

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

ACTION SUMMARY MINUTES

Wednesday, November 18, 2015

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

1. Call Meeting to Order

The Vice Chair, Dr. Loraine Goodwin, called the meeting to order at 10:02 a.m.

2. Roll Call

| | |
|--|---------|
| Loraine Goodwin (Vice Chair) – Medical | Present |
| Gerry Mulligan– Public | Present |
| Daniel Hartwig – Public | Present |
| Andrew Robertson – Engineer | Present |

Staff Present:

Southern Region (Bakersfield): Mike Oldershaw, Air Quality Compliance Manager

Central Region (Fresno): Jessi Fierro, Assistant District Counsel; Clay Bishop, Supervising Air Quality Specialist; Patrick Houlihan, Senior Air Quality Specialist; Shannon Moore, Air Quality Specialist; Crystal Bussard, Air Quality Specialist; Chris Kalashian, Air Quality Specialist; Carol Flores, Operations and Program Support Supervisor

3. Approve Minutes of October 21, 2015

The Vice Chair asked if there were any comments regarding the Minutes for October 21, 2015. Hearing no comments, the Vice Chair declared the minutes were approved as submitted.

4. Public Hearing

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

| | <u>Docket No.</u> | <u>Type</u> | <u>Company Name</u> |
|----|-------------------|-------------|---|
| A. | C-15-24S | Short | Pacific Ethanol Madera LLC 31470 Avenue 12 Madera, CA 93638 |

Petitioners: Polo Duarte

Ms. Bussard presented the Staff Report.

Pacific Ethanol Madera (PEM) has requested a short variance from the applicable requirements of District Rules 2070, 2201, and 2520 in addition to the applicable conditions of the subject permits. The requested short variance would be for a non-consecutive 26 hour period to occur sometime between December 1, 2015, and December 31, 2015, inclusive. If granted, the variance would allow for continued ethanol fermentation while the RTO is shut down for preventative maintenance. In addition, to allow engineering testing on two scrubbers to determine optimal water flow rate.

Petitioners had no further comments.

Public Comments: None

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

| <u>Docket No.</u> | <u>Type</u> | <u>Company Name</u> |
|-------------------|-------------|--|
| B. C-15-29S | Short | Chevron USA Inc 13D & 29D Oil Cleaning Plants Coalinga Oil Field |

Petitioners: Austen Paquette, Richard White, and Kris Rickards

Mr. Kalashian presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2010, 2070, 2201, 4401, and 4623 in addition to applicable conditions of the subject permits. The requested short variance period would be for a non-consecutive 96-hour period to occur sometime between November 19, 2015, and February 16, 2016, inclusive. If granted, it would allow Chevron to continue to store VOC containing liquids in the subject tanks without a functional or operating VRS. In addition, it would also allow wells with closed casing gas collection vents to produce into storage tanks that are not controlled by a VRS.

Mr. Robertson asked if the VRS requires electricity. Mr. Paquette responded affirmatively. Mr. Robertson asked if portable power is an option. Mr. Paquette responded portable power is not an option due to tie-ins on the infrastructure.

Mr. Mulligan asked if the weather makes a difference for the completion of the project. Mr. Paquette responded the colder weather is preferred due to off-gassing.

Public Comments: None

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

| | <u>Docket No.</u> | <u>Type</u> | <u>Company Name</u> | |
|----|-------------------|-------------|---|------------------|
| C. | C-15-31S | Short | Ampersand Chowchilla Biomass LLC 16457 Avenue 24 ½ Chowchilla, CA 93610 | <i>withdrawn</i> |

| | <u>Docket No.</u> | <u>Type</u> | <u>Company Name</u> |
|----|-------------------|-------------|--|
| D. | C-15-32S | Short | Aera Energy LLC South Generator Facilities Section 32 Dehydration Facility Coalinga Oil Field |

Petitioners: Tim Parcel

Mr. Moore presented the Staff Report.

Aera has requested a short variance from the requirements of District Rules 2070, 2201, 2520, 4401, and 4623 in addition to conditions of the subject PTOs. The requested short variance would be for a consecutive 24-hour period to occur sometime between December 15, 2015, and December 31, 2015, inclusive. If granted, the variance would allow AERA to continue to store VOC containing liquids at the Section 32 Dehydration Facility without a functional or operating VRS while they replace piping to increase gas throughput of their H2S scavenging system.

