

STATEMENT OF BASIS

For the issuance of Air Permit # 2036-AR-4 AFIN: 14-00448

1. PERMITTING AUTHORITY:

Division of Environmental Quality
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317

2. APPLICANT:

Delek Logistics Operating, LLC—El Dorado Pipeline Company
800 Columbia Road 25
Magnolia, Arkansas 71753

3. PERMIT WRITER:

Sterling Powers

4. NAICS DESCRIPTION AND CODE:

NAICS Description: Pipeline Transportation of Crude Oil
NAICS Code: 486110

5. ALL SUBMITTALS:

The following is a list of ALL permit applications included in this permit revision.

| Date of Application | Type of Application (New, Renewal, Modification, Deminimis/Minor Mod, or Administrative Amendment) | Short Description of Any Changes That Would Be Considered New or Modified Emissions |
|---------------------|---|---|
| 9/2/2022 | Modification | Increase facility throughput Update emission calculations Remove opacity condition Remove Tank SN-435 Remove Tank SN-2018 |

6. REVIEWER'S NOTES:

The facility proposes to increase the hourly maximum throughput from 2,922 bbls/hr and 25,595,000 bbls/yr to 3,600 bbls/hr and 31,536,000 bbls/yr, update the regulatory requirements of SN-437, update the sources to reflect current unrounded H2S emissions, remove an opacity condition due to no particulates, and remove two Tanks from the permit (SN-435 and SN-2018).

Due to these changes and changes in the method of emission calculations, permitted emissions will decrease by 24.0 tpy VOC, 2.0 tpy Total HAPs, and 0.0098 tpy H₂S.

7. COMPLIANCE STATUS:

The following summarizes the current compliance of the facility including active/pending enforcement actions and recent compliance activities and issues.

The facility was last inspected on October 27, 2020, and was found to be compliance. No issues were found. A self-disclosure was sent to the Division by the facility on June 15, 2022. This self-disclosure listed two compliance issues, namely, the exceedance of the throughput limit and the lack of a notification of reconstruction and restart for Tank 437.

8. PSD/GHG APPLICABILITY:

a) Did the facility undergo PSD review in this permit (i.e., BACT, Modeling, etc.)? N
If yes, were GHG emission increases significant? N

b) Is the facility categorized as a major source for PSD? N

- *Single pollutant ≥ 100 tpy and on the list of 28 or single pollutant ≥ 250 tpy and not on list*

9. SOURCE AND POLLUTANT SPECIFIC REGULATORY APPLICABILITY:

| Source | Pollutant | Regulation (NSPS, NESHAP or PSD) |
|----------------------|-----------|-------------------------------------|
| SN-01, 2013, and 437 | VOC | NSPS Kb |

10. EMISSION CHANGES AND FEE CALCULATION:

See emission change and fee calculation spreadsheet in Appendix A.

11. AMBIENT AIR EVALUATIONS:

The following are results for ambient air evaluations or modeling.

a) NAAQS

A NAAQS evaluation is not required under the Arkansas State Implementation Plan, National Ambient Air Quality Standards, Infrastructure SIPs and NAAQS SIP per Ark. Code Ann. § 8-4-318, dated March 2017 and the DEQ Air Permit Screening Modeling Instructions.

b) Non-Criteria Pollutants:

A NAAQS evaluation is not required under the Arkansas State Implementation Plan, National Ambient Air Quality Standards, Infrastructure SIPs and NAAQS SIP per Ark. Code Ann. § 8-4-318, dated March 2017 and the ADEQ Air Permit Screening Modeling Instructions.

c) H₂S Modeling:

A.C.A. §8-3-103 requires hydrogen sulfide emissions to meet specific ambient standards. Many sources are exempt from this regulation, refer to the Arkansas Code for details.

Is the facility exempt from the H₂S Standards N

If exempt, explain: _____

| Pollutant | Threshold value | Modeled Concentration (ppb) | Pass? |
|------------------|--|-----------------------------|-------|
| H ₂ S | 20 parts per million (5-minute average*) | 0.1555 ppm | Y |
| | 80 parts per billion (8-hour average) residential area | N/A | N/A |
| | 100 parts per billion (8-hour average) nonresidential area | 12.598 ppb | Y |

