 tons in June
2005. Spreadsheets are
attached.

10-22-04 6 The throughput of latex binder shall The Synfuel plant began In Com
p
not exceed 10,000 tons per year, production in February 2004.
calculated monthly as the sum of The highest 12-month
each consecutive 12-month period. throughput for latex binder

since operations began was
8,992.87 tons in June 2005.

10-22-04 7 Emissions from the operation of the These emissions are derived In Comp

Alternative Fuel Plant shall not from the estimated overall exceed the limits specified below: emission contribution from Particulate Matter(PM) 13.7 T/yr operating limits. Self PM-10 5.3 T/yr monitoring, recordkeeping, Volatile Organic Compounds (VOC) and required reporting are (as Vinyl acetate monomer)1.0 T/yr complete. Operation within the permit limits shall be considered credible evidence of the compliance with the emission limits.

10-22-04 8 The permittee is limited to use of Review of records show that In C omp

the following volatile toxic only the latex binder with compounds or hazardous air the Vinyl Acetate is used. pollutants (HAPs) in the latex No other HAPs are used at emulsion binder specified as FTH-300 this time. The facility is for the Alternative Fuel Plant: operated in compliance with Volatile Toxic Compounds or Toxics and HAP regulations.

HAPs CAS Number

Vinyl Acetate 108054

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INSPECTION CHECKLIST

Permit Date Comp

or Basis Recluirement Narrative Observation Status

10-22-04 9 Hazardous air pollutant (HAP) These emissions are derived In Comp
emissions, as defined by ?112(b) of from the estimated overall
the Clean Air Act, from the emission contribution from
Alternative Fuel Plant shall not operating limits. Self
exceed 10 tons per year of any monitoring, recordkeeping,
individual HAP or 25 tons per year and required reporting are
of any combination, calculated complete. Operation within
monthly as the sum of each the permit limits shall be
consecutive 12-month period. HAPs considered credible evidence
which are not accompanied by a of the compliance with the
specific CAS number shall be emission limits.
calculated as the sum of all
compounds containing the named
chemical when determining compliance

with the individual HAP emissions
limitation of 10 tons per year

10-22-04 10 Visible emissions from the The Alternative Fuel Plant In Comp
Alternative Fuel Plant shall not was no in operation during
exceed 10 percent opacity as the inspection; therefore,
determined by the EPA Method 9 no visible emissions could
(reference 40 CFR 60, Appendix A). be observed.

This condition applies at all times
except during startup, shutdown, and
malfunction

Annual Throughputs

The annual throughput of cement shall not exceed 500,000 tons, calculated monthly as the sum of each preceding 12-month period.

The yearly throughput of coal shall not exceed 30 million tons, calculated monthly as the sum of each preceding 12-month period.

The maximum quantity of coal in storage at any time shall not exceed 1,000,000 Tons.

Cement 12-month Coal Received 12-month Coal in Storage Iron Oxide Running Total Running Total Tailings

