



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JUN 29 2015

REPLY TO THE ATTENTION OF:

Ms. Kristin Hart
Chief
Permits and Stationary Source Modeling Section
Bureau of Air Management
Wisconsin Department of Natural Resources
PO Box 7921
Madison, Wisconsin 53707-7921

Dear Ms. Hart:

The U.S. Environmental Protection Agency has the following comments on the Wisconsin Department of Natural Resources' (WDNR) draft permits for Calumet Superior LLC and Calumet Superior LLC- Petroleum Bulk Stations and Terminals (#14-DCF-137, #14-DCF-139 and #14-DCF-140). Two of the three draft minor New Source Review (NSR) permits authorize modifications at the Calumet Superior Refinery while the third authorizes modifications at the adjacent Calumet Superior Petroleum Bulk Stations and Terminals. The refinery and bulk stations and terminals are considered to be a single source under the Clean Air Act. In order to ensure that the project meets Federal Clean Air Act requirements, that the permit will provide necessary information so that the basis for the permit decision is transparent and readily accessible to the public, and that the permit record provides adequate support for the decision, EPA has the following comments:

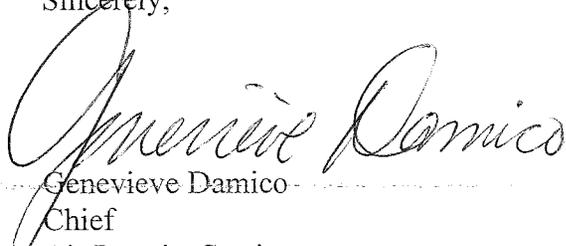
1. When determining Prevention of Significant Deterioration (PSD) applicability for the projects, WDNR aggregated the emissions from the proposed projects authorized in permits #14-DCF-137 and #14-DCF-140, but does not consider the emissions from #14-DCF-139. WDNR justifies the decision not to include the emissions from #14-DCF-139 by stating that safety concerns largely drove Calumet's decision to undertake the project authorized by #14-DCF-139. The proposed project would authorize Calumet Superior to construct a material transfer line that will carry ethanol via truck rather than the current method of rail car transfer. Calumet believes that the project will, "address the mounting backlog, delays, and costs associated with rail car delivery of ethanol and prepare for the expected increased mandates for biofuel blending". The transition to truck transfer requires Calumet to construct a truck unloading skid located on the bulk transfer terminal's grounds (authorized by permit #14-DCF-140) and construct transfer lines on the refinery property (authorized by permit #14-DCF-139). Calumet opted to undertake this project rather than use the existing truck unloading skid at the refinery because a large volume of truck traffic inside the boundaries of the refinery would introduce safety concerns such as an increase of ignition sources, facility traffic congestion, and increased need for emergency response access and facility supervision and spill containment and firefighting equipment. When determining if projects should be aggregated for the purpose of determining PSD, EPA largely relies on

the 1993 Memorandum from John Rasnic to George Czerniak regarding applicability of New Source Review Circumvention Guidance to 3M- Maplewood¹ (3M Maplewood Memo). In the 3M Maplewood Memo EPA sets forth the method for determining whether multiple projects from a single source should be aggregated as consideration of the timing of multiple minor application filing, whether the facility has made other statements that the projects were planned together (such as funding applications, stakeholder reports, etc), and EPA's own analysis of the economic realities of the projects and the relationship of the changes to the overall basic purpose of the plant. EPA does not interpret existing guidance or rules to exempt projects that were undertaken in part due to safety concerns from aggregation requirements. In the case of the proposed projects at Calumet Superior, EPA believes that the project authorized in #14-DCF-139 should be aggregated with the other two projects. The application for all three projects were submitted on the same day, the application for #14-DCF-139 indicates that Calumet Superior planned the project simultaneously with the project from #14-DCF-140 and EPA believes that all three projects support the overall basic purpose of the plant. EPA requests that WDNR aggregate the three projects for the purpose of determining PSD applicability.

2. The draft permit #14-DCF-137 incorporates applicable requirements of 40 CFR 63 Subpart CC, the Petroleum Refineries maximum achievable control technology standard (MACT). EPA finalized revisions to Petroleum Refineries MACT on June 20, 2013 (78 FR 37133) which updated the requirements pertaining to heat exchange systems. The draft permit does not appear to reflect the June 20, 2013 revisions. As appropriate, please revise the draft permit to incorporate these new provisions.
3. Page 161 of the draft permit #14-DCF-137, condition III.DDDDD.c.(4)(c)(4) cites to paragraph (e) of the section, however (e) is not included in the permit. Please determine if condition (e) and condition III.DDDDD.c.(4)(c)(4) are applicable requirements and revise the draft permit as necessary.
4. Page 84 of draft permit #14-DCF-137 incorporates the applicable gasoline loading rack requirements of 40 CFR 63 Subpart CC, however, page 117 of the draft permit does not incorporate the associated reporting and recordkeeping requirements for the gasoline loading rack provisions. If appropriate please revise the draft permit to include these recordkeeping and reporting provisions, or explain why they are not applicable.

We look forward to working with you to address all of our comments. If you have any further questions, please feel free to contact Andrea Morgan, of my staff, at (312) 353-6058.

Sincerely,


Genevieve Damico
Chief
Air Permits Section

¹ <http://www.epa.gov/region07/air/nsr/nsrmemos/maplwood.pdf>