Louisiana Offshore Oil Port (LOOP)

EPA Region 6 Regional Administrator Briefing

February 26, 2018

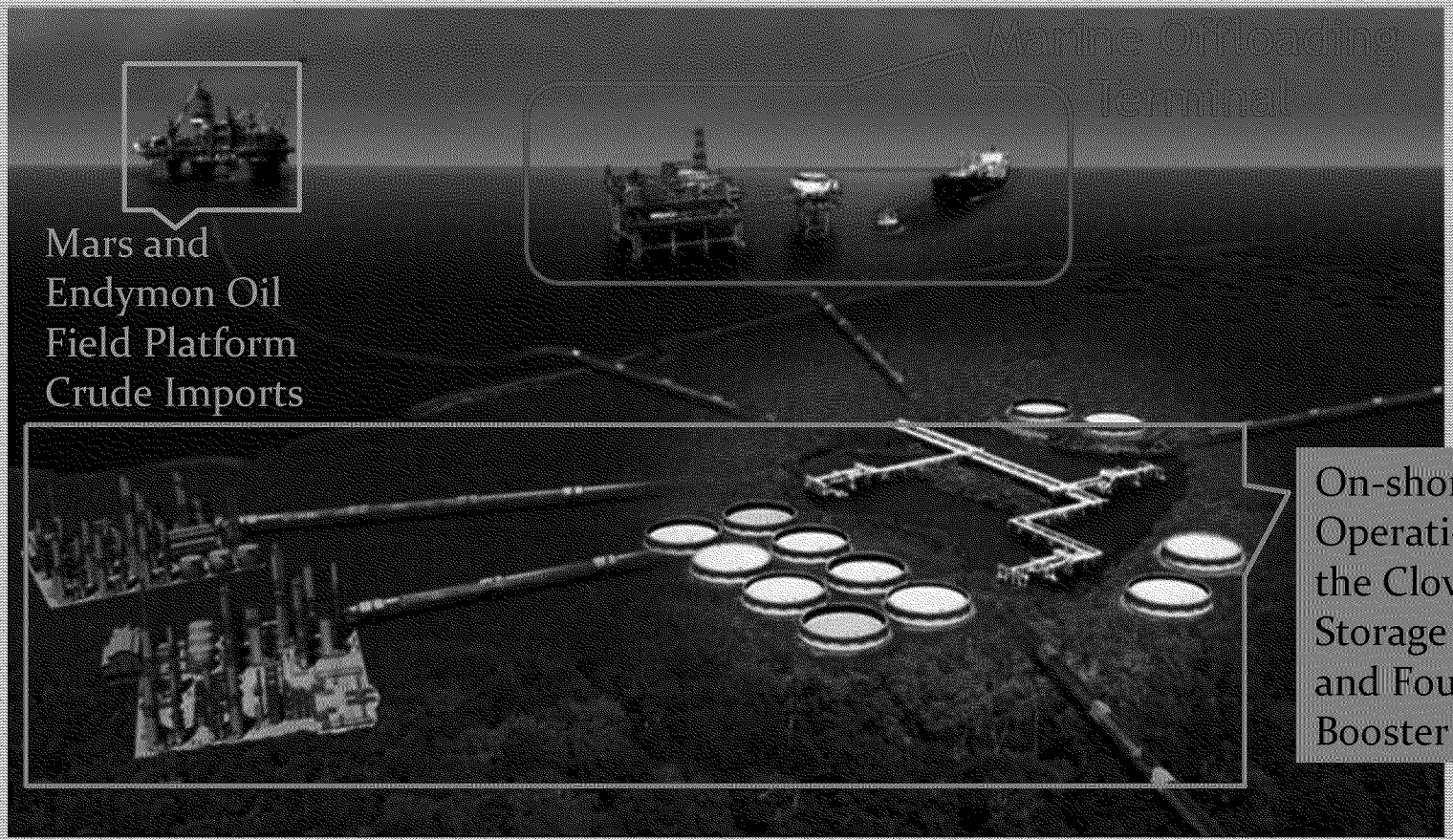
LOOP Briefing Topics

* Facility Background and Operations Overview
* Regulatory Background and Legal Opinions
* Permitting in the Gulf of Mexico
* Air Permitting
* Water Permitting
* Cross-Cutting Law Issues
* Media Attention and Public Concerns
* Recommendations

