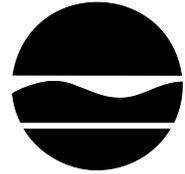


New York State Department of Environmental Conservation
Division of Environmental Permits, Region 4

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Joe Martens
Commissioner

September 10, 2014

Mr. Tom Keefe
Director of EHS Operations
Global Companies, LLC
800 South Street, Suite 200
P.O. Box 9161
Waltham, MA 02454-9161

Re: MOSF #4-1200 – Global Facility
Port of Albany
Albany (C), Albany County

Dear Mr. Keefe:

On May 15, 2014, your counsel, Dean Sommer, responded to my March 24, 2014 letter in which I asked a number of questions as part of the comprehensive review by the Department of Environmental Conservation (the Department) of the Title V air permit modification requested by Global Companies, LLC (Global) for its Port of Albany facility (the Facility) and related issues. We appreciate Global's submission of information in that response and have several follow up questions.

It is not the purpose of this letter, however, to respond to the numerous contentions on legal and other points made in Global's May 15th letter, particularly in its first seven pages. At the same time, the Department in no way concedes the validity of those contentions.

Our additional questions are as follows:

- A. In its answer to Question #10, Global indicates that "To reduce viscosity and improve the flow characteristics, lighter end petroleum hydrocarbons are blended into certain crude oils." Does Global currently store heavy crude oils mixed with diluents at the Facility? If so, please describe such storage that may have occurred during the current calendar year. Please also describe assays/characteristics of the diluents, including the source of that information.
- B. With respect to the required testing of crude oil prior to being offered into transportation (see answer to Question #10), how is the testing done (i.e., method, frequency)? What specific information is obtained by testing and where and to whom is that information made available? Is all the information obtained through the required testing made available? Is the information that is obtained by the required testing entered in bills of lading? Please provide a representative set of bills of lading for crude oil types received at the Facility.
- C. Does Global have data regarding the hydrogen sulfide content or mercaptan content of the crude oil received at the Facility? If so, please provide that information. If the hydrogen sulfide content or mercaptan is elevated, what steps are or should be taken to protect workers, the community and the environment?

- D. Does Global have information on the Total Acid Number or TAN of the crude oil received at the Facility? If so please provide that information. If the TAN is elevated, what steps are or should be taken to address potential corrosion and the risk of accidental releases?
- E. In its answer to Question #11, Global states, in part, that “At the Albany terminal, Global is permitted to receive, store and distribute a wide variety of petroleum products, including gasoline, diesel fuel, home-heating oil, kerosene, crude oil, and renewable fuels such as ethanol. Global is seeking to add handling of biodiesel at the Albany terminal. Global is also seeking to heat certain grades of products that are already permitted to be received, stored and distributed.” In response to Question #23, Global states, in part, that “The type of crude oil shipped at the terminal will consist of Group 1, Group 2, Group 3 and Group 4 oils.”

Please provide an estimate of the minimum and maximum amounts of each type of petroleum product, by Group and by the categories used in the answer to Question #11 (e.g., ethanol, home-heating oil), that are expected to be received at the Facility. With respect to crude oil, please also break down such estimates by Bakken crude oil, “tar sands” crude oil and the other major types of crude oil. Please also provide an estimate of the throughputs of each type of product and each Group, assuming the proposed modification is approved.

- F. The first part of Question #12 was “What actions does Global plan to implement to address any unique qualities associated with bitumen crude oil with respect to fires, explosivity, spill prevention and response and describe how these potential impacts to the community can be successfully avoided?” In addition to the discussion of prevention and response contained in Global’s answer to Question #12, are there steps that can be taken to improve prevention of and response to spills of bitumen crude oil, in light of its greater tendency to sink in water than lighter crude oils?
- G. Global's response to Question #19 states that vents on the railcars are opened only after offloading has begun, but does not explain when the vents are closed. Global should specifically describe when the vents are closed and explain whether and how its procedures ensure that the vents are closed as soon as offloading ceases.
- H. Also in response to Question #19, Global explains that oils that can be pumped at ambient temperatures, such as Bakken Crude, will not be heated. Global points out that it will check shipping papers to confirm the product that is contained in the railcars. What additional safeguards are proposed to ensure that lighter oils are not heated? Also, will Global be heating heavier crudes that have been diluted with “lighter end petroleum hydrocarbons” (see response to Question #10)? If so, what precautions will Global take to mitigate any risk of fire or excess emissions from the heating process?
- I. In response to Question #19, which also requests that Global "identify all procedures and tools that Global utilizes, or plans to utilize, to detect and repair leaks of air pollutants or other fugitive emissions from any aspect of its operations," Global states that its daily inspections include "inspection of equipment for unanticipated liquid and vapor leaks," but it does not explain how the inspections are done. It also refers generally to monthly inspections. Please explain these daily and monthly inspections in more detail: What equipment/processes at Global are inspected on a daily/monthly basis? What tools are used for those inspections? What is the process for repairing leaks (e.g., how quickly are the leaks repaired)?
- J. Indicate how the weight fractions in the vapor and liquid are derived, including sample calculations. Also, show how the molecular weights of the vapor and liquid fractions for each heated product are derived.

- K. In its reply to Question #22, Global states that piping runs located outside areas with secondary containment are limited in scope and that Global relies on facility drainage to contain a spill from such piping. Please provide an assessment of the feasibility of adding containment or automatic leak detection to these areas.
- L. In reply to Question #23, Global states that its Facility Response Plan currently covers spill planning and response for Group 1 and Group 2 oils, but would need to be updated to include Group 3 and Group 4 oils if the permit modification were approved. How would Global increase its spill recovery capacity for group 3 and 4 oils? Please confirm that Global does not currently handle type 3 and 4 oils at the Facility.
- M. Also in response to Question #23, Global states, in part, that “Although the terminal is permitted to store any type of crude oil, to ship Group 5 oils Global would need to conduct additional spill plan amendments and engineering analyses consistent with MOSF and API requirements.” Does Global intend to accept Group 5 oils? If so, what additional steps would Global take to enable it to handle this product?
- N. In reply to Question #26, Global states, in part, that “Liability for damages during transport of the oil is established by both statutory and common law and the terms of the applicable rail transportation agreements.” Please provide copies of Global’s rail transportation agreements with respect to the Facility.
- O. Also in reply to Question #26, Global states that “. . . Global maintains insurance of various types with varying levels of coverage” with respect to certain specified shipments of crude oil. Does the insurance cover shipments of crude oil in locations other than the Facility? Please specify which locations are covered.
- P. Also in reply to Question #26, Global states that "Global also maintains financial assurance as required by the State Navigation Law." Please specify the mechanism(s) used to provide such financial assurance. Please clarify whether the only mechanism is insurance, as suggested in reply to Questions ##28 & 29.

Thank you in advance for your cooperation.

Sincerely,

William J. Clarke
Regional Permit Administrator
Region 4

Cc: K. Goertz
R. Ostrov
R. Leone
D. Sommer