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Mark Personius, Director Whatcom County Planning & Development Services 5280 Northwest Drive Bellingham, WA 98226

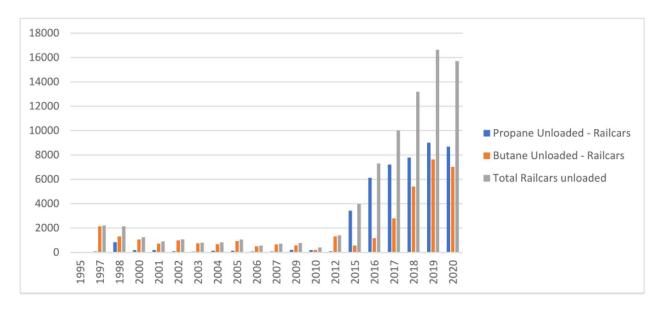
Dear Director Personius,

Northwest Clean Air Agency (NWCAA) has issued the enclosed Notice of Violation (NOV) to the Petrogas Ferndale Terminal facility located in the Cherry Point Industrial Area. The alleged violations address an unpermitted increase in the Petrogas facility's emissions of volatile organic compounds (VOCs) resulting from a material increase in the volume of propane delivered to the facility, beginning in 2015 and continuing through the present.

In 2016, NWCAA approved the facility's application to replace two aging compressors, which the facility stated were near end of life. The SEPA checklist submitted to Whatcom County for the compressor replacement project stated that there were "no future additions expansions or activities related to the proposed activities" and "the project will not increase the total number or frequency of rail cars to and from the terminal."

Beginning in 2015, the facility also made a number of changes that were not permitted by NWCAA that increased the facility's capacity for propane deliveries and handling. These changes allowed the facility to make use of the greater capacity of replacement turbines to materially increase propane deliveries. The enclosed NOV identifies violations of air quality permitting and regulatory requirements related to the facility changes, the increase in propane throughput, and the resulting increase in VOC emissions.

While materials may be received at the facility by pipeline, truck, and rail, most of the throughput expansion since 2015 has been attributable to rail receipts. Railcar unloading expanded from an average of about 1,000 cars/year to up to 16,633 railcars in 2019. Ship traffic also expanded from 2-5 berthing events per year to 26 in 2019. The following data presents the number of railcars unloaded at the facility since 1995.



NWCAA wanted to call this matter to Whatcom County's attention, since the County was the lead agency for SEPA purposes for the 2016 compressor replacement project and could be the SEPA lead agency for any future permitting action that stems from the enclosed NOV. Please let us know if we can be of further assistance or answer any questions regarding this action.

Respectfully,

Mark Buford, Executive Director