Facility Background

* 1972 - a consortium of oil production and pipeline transport companies proposed an offshore terminal to import crude oil. LOOP Deepwater Port Complex currently includes: Marine Offloading Terminal, Clovelly Dome Storage Terminal, Small Boat Harbor, Fourchon Booster Station, Operations Control Center and various pipelines and brine reservoir.
* 1977 – a deepwater port license was issued to LOOP for the construction and operation of a deepwater port for crude oil imports. License amended in 2001 and 2008.
* 1981 – LOOP Marine Offloading Terminal received first crude carrier import.
* 2017 - LOOP handles 13% of nation's foreign oil import and domestic crude.
* 2018 – LOOP to operate bi-directionally and become an import and export oil terminal.

LOOP Deepwater Port Complex – Operations Overview



Marine Offloading Terminal located approximately 18 nautical miles (20.7 mi) off the coast of Louisiana.

Regulatory Background

Deepwater Port Act

- Deepwater Port Projects are seaward of state waters.
- Deepwater Ports are defined as any fixed or floating manmade structure other than a vessel … used or intended for use as a port….
- The Deepwater Port Act applies federal law and applicable State law to deepwater ports, and further **designates deepwater ports as "new sources" for CAA and CWA purposes**.
- EPA regards the Deepwater Port Act as primary source of its authority to apply the CAA to activities associated with deepwater ports. EPA Region 6 has previously reviewed and issued permits for other deepwater port projects in the Western Gulf.

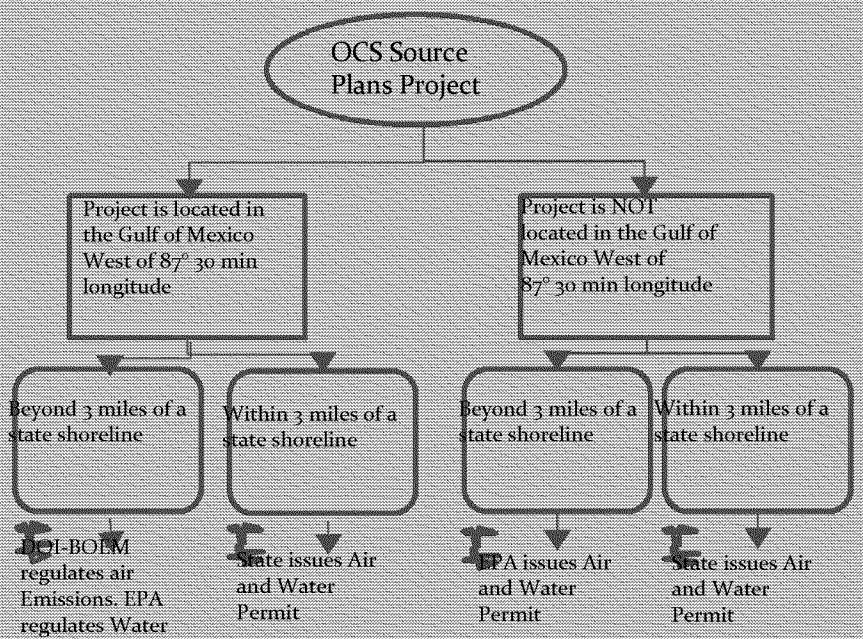
Outer Continental Shelf Lands Act

- Establishes air pollution control requirements for certain facilities seaward of state waters and subject to the CAA (in the western Gulf of Mexico).
- Outer Continental Shelf sources are involved in the exploration, development and production of minerals and includes wind farms.
- EPA does not normally administer the CAA in the "Western" Gulf of Mexico (West of 87 degrees, 30 minutes). The Bureau of Ocean Energy Management (BOEM) regulates air emissions for the "Western" Gulf of Mexico pursuant to CAA Section 328.

