

San Joaquin Valley Air Pollution Control District
Central REGION HEARING BOARD MEETING

Central Region Office Governing Board Room
1990 E. Gettysburg Ave., Fresno, CA 93726
Video Teleconference with District office in Bakersfield

ACTION SUMMARY MINUTES

Wednesday, October 17, 2012

*Meeting held via teleconferencing with the
Central Region Office (Fresno) and the
Southern Region Office (Bakersfield) participating via teleconferencing.*

1. CALL MEETING TO ORDER

The Chair, Jerry Boren, called the meeting to order at 9:58 a.m.

2. ROLL CALL

Jerry Boren (Chair) - Engineer	Present
Elizabeth Jonasson - Public	Present
Jim Waterman - Attorney	Present
Gerry Mulligan - Public	Present
Dr. Lorraine Goodwin, M.D. – Medical	Present

Staff Present:

Central Region (Fresno): Patrick Houlihan, Senior Air Quality Specialist; Annette Ballatore-Williamson, Legal Counsel; Carol Flores, Operations and Program Support Supervisor

3. APPROVE MINUTES OF September 19, 2012

The Chair asked if there were any comments regarding the Minutes for September 19, 2012. Hearing no comments, the Chair declared the minutes were approved as submitted.

4. PUBLIC HEARING

The Chair swore in all those present to testify for all matters.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
A. C-12-11i	Interim	Naval Air Station Lemoore 700 Avenger Avenue Lemoore, CA 93246

Petitioners: Scott Tarbox and Russell Dickison

Patrick Houlihan presented the Staff Report.

NASL has requested an interim variance, to be followed by a regular variance, from the requirements of District Rules 2070.7.0, 2201, and 2520 in addition to conditions of the subject Permits to Operate (PTOs). The requested variance period would be from October 20, 2012, until December 19, 2012, or until the petition on the regular

variance can be heard, whichever occurs first. If granted, the variance would allow the two subject test cells to exceed their daily fuel usage limit.

Mr. Mulligan asked if the petitioner will be caught up with the engines in backlogged if the petitioner is granted a regular variance in November. Mr. Houlihan responded the petitioner will have this information.

Mr. Boren requested more information regarding a Federal Title V deviation report. Mr. Houlihan explained the petitioner holds a federal permit and EPA does not recognize the variance granted by the Hearing Board. He added the petitioner is required to send a deviation report every time they exceed conditions on their permit.

Mr. Boren expressed his concern with condition #13 regarding the Naval Air Station ceasing operations for causing a nuisance. Mr. Houlihan explained the District process.

Ms. Jonasson asked if it was common for the conditions to state mitigations but not the application. Mr. Houlihan explained staff contacts the petitioner and modifying the mitigations and it is illustrated in the staff report. Ms. Jonasson asked if the petitioner amended the permit. Mr. Houlihan responded the petitioner had submitted the documents to amend the Permit. Ms. Jonasson asked how long the process for amending a permit is. Mr. Houlihan explained the process may take as long as seven months or longer.

Mr. Mulligan requested clarification on how far the test cells are from residential areas. Mr. Tarbox and Mr. Dickison presented aerial photos of where cells are located.

Mr. Tarbox explained the main purpose of Naval Air Station Lemoore is to support the US Pacific Fleet and flight operations. He commented to meet the increase for testing the Navy will have use more fuel and generate more emissions than currently allowed under permit requirements. Mr. Tarbox explained the number of engines needing test and repair has steadily increased and is expected to continue. He added the potential risk associated with shut down will have immeasurable negative effect on the Navy's ability to maintain fleet operations at a sustained level prescribed by the Department of Defense.

Mr. Mulligan asked how many engines per day are tested. Mr. Tarbox responded the capacity is 80 engines, in September there were 49 engines ready for issue. Mr. Mulligan asked if there were any safety risks to the pilots. Mr. Dickison responded the jet will not fly if there is any potential risk.

Ms. Jonasson asked if there were any other types of fuel being used, for example bio-fuel. Mr. Tarbox explained other naval stations are, NASL is not and is beyond reasonable control of NASL personnel.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
B. C-12-12S	Short	Rio Bravo Fresno 3350 South Willow Avenue Fresno, CA 93725

Petitioners: William Henson, Ted Guth and Justin Smith

Patrick Houlihan presented the Staff Report.

RBF has requested a short variance from the requirements of District Rules 1080, 2010, 2070.7.0, 2520, 4001, and 4352 in addition to the applicable conditions of the Authority to Construct (ATC) and Permit to Operate (PTO). The requested short variance period would be from November 2, 2012, until November 30, 2012. If granted, the variance would allow the continued operation of the power plant without a certified CEMS until it can be certified.