*To determine the 5-minute average use the following equation

$$C_p = C_m (t_m/t_p)^{0.2} \text{ where}$$

C_p = 5-minute average concentration

C_m = 1-hour average concentration t_m = 60 minutes

t_p = 5 minutes

12. CALCULATIONS:

| SN | Emission Factor Source (AP-42, testing, etc.) | Emission Factor (lb/ton, lb/hr, etc.) | Control Equipment | Control Equipment Efficiency | Comments |
|----|---|---|-------------------------------------|------------------------------|------------------------|
| 01 | AP-42 7.1.3 (2.1) | Formula lb/year | Seals as specified in 60.112b(a)(2) | Unknown | External Floating Roof |
| 02 | Mass balance Facility estimates from previous permits | 0.50% Vapor HAPs 1.5% Benzene 0.2% Cumene | - | - | 7,200 bbl/day |

| SN | Emission Factor Source (AP-42, testing, etc.) | Emission Factor (lb/ton, lb/hr, etc.) | Control Equipment | Control Equipment Efficiency | Comments |
|------|---|--|-------------------|------------------------------|------------------------|
| | | 0.5% Ethylbenzene 3.0% Hexane 0.2% Naphthalene 1.5% Toluene 1.5% Xylenes | | | |
| 337 | TANKS 4.0.9d | 0.06 MMgal/yr | - | - | Vertical Fixed Roof |
| 437 | | 18.80 MMgal/yr | - | - | External Floating Roof |
| 2013 | | 75.61 MMgal/yr | | | |

13. TESTING REQUIREMENTS:

The permit requires testing of the following sources.

| SN | Pollutants | Test Method | Test Interval | Justification |
|------|------------|-------------|---------------|---------------|
| None | | | | |

14. MONITORING OR CEMS:

The permittee must monitor the following parameters with CEMS or other monitoring equipment (temperature, pressure differential, etc.)

| SN | Parameter or Pollutant to be Monitored | Method (CEM, Pressure Gauge, etc.) | Frequency | Report (Y/N) |
|------|--|------------------------------------|-----------|--------------|
| None | | | | |

15. RECORDKEEPING REQUIREMENTS:

The following are items (such as throughput, fuel usage, VOC content, etc.) that must be tracked and recorded.

| SN | Recorded Item | Permit Limit | Frequency | Report (Y/N) |
|----------|----------------------|--|-----------|--------------|
| Facility | Crude oil throughput | 31,536,000 barrels (1,324,512,000 gallons) of product per rolling 12-month period | Monthly | No |

| SN | Recorded Item | Permit Limit | Frequency | Report (Y/N) |
|---------------|----------------------------------|--|-----------|--------------|
| 01, 2013, 437 | VOL storage and period | Total should not exceed 31,536,000 barrels per 12 rolling months | Varies | No |
| 01, 2013, 437 | Maximum vapor pressure | As calculated by §60.116b(e) | Varies | No |
| 01, 2013, 437 | Design, dimensions, and capacity | - | Initial | No |

16. DELETED CONDITIONS:

| Former SC | Justification for removal |
|-----------|--|
| #6 | Opacity removed due to facility not having particulate emissions for sources |

17. GROUP A INSIGNIFICANT ACTIVITIES:

The following is a list of Insignificant Activities including revisions by this permit.

| Source Name | Group A Category | Emissions (tpy) | | | | | | HAPs | |
|--|------------------|---------------------|-----------------|------|----|-----------------|--------|-------|--|
| | | PM/PM ₁₀ | SO ₂ | VOC | CO | NO _x | Single | Total | |
| | | | | | | | | | |
| Fugitive emissions (valves, connectors/flanges, pumps) | A-13 | | | 4.34 | | | | | |

18. VOIDED, SUPERSEDED, OR SUBSUMED PERMITS:

The following is a list of all active permits voided/superseded/subsumed by the issuance of this permit.

| Permit # |
|-----------|
| 2036-AR-3 |

APPENDIX A – EMISSION CHANGES AND FEE CALCULATION

Fee Calculation for Minor Source

Revised 03-11-16

Facility Name: Delek Logistics
LLC

Permit Number: 14-00448

AFIN: 2036-AR-4

| | | | Old Permit | | New Permit |
|-----------------------------------|--------------------------|--|------------|--|------------|
| \$/ton factor | 27.27 | Permit Predominant Air Contaminant | 46 | | 22.1 |
| Minimum Fee \$ | 400 | Net Predominant Air Contaminant Increase | -23.9 | | |
| Minimum Initial Fee \$ | 500 | | | | |
| | | Permit Fee \$ | 400 | | |
| Check if Administrative Amendment | <input type="checkbox"/> | Annual Chargeable Emissions (tpy) | 22.1 | | |

| Pollutant (tpy) | Old Permit | New Permit | Change |
|-------------------|------------|------------|-----------|
| PM | 0 | 0 | 0 |
| PM ₁₀ | 0 | 0 | 0 |
| PM _{2.5} | 0 | 0 | 0 |
| SO ₂ | 0 | 0 | 0 |
| VOC | 46 | 22.1 | -23.9 |
| CO | 0 | 0 | 0 |
| NO _x | 0 | 0 | 0 |
| H2S | 0.01 | 0.000218 | -0.009782 |
| Total HAPs | 3.84 | 1.8 | -2.04 |