Permitting in the Gulf of Mexico

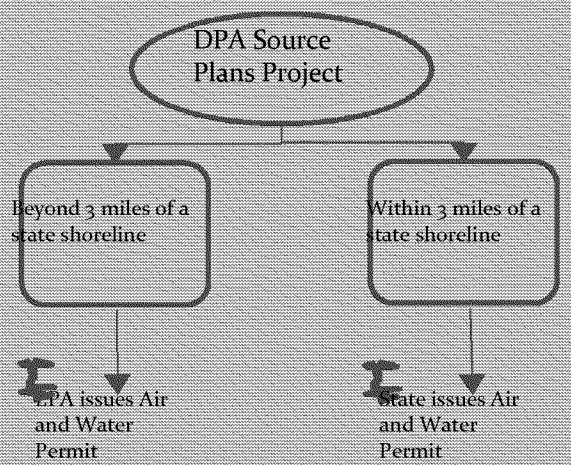
Outer Continental Shelf Lands Act (OCSLA)

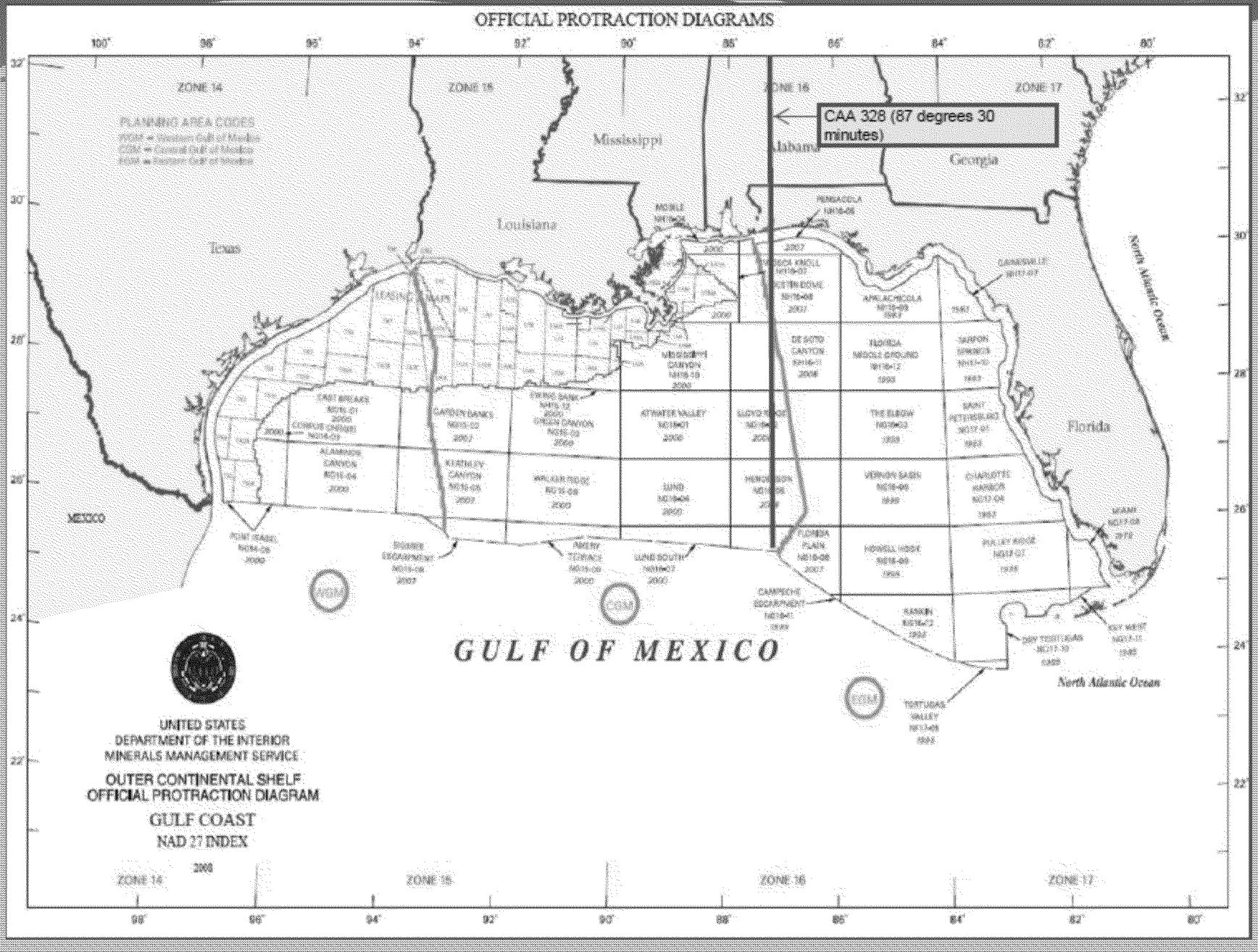
Oil and gas exploration, development, or production or offshore wind farm installation