Mr. Mulligan requested clarification on the 7-day drift. Mr. Houlihan explained a third party vendor that is certified through the ARB; they will run their equipment alongside the CEMS to verify the results are equal.

Mr. Guth clarified the CEMS is currently installed in eight bio-mass plants in central California. He commented they've requested 28 days to ensure any re-starting of the certification process.

Mr. Waterman asked the source of fuel supply. Mr. Guth responded fuel supply is primarily from agriculture and construction communities.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
C. C-12-13S	Short	Chevron USA, Inc. 13D & 25D Oil Cleaning Plants Coalinga, CA

Petitioners: Martin Lundy, Bikky Summers, and Trevor Ault

Patrick Houlihan presented the Staff Report.

CUSA has requested a short variance from the requirements of District Rules 2010, 2070.7.0, 2201, 2520, 4401, and 4623 in addition to conditions of the subject Authorities to Construct (ATCs) and Permits to Operate (PTOs). The requested short

variance period would be for a non-consecutive 20-day period to occur sometime between October 17, 2012, and January 14, 2013, inclusive. If granted, the variance would provide relief to CUSA from having to incinerate the tank VRS and casing collection system vapors in the steam generators as required by the conditions of the permits. It would also allow wells with closed casing gas collection vents to produce into storage tanks that are not controlled by a VRS. Lastly, it would allow CUSA to continue to store VOC containing liquids in the subject tanks without a functional or operating VRS.

Mr. Houlihan presented the following modifications to the petition:

- Condition 1: The variance shall be effective for a non-consecutive 58-day period to occur sometime between October 17, 2012, and January 14, 2013, inclusive, or until the VRS is returned to compliant operation, whichever occurs first.
- Condition 4: VOC emissions, in excess of the permit limits, shall not exceed 1,981 pounds from the subject equipment over the duration of the variance period.

Ms. Jonasson asked why there were no mitigation arrangements. Mr. Houlihan explained emissions are only mitigated if there is an excess of 2,000 pounds. He added it is the District's policy not to request mitigation unless there is an excess of one ton. He commented the petitioner is still required to mitigate and is part of the six findings.

Mr. Lundy thanked Mr. Houlihan for the presentation on the petition. He had no further comments at this time.

Ms. Jonasson asked if there were other types of emission reductions being made. Mr. Lundy explained the facility does not have the capability for other types of reductions. Mr. Ault explained personnel are optimizing schedules.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
D. C-12-14S	Short	Coalinga Cogeneration Company 32812 West Gale Avenue Coalinga, CA 93210

Petitioners: Cory Eagar

Patrick Houlihan presented the Staff Report.

CCC has requested a short variance from the requirements of District Rules 2070.7.0, 2201, 2520, and 4703, in addition to conditions of the subject PTO's. The requested short variance would be effective for a non-consecutive 48-hour period to occur sometime between November 3, 2012, and January 31, 2013, inclusive. If

granted, the variance would allow CCC to operate with excess NOx, CO, and ammonia slip emissions while the turbine control system is undergoing testing.

Mr. Houlihan presented the following modifications to the petition:

- Condition 4: NOx emissions, in excess of the permit conditions, shall not exceed 1,989 pounds over the variance period.
- Condition 5: CO emission, in excess of the permit conditions, shall not exceed 1,920 pounds over the variance period.

Ms. Jonasson asked why there were no mitigation arrangements. Mr. Houlihan explained emissions are only mitigated if there is an excess of 2,000 pounds. He added it is the District's policy not to request mitigation unless there is an excess of one ton. He commented the petitioner is still required to mitigate and is part of the six findings.

Mr. Eagar explained it is a computer system that controls the actual turbine and after 25 years it is time to replace.

Ms. Jonasson asked if there was any machinery that could be shut down. Mr. Eagar explained the turbine is the only equipment. Ms. Jonasson asked staff if the petitioner is asked to consider scheduling personnel at different times due to entering PM season. Mr. Houlihan stated as a District he could not answer, as a compliance standpoint the decision is left to the petitioner and their schedules.

Public Comments: None

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

Mr. Waterman left at 11:11 a.m.

5. EMERGENCY VARIANCE

The Central Region Hearing Board granted two emergency variances since the September 19, 2012, Hearing.

6. PUBLIC COMMENTS

No public comment.

7. HEARING BOARD MEMBER COMMENTS

None

8. NEW BUSINESS

9. NEXT SCHEDULED MEETING

The next scheduled meeting is November 21, 2012. The meeting will be held in the Central Region Office (Fresno) in the Governing Board room.

10. ADJOURN

The Chair adjourned the meeting at 11:17 a.m.