

Action Summary Minutes

CENTRAL REGION HEARING BOARD MEETING

Central Region Office Governing Board Room

1990 E. Gettysburg Ave., Fresno, CA 93726

And

Southern Region Office

34946 Flyover Court, Bakersfield, CA 93308

Wednesday, September 15, 2010, 10:00 a.m.

MINUTES

1. **CALL MEETING TO ORDER:**

The Chair, Jerry Boren, called the meeting to order at 10:03 a.m.

2. **ROLL CALL:**

Jerry Boren, Chair – Engineer	Present
Robert Schumacher – Public	Present
Jim Waterman – Attorney	Present
Gerry Mulligan – Public	Present
Dr. James Glaser, M.D. - Medical	Present

Staff present – Central Region (Fresno): Patrick Houlihan, Senior Air Quality Specialist; Ryan Hayashi, Supervising Air Quality Specialist; Clay Bishop, Sr. Air Quality Inspector; Phillip Jay, District Counsel; Lynn Sargenti, Senior Office Assistant

3. Approval of Minutes from August 18, 2010

4. **PUBLIC HEARING:**

The Chair asked the Clerk to verify that all items had been properly noticed. The Clerk responded that they had. All those present to testify were sworn in by the Chair. The Chair asked that the agenda packet and any addenda brought forth to be entered into the official record.

A.	C-10-19i	Compass Global Energy Coalinga Oil Field Coalinga, CA
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Petitioners: Tom Blacklock

Mr. Houlihan presented the staff report.

Mr. Mulligan asked Mr. Houlihan if he agreed with the findings presented by the facility if switching to natural gas will help them come into compliance. Mr. Houlihan explained that other processing facility burners that were fired on propane were unable to meet the lower limits and once they switched to natural gas were able to do so.

Mr. Mulligan asked if the new burners were utilizing BACT (Best Available Control Technology). Mr. Houlihan stated that it has to meet Rule 4320, but wasn't sure at this time if it was BACT. He also stated that it is pretty low at 7ppm, so it could be.

Mr. Boren commented that he was concerned about the required findings, which doesn't say when the gas line would be done and how long it would take to get it installed and what the emissions would likely be during that time. He had concerns committing to making findings given that much of the information is not available.

Mr. Houlihan stated this would be addressed more at the regular variance staff report which will be heard next month. Mr. Boren expressed his concern regarding Finding #2, and asked why is it beyond reasonable control of the petitioner to show compliance? Mr. Houlihan explained that when the facility purchased the burner, the manufacturer guaranteed that it would meet the requirement. The facility informed the manufacturer that it would be fired on propane. The manufacturer still said it would meet the 7ppm, but it did not.

Mr. Boren still felt concern on the finding which states, "There is some certainty that we can make the findings next time". He felt he couldn't be sure that he could make the findings on the regular variance next time, based on not knowing until that time as to whether there is a problem or not.

Mr. Houlihan stated the facility is uncertain how long it will take to come back into compliance as this also depends on PG&E running the natural gas pipeline. It is possible that the facility could run the full 12 months on the regular variance and need an extension.

Mr. Boren stated that this is a factor that the Board needs to look at next month when considering the variance.

Mr. Blacklock agreed that the PG&E issue is a critical one. He assured the board that they are doing everything they can to expedite the installation and hope to have more information next month when they

return for the regular variance petition. They are also looking at increasing the CO in the burner, which may help. The facility has submitted an ATC to modify the permit to allow this. Currently looking at several options and not relying on just the natural gas line.

Petitioner agrees with the conditions of the variance.

Public Comment: No public comment

Moved: Glaser
Second: Waterman

Ayes: Mulligan, Schumacher, Waterman, Boren, Glaser

Having decided that good cause can be found, the Hearing Board voted to pass the Motion to grant the variance subject to the conditions on the staff report.

C. C-10-20S Coalinga Cogeneration Company
32812 West Gale Ave.
Coalinga, CA

(Note: This item was heard out of order from the agenda.)

Petitioners: Daniel Beck

Mr. Houlihan stated a correction to the Docket No. for this item on the staff report. It will be changed from C-20-20S to C-10-20S.

Patrick Houlihan presented the staff report.

Mr. Houlihan noted correction to conditions 4, 5 & 6 on page 3. Insert the word "excess" at the beginning of each sentence to read: "Excess NOX..."; "Excess CO..."; "Excess ammonia...". This correction will clarify any excess emissions above and beyond the permit limit.

Mr. Mulligan asked who takes their power. Mr. Houlihan explained that they supply steam to the Chevron oil fields, power to run some of the oil field operations and the rest is sold to PG&E.

Mr. Beck corrected this stating that all their power is sold to PG&E. However, the steam does go to Aera and Chevron.

Mr. Boren asked about excess emissions that exceed the hourly but not the daily, if this makes them subject to any kind of penalties or credits?

Mr. Houlihan stated they would be treated as if they were violating the daily. If they are over a ton of NOX they would pay \$3.75 a pound. Given that they are not expected to exceed the daily and that the variance is only for 2 or 3 days, it is not expected to exceed the limit.

Mr. Beck stated he agreed with the conditions. He did clarify that the current data does not indicate any emission problem. Also that Chevron as of today is linking the gas line to complete their work. They have had a problem with one of their compressors which could affect how quickly the line gets on-line. Hoping for no gas issues related to these compressors.

Public Comment: No public comment

Moved: Waterman
Second: Glaser

Ayes: Mulligan, Schumacher, Waterman, Boren, Glaser

Having decided the required findings have been made, the Hearing Board voted to pass the Motion to grant the variance subject to the conditions in the staff report.

B. C-10-22S ExxonMobil
Hill Property Heavy Oil Facility
18271 Highway 33
McKittrick, CA

Petitioners: Jack Jones

Mr. Houlihan presented the staff report.

Mr. Jones added comments to the report. He explained that on the top of the tanks, are isolation valves which are hooked up to the VRS (Vapor Recovery System). When they begin the process, they will do as the District has asked and drain and clean the tanks, purge them with nitrogen, and shut the isolation valves so that the subject line in question will be isolated to avoid any leaks.

Mr. Jones agreed with the conditions of the variance.

Public Comment: No public comment

Moved: Mulligan
Second: Schumacher

Ayes: Mulligan, Schumacher, Waterman, Boren, Glaser

Patrick informed the Hearing Board that the meeting in October will also be a video conference meeting.

10. **ADJOURNMENT**: The Chair adjourned the meeting at 10:44 a.m.