Deepwater Port Act (DPA)

Any fixed or floating manmade structure other than a vessel, or any group of such structures…used or intended for use as a port or terminal for the transportation, storage, or further handling of oil or natural gas for transportations….




OFFICIAL PROTRACTION DIAGRAMS
CAA 328 (87 degrees 30 minutes)
ZONE 14
ZONE 15
ZONE 16
ZONE 17
Texas
Louisiana
Mississippi
Alabama
Georgia
Florida
MEXICO
North Atlantic Ocean
GULF OF MEXICO
UNITED STATES
DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE
OUTER CONTINENTAL SHELF
OFFICIAL PROTRACTION DIAGRAM
GULF COAST
NAD 27 INDEX

Legal Opinions Concerning CAA Applicability

LOOP's Legal Memorandum

* Air emissions from the Marine Offloading Terminal are subject to exclusive Department of Interior (DOI) regulation and not EPA jurisdiction.
* LOOP is not required to engage in the EPA CAA permitting process or to consider EPA CAA emission standards.
* LOOP's Volatile Organic Compound (VOC) emissions meet the DOI exemption standards and no authorization or approval from DOI is required.

EPA Region 6 Office of Regional Counsel Response

* LOOP's operation description does not meet the definition of an "OCS" source but instead a deepwater port. Section 328 of CAA does not apply.
* The deepwater port license issued to LOOP was issued pursuant to the Deepwater Port Act regulations.
* LOOP's legal opinion does not address the relevant issue of air emission permitting required under the Deepwater Port Act and CAA.

Air Permitting

LOOP Onshore Operations:

* LDEQ has issued PSD and title V permits for the onshore portion of the LOOP Deepwater Port Complex
* 2016 – LDEQ amended the existing title V operating permit and Prevention of Significant Deterioration permit for the onshore operations.

LOOP Offshore Marine Offloading Terminal Operations:

* **EPA has no historical or current air emission data from the facility**
* **EPA has never received any air permit applications** or air emissions information for the existing offshore Marine Offloading Terminal or the proposed modifications.
* Offshore emissions have never been evaluated for impacts to Breton Island, a Class I visibility area that will involve the National Park Service.

Air Permitting under the Deepwater Port Act and CAA

"…designates DWP as 'new sources' for CAA purposes."

Pre-Construction (New Source Review) Permit:

- If modification has air emission increases above *minor* NSR thresholds, EPA Region 6 will issue a minor NSR permit in accordance with the nearest adjacent coastal state's regulations (Louisiana).
- If a modification has air emission increases above *major* NSR thresholds (PSD), EPA Region 6 will issue a PSD permit in accordance with 40 CFR 52.21 and applicable state law.

Operating Permit:

- If the existing facility and any modification result in air emission levels are that *below* the Title V Operating Permit Program thresholds then an EPA issued minor Operating Permit is issued in accordance with the nearest adjacent coastal state regulations.
- If the existing facility and any modification results in air emission levels *above* the Title V Operating Permit Program thresholds or an emission unit is subject to a NSPS or NESHAP standard then a Title V Operating Permit is needed.

