



Request for Public Comment Proposed Extension of Air Discharge Permit

Notice Prepared: November 8, 2018

Affected Facility: NuStar Terminals Service / NuStar Terminals Operations Partnership
2565 NW Harborside Drive / 5420 Fruit Valley Road
Vancouver, WA 98660

Permit Number: ADP 17-3223

Facility Description: NuStar Energy LP (NuStar) owns and operates two bulk tank terminals in Vancouver, Washington under the business names of NuStar Terminals Service Inc. and NuStar Terminals Operations Partnership L.P. NuStar Terminals Service, Inc. operates the "Main Terminal" located on the Columbia River at 2565 NW Harborside Drive, Vancouver. NuStar Terminals Operations Partnership LP operates the "Annex Terminal" located approximately 1.8 miles to the north at 5420 Fruit Valley Road, Vancouver. The two terminals are connected by an underground pipeline, which allows for the transfer of bulk liquid product between the two locations.

Proposed Action: NuStar has made a request to extend the expiration date of Air Discharge Permit (ADP) 17-3223. ADP 17-3223 was issued final on July 12, 2017 and expires on January 12, 2019. In response to the request, SWCAA proposes to extend the expiration date of the permit by a period of eighteen months. Upon extension, the permit would expire on July 12, 2020.

Background: NuStar submitted ADP Application CL-2084 proposing to convert existing bulk liquid storage and transfer equipment at the Main and Annex Terminals to ethanol service. The proposal included modification of existing marine loading equipment to allow for transfer of ethanol to marine vessels. SWCAA issued ADP 17-3223 in response to ADP Application CL-2084.

The primary purpose of the proposed conversion project was to allow export of bulk ethanol from North America to various pacific rim countries. NuStar planned to commence construction of the proposed modifications upon receipt of contractual commitments from its customer. NuStar has tentatively reached contract terms with its customer, but recent changes in geopolitics and trade policy have created uncertainty in the trading community and delayed execution of the contract. NuStar is pursuing alternative export markets, but additional time will be required to reach terms with other parties and finalize export logistics. NuStar is therefore requesting an 18-month extension of ADP 17-3223 to allow for resolution of geopolitical factors and development of customer agreements.

SWCAA's general regulations allow for extension of a permit's expiration date if the applicant provides appropriate justification. [SWCAA 400-110(8)] SWCAA has previously granted permit extension requests to applicants who demonstrated willingness and ability to commence, but were delayed by events beyond their control. These events have included changes in ownership, contractual disputes, zoning/permit litigation and delayed equipment availability. Granting an extension due to delays in contract execution is consistent with past agency policy.

Based upon the above review, SWCAA has determined that an 18-month extension is justified. The scope of this action is limited to extension of the expiration date for ADP 17-3223. No changes will be made to existing emission limits or permit conditions.

Other Information: Additional information regarding this determination is available:

- Online at www.swcleanair.org/permits/othernotices.asp, or
- For review in person by appointment at:
Southwest Clean Air Agency
11815 NE 99 Street, Suite 1294
Vancouver, Washington 98682-2322

How To Comment: Written comments regarding this proposed action will be accepted via regular mail at the address above or via email at wess@swcleanair.org.

SWCAA will examine all information received and issues raised during the comment period prior to taking final action.

Comments Due By: December 8, 2018