

Action Summary Minutes

CENTRAL REGION HEARING BOARD MEETING

Central Region Office Governing Board Room
1990 E. Gettysburg Ave., Fresno, CA 93726
and
Video Teleconference Room
San Joaquin Valley Air Pollution Control District – Southern Region Office
34946 Flyover Court, Bakersfield, CA 93308

Wednesday, April 20, 2011, 10:00 a.m.

MINUTES

1. **CALL MEETING TO ORDER:**

The Chair, Jerry Boren, called the meeting to order at 10:06 a.m.

2. **ROLL CALL:**

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

Staff present – Central Region (Fresno): Ryan Hayashi, Supervising Air Quality Specialist; Patrick Houlihan, Senior Air Quality Specialist; Catherine Redmond, Legal Counsel; Lynn Sargenti, Senior Office Assistant

3. Approval of Minutes from March 16, 2011

Mr. Waterman arrived at this time.

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-11-04P Rheem Sales Company
2600 Guntar Park Drive East
Montgomery, AL 36109

Petitioners: Allen Wicher

Ryan Hayashi presented the staff report. The water heater manufacturer is requesting a product variance due to changes in Rule 4308 effective January 1, 2011. The change requires the NOx emissions to be lowered from 77 ppm down to 20 ppm. The rule requires each model unit be certified to demonstrate compliance. The rule changes also require other changes made to the industry. The petitioners need time to make the required changes to the product. The new units are required to be certified to be sold in the valley. The petitioner can be certified either by South Coast AQMD or the San Joaquin Valley APCD. .

Rheem has indicated they have few units that currently meet the new requirements. The units they do have that would comply don't necessarily fit all applications and uses. If required to have to use these units, major modifications would have to be made to structures or to the unit to make them work.

Rheem would like to continue selling the current models that are atmospherically vented and/or have the tank thru 2011 until the newer models are developed and brought to the market.

Subject to the variance would be units with heat input rating from 75,000 to 400,000 btu, which are pre-designated and have all been listed by the petitioner. (A list was included with the variance request).

Rheem will have compliant units for sale at the end of the year in order to meet the rule requirements that South Coast AQMD and Bay Area AQMD have in place and are similar to the District's. But those rules do not take affect until Jan 1, 2012 and Jan 1, 2013, respectively.

Rheem was granted an interim variance on March 16, 2011 to allow them to continue to sell these units.

Rheem has requested a regular variance from the requirements of District Rule 4308. The variance will begin April 20, 2011 and end no later than December 31, 2011.

Estimated NOx from these units are about 16 pounds per year and the exceedence would be approximately 0.043 pounds per day. Calculations are based on the estimated average fuel usage of 365 million btu per year/per unit.

Mr. Wicher made a brief statement regarding the functions of Rheem and the challenges facing the company to come into compliance with the new rule.

Mr. Waterman asked Mr. Wicher if he felt that new construction was on the rise. Mr. Wicher replied that it does seem to be bottoming out.

Public Comment: No public comment.

Having decided the petition has met the required findings, on motion of Mr. Waterman, seconded by Mr. Mulligan, unanimously passed, the petitioner was granted a short variance.

B. C-11-07S Chevron, Inc.
17Z Gas Plant
McKittrick Oil Field
McKittrick, CA

Petitioners: Larry Landis, Robert Banker, Steve Enns (teleconference from the Bakersfield office)

A revised staff report was given to the Board.

Mr. Hayashi presented the staff report. Chevron is seeking a variance to allow the temporary shut-down for a scheduled turn around to perform necessary cleaning, inspection and routine repair maintenance work on targeted equipment and systems. Turn around is an industry standard maintenance cycle where the entire plant is shut down every few years. Due to the plant's vapor control system being off-line, VOC's will be released from the two drain tanks. Work is expected to take up to 15 consecutive days.

Mr. Landis thanked the Board for hearing the variance request. He agreed with the staff report and the recommendations.

Public Comment: No public comment.

Having decided the petition has met the required findings, on motion of Mr. Mulligan, seconded by Mr. Schumacher, unanimously passed, the petitioner was granted a short variance.

C. C-11-08S Shell Pipeline Company LP
37509 Oil City Road
Coalinga, CA 93210

Petitioners: Carlton Jordan, Alan Davis

Mr. Hayashi presented the staff report. Shell is replacing both turbines with electric motors in order to comply with Rule 4703. Turbine #1 will be shut down for replacement first. This will leave turbine #2 to operate continuously until the new electric motor is installed which will cause this to exceed its daily fuel usage limit. Once the electric motor is in place, turbine #2 will be shut down as well. Both gas turbines will be permanently removed.

Mr. Mulligan asked if Shell receives any incentives for removing the engines. Mr. Hayashi stated they do not.

Due to delays from their corporate office, Mr. Carlton asked if the variance dates could be changed to begin May 9th and end August 6th. The Hearing Board members agreed with the change.

Mr. Carlton and Mr. Davis had not had time prior to the meeting to read the conditions of the variance. They took a few minutes at this time and stated they agreed with the conditions and the staff report.

Public Comment: No public comment.

Having decided the petition has met the required findings, on motion of Mr. Schumacher, seconded by Dr. Goodwin, unanimously passed, the petitioner was granted a short variance.

5. The Central Region Hearing Board had not heard nor granted any emergency variances since the March 16, 2011, meeting.
6. **PUBLIC COMMENTS:** No public comments.
7. **HEARING BOARD COMMENTS:** None.
8. **NEW BUSINESS:** None.
9. **NEXT SCHEDULED MEETING:** May 18, 2011. This meeting will be held in the Central Region Office (Fresno) in the Governing Board room.
10. **ADJOURNMENT:** The Chair adjourned the meeting at 10:36 a.m.