| Month | Near Tons | Tons | Tons | Tons | Tons | Tons | Tons |
|--------|-----------|-------------|-----------|-------------|-----------|---------|------|
| Jan-04 | 29,762.0 | 60,175.0 | 423,417.0 | 1,704,042.0 | 138,619.0 | | |
| Feb-04 | 29,695.0 | 89,870.0 | 455,908.0 | 2,159,950.0 | 226,563.0 | | |
| Mar-04 | 0.0 | 89,870.0 | 665,888.0 | 2,825,838.0 | 270,835.0 | | |
| Apr-04 | 0.0 | 89,870.0 | 580,490.0 | 3,406,328.0 | 243,408.0 | | |
| May-04 | 28,512.0 | 118,382.0 | 600,873.0 | 4,007,201.0 | 233,927.0 | | |
| Jun-04 | 29,280.0 | 147,662.0 | 583,239.0 | 4,590,440.0 | 93,626.0 | | |
| Jul-04 | 0.0 | 147,662.0 | 470,721.0 | 5,061,161.0 | 129,959.0 | | |
| Aug-04 | 28,929.0 | 176,591.0 | 589,603.0 | 5,650,764.0 | 136,117.0 | | |
| Sep-04 | 28,875.0 | 205,466.0 | 670,296.0 | 6,023,994.0 | 162,622.0 | | |
| Oct-04 | 25,197.0 | 206,737.0 | 654,012.0 | 6,305,107.0 | 158,959.0 | | |
| Nov-04 | 29,212.0 | 229,462.0 | 570,850.0 | 6,571,065.0 | 172,064.0 | | |
| Dec-04 | 54,220.0 | 283,682.0 | 503,375.0 | 6,768,672.0 | 305,201.0 | | |
| Jan-05 | 0.0 | 253,920.0 | 560,967.0 | 6,906,222.0 | 328,507.0 | | |
| Feb-05 | 28,920.0 | 253,145.0 | 593,071.0 | 7,043,385.0 | 315,137.0 | | |
| Mar-05 | 31,323.0 | 284,468.0 | 615,791.0 | 6,993,288.0 | 376,061.0 | | |
| Apr-05 | 34,096.0 | 318,564.0 | 553,991.0 | 6,966,789.0 | 231,692.0 | | |
| May-05 | 0.0 | 290,052.0 | 711,923.0 | 7,077,839.0 | 402,988.0 | | |
| Jun-05 | 28,589.0 | 289,361.0 | 521,745.0 | 7,016,345.0 | 269,334.0 | 7375.0 | |
| Jul-05 | 59,064.0 | 348,425.0 | 513,738.0 | 7,059,362.0 | 315,367.0 | 22034.0 | |
| Aug-05 | 30,665.0 | 350,161.0 | 539,662.0 | 7,009,421.0 | 402,797.0 | 22043.0 | |
| Sep-05 | 321,286.0 | 6,339,125.0 | | | | | |
| Oct-05 | 296,089.0 | 5,685,113.0 | | | | | |
| Nov-05 | 266,877.0 | 5,114,263.0 | | | | | |
| Dec-05 | 212,657.0 | 4,610,888.0 | | | | | |

PRODUCTION

The production of synfuel shall not exceed 4 million tons per year, calculated monthly as the sum of each consecutive 12-month period.

The throughput of latex binder shall not exceed 1,000 tons per year, calculated monthly as the sum of each consecutive 12-month period.

Synfuel Production 12-month Latex Binder Received 12-month
Running Total Running Total

| Month/Year | Tons | Tons | Tons | Tons |
|------------|------------|--------------|--------|----------|
| Feb-04 | 188,375.00 | 188,375.00 | 678.73 | 678.73 |
| Mar-04 | 282,312.00 | 470,687.00 | 685.29 | 1,364.02 |
| Apr-04 | 241,305.00 | 711,992.00 | 619.13 | 1,983.15 |
| May-04 | 211,978.00 | 923,970.00 | 523.56 | 2,506.71 |
| Jun-04 | 250,332.00 | 1,174,302.00 | 596.26 | 3,102.97 |
| Jul-04 | 325,448.00 | 1,499,750.00 | 849.08 | 3,952.05 |
| Aug-04 | 324,105.00 | 1,823,855.00 | 802.64 | 4,754.69 |
| Sep-04 | 253,140.66 | 2,076,995.66 | 827.55 | 5,582.24 |
| Oct-04 | 318,977.77 | 2,395,973.43 | 732.19 | 6,314.43 |
| Nov-04 | 295,483.59 | 2,691,457.01 | 800.77 | 7,115.20 |
| Dec-04 | 320,542.63 | 3,011,999.64 | 893.65 | 8,008.85 |
| Jan-05 | 307,278.87 | 3,319,278.51 | 758.41 | 8,767.26 |
| Feb-05 | 273,576.61 | 3,404,480.12 | 666.64 | 8,755.17 |
| Mar-05 | 215,881.06 | 3,338,049.18 | 552.88 | 8,622.76 |
| Apr-05 | 201,834.98 | 3,298,579.16 | 412.51 | 8,416.14 |
| May-05 | 304,671.42 | 3,391,272.57 | 869.99 | 8,762.57 |
| Jun-05 | 298,338.20 | 3,439,278.77 | 826.56 | 8,992.87 |
| Jul-05 | 303,776.85 | 3,417,607.61 | 780.11 | 8,923.90 |
| Aug-05 | 302,871.37 | 3,396,373.99 | 781.95 | 8,903.21 |
| Sep-05 | 0.00 | 0.00 | | |
| Oct-05 | 0.00 | 0.00 | | |
| Nov-05 | 0.00 | 0.00 | | |
| Dec-05 | 0.00 | 0.00 | | |