

Action Summary Minutes SOUTHERN REGION HEARING BOARD MEETING

Southern Region Office Video Teleconference (VTC) Room 34946 Flyover Court, Bakersfield, CA 93308

Wednesday, December 14, 2011, 10:00 a.m.

Meeting held via teleconferencing (VTC) with the Central Region Office (Fresno) participating via VTC.

MINUTES

1. CALL MEETING TO ORDER:

The Chair, Hollis Carlile, called the meeting to order at 10:00 a.m.

2. ROLL CALL:

Robert Moeller – Medical Present
Hollis Carlile (Chair) – Engineer Present
John Stovall – Attorney Present
Nancy Dunn – Public Present
William Bland – Public Present

Staff present - Southern Region (Bakersfield): David Baldwin, Supervising Air Quality Inspector

Central Region (Fresno): Patrick Houlihan, Sr. Air Quality Specialist; Ryan Hayashi, Supervising Air Quality Specialist, Michael Carrera, Compliance Manager, Morgan Lambert, Compliance Director, Daniel Martinez, Supervising Air Quality Inspector, Catherine Redmond, Legal Counsel, Vicki Christie, acting as Deputy Clerk to the Board

3. APPROVE MINUTES OF NOVEMBER 9, 2011

The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of November 9, 2011. Hearing no comments, the Chair declared the minutes were approved as submitted.

4. PUBLIC HEARING:

All those present to testify were sworn in by the Chair, and he requested they sign in.

A. S-10-06X Extension Alon Bakersfield Refining

6451 Rosedale Highway Bakersfield, CA 93308

Petitioners: Helen Ordway

Southern Region Hearing Board ACTION SUMMARY MINUTES December 14, 2011 Page 2 of 6

ALON has requested an extension of the previously modified regular variance from District Rules 1080, 1081, 2010, 2070.7.0, 2201, 2520, 4001,4305, 4306, and 4320, in addition to conditions of the applicable Authorities to Construct (ATCs) and Permits to Operate (PTOs). The requested variance period would be from January 1, 2012, until December 31, 2012. If granted, the variance would allow ALON to continue the postponement of the current and upcoming RATA for the CEMS associated with the subject equipment. In addition, the variance would provide protection from upcoming source tests of the subject combustion equipment.

Ms. Ordway thanked Mr. Houlihan for his accurate representation of the petition. She had nothing further to add.

Public Comments: None

Having decided the petition has met the required findings, on motion of Mr. Stovall and seconded by Ms. Dunn, unanimously passed, the petitioner was granted an extension to their regular variance.

B. S-11-68S Short Alon Bakersfield Refining 6451 Rosedale Highway Bakersfield, CA 93308

Petitioners: Helen Ordway

ALON has requested a short variance from District Rules, 2070.7.0, 2201, 2520, 4305, 4306, and 4320, in addition to conditions of the applicable Permits to Operate (PTOs). The requested variance period would be for a consecutive 72-hour period to occur sometime between, and including, January 20, 2012, until April 14, 2012. If granted, the variance would allow ALON to exceed the allowed start up time of Selas heater. In addition, it would allow excess NOx emissions during the start up.

Ms. Ordway thanked Mr. Houlihan for his accurate representation of the petition. She had nothing further to add.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Dunn and seconded by Mr. Bland, unanimously passed, the petitioner was granted a regular variance.

C. S-11-69S Short Alon Bakersfield Refining 6451 Rosedale Highway Bakersfield, CA 93308

Petitioners: Helen Ordway

ALON has requested a short variance from District Rules, 2070.7.0, 2201, 2520, and 4623, in addition to conditions of the applicable Permits to Operate (PTOs). The requested variance period would be for a 24-hour period to occur sometime between,

Southern Region Hearing Board ACTION SUMMARY MINUTES December 14, 2011 Page 3 of 6

and including, December 15, 2011, and March 13, 2012. If granted, the variance would allow ALON to continue to