Mr. Parcel requested the start date of the variance be modified to December 1, 2015 due to construction being ahead of schedule. Mr. Moore agreed.

Mr. Mulligan asked if the preconstruction had begun. Mr. Parcel responded affirmatively.

Mr. Moore reported Recommendation will be modified as follows:

1. The variance shall be effective for a consecutive 24-hour period to occur sometime between December 1, 2015, and December 31, 2015, inclusive, or until the VRS is returned to compliant operation.

Public Comments: None

Having decided the petition has not met the required findings, on motion of Mr. Robertson and seconded by Mr. Hartwig, unanimously passed, the petitioner was granted a short variance.

| | <u>Docket No.</u> | <u>Type</u> | <u>Company Name</u> |
|----|-------------------|-------------|--|
| E. | C-15-33i | Interim | Guardian Industries Corp 11535 East Mountain View Avenue Kingsburg, CA 93631 |

Petitioners: Nathaniel Rutterbush and Besrat Solomon

Mr. Moore presented the Staff Report.

Guardian has requested an interim variance, to be followed by a regular variance, from the applicable requirements of District Rules 1080, 2070, 2201, 2520, 4101, 4202, and 4354 in addition to the applicable conditions of the subject permits. The requested interim variance period would be from November 5, 2015, through January 20, 2016, or until the Central Region Hearing Board has heard the petition for the regular variance, whichever occurs first. If granted, the variance will allow the continued operation of the glass melting furnace with excessive ammonia emissions.

Mr. Rutterbush provided a presentation as well as a piece of a catalyst system to illustrate the project. He explained the catalyst is the only one currently operating in a Guardian Plant worldwide. A catalyst test was conducted in November 2014 and sent to Austria for analysis. Results were obtained in January 2015; the length of time to test is equal to the amount to produce a catalyst. The strategy is to acquire a new catalyst to replace the catalyst that will be sent off for testing. The variance has been submitted due to the 144-hour limit has been exhausted.

Mr. Hartwig asked if there was any indication what made the unit cease to be productive. Mr. Rutterbush explained it's possible to poison catalysts by running at wrong temperature ranges or adding items to deactivate the sights but the exact cause is unknown.

Mr. Mulligan asked what other Guardian plants are using. Mr. Rutterbush explained most glass plants run uncontrolled emissions with a particulate device and adding the NOx control is a recent change for glass plants. Mr. Mulligan asked if the ammonia slip increase was observed over a period of time or if there was a spike. Mr. Rutterbush explained there was a noticed increase in consumption over the last 5-6 years.

Mr. Robertson requested the manufacturer name of the catalyst. Mr. Rutterbush responded Ibiden's catalysts custom to the application. Mr. Robertson asked the NOx limit for the facility. Mr. Rutterbush explained the NOx limit is based on glass production and is 3.7 lbs. /ton of glass pulled out of the furnace on a 24 hour rolling average or 3.2 lbs. /ton of glass pulled out of the furnace on a 30 day rolling average. Mr. Robertson asked if during the variance period the NOx limit will be near or exceeding the limit. Mr. Rutterbush explained the system is designed as a steady-state operation and there is not an option to push the NOx emission below 80% of the limit.

Mr. Mulligan asked if the facility remained in compliance. Mr. Moore explained Guardian will receive a Notice of Violation (NOV) for failing the source test. Mr. Bishop added the facility will also receive a NOV for excess NOx emissions.

Mr. Hartwig asked for an estimated cost of the system. Mr. Rutterbush responded the catalyst itself will be approximately \$150,000.

Mr. Mulligan asked if the life of the catalyst will be affected by the amount of production. Mr. Rutterbush responded affirmatively.

Dr. Goodwin asked if deterioration was possible from storing the catalyst. Mr. Rutterbush responded there is currently no knowledge of possible deterioration.

Public Comments: None

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

5. Emergency Variance

The Central Region Hearing Board heard and granted one emergency variance since the October 21, 2015, hearing.

6. Public Comments

None

7. Hearing Board Member Comments

None

8. New Business

None

9. Next Scheduled Meeting

The next scheduled meeting is December 16, 2015. The meeting will be held in the Central Region Office (Fresno) in the Governing Board room.

10. Adjourn

The Chair adjourned the meeting at 10:54 a.m.