NPDES & LPDES Permitting

LOOP Onshore Operations:

- LDEQ has issued LPDES as well as jointly issued NPDES/LPDES permits for discharges onshore and to the territorial seas
- The latest modification being rolled into the permit reissuance includes a new onshore outfall for stormwater
- The concentrated brine discharge from the salt cavern is in Louisiana territorial waters from outfall 004
  - Outfall 004 has been a point of contention with the permittee challenging the appropriateness of a whole effluent toxicity limitation as part of the latest permit action

LOOP Offshore Operations:

- LOOP currently has 3 outfalls to federal waters
  - Oil/water separator, sewage treatment & non-contact cooling water
- The latest modification being rolled into the permit reissuance includes a new outfall for a desalination unit and evaluation of the intake structure for unit.

NPDES & LPDES Permitting

* 1977 - EPA Region 6 issued the initial CWA permit that includes the offshore Marine Terminal outfalls
* Louisiana took on NPDES permitting in 1996
* Renewal application received in 2013 for existing operation
* Amended application for a desalination unit discharge in Federal waters and an additional onshore stormwater discharge
* Permits reissued in:

Action	Year
Initial Issuance (NPDES only)	1977
Reissuance (NPDES only)	1979, 1985
Reissuance (State only)	1986, 1993
Reissuance (NPDES/LPDES combined)	2003, 2008

Cross-Cutting Law Issues

EPA must complete review and consultations under the following laws prior to issuance of final permits:

Cross-Cutting Law	Status
National Environmental Policy Act (NEPA)	• NPDES only • LOOP preparing Environmental Assessment (EA)
Endangered Species Act (ESA)	• NPDES: EPA Region 6 preparing Biological Evaluation (BE) • CAA: TBD
Magnuson-Stevens Fishery Conservation and Management Act	• NPDES: Concurrence Received • CAA: TBD

Media Attention and Public Concerns

* January 2018 news reports that the proposed export operations may face potential protests from environmental groups such as the Louisiana Bucket Brigade.
* Louisiana Bucket Brigade states that a Greenpeace ship could soon be sent to protest LOOP.
* Concern for operations without vapor recovery system.
* February 13 - Center for Biological Diversity, Gulf Restoration Network, and Louisiana Bucket Brigade filed lawsuit over EPA's general permit for oil & gas discharges in the Gulf of Mexico.

LOUISIANA BUCKET BRIGADE

Clean Air. Justice. Sustainability.

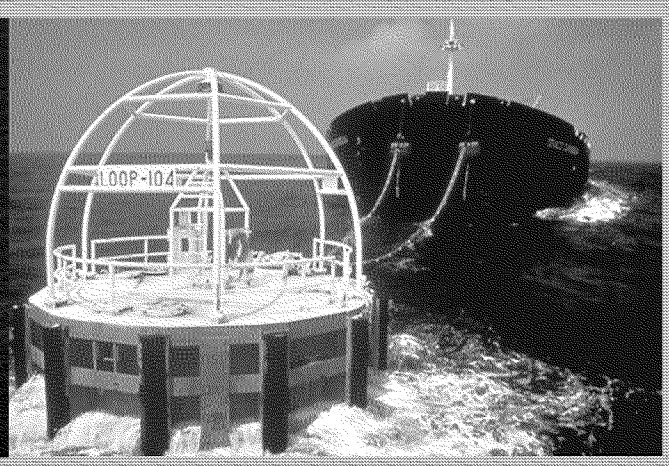
Recommendations

* LOOP may call Congressional representatives and EPA senior management including the Administrator's office as discussions continue regarding N/LPDES cross-cutting law obligations and CAA permitting obligations;

* Agree on timeline for submittal of cross-cutting law information for NPDES permit;

* Agree on timeline for submittal air emission data for the Offshore Marine Terminal and submittal of air permit application(s) and supporting cross-cutting law information to EPA Region 6;

* Evaluate based on discussions with LOOP whether to send LOOP a request to provide information pursuant to Section 114 of the CAA for the Offshore Marine Terminal; and,

* Pursue Administrative Order on Consent, including schedules, to allow current operations to continue while CAA and CWA permit decisions are finalized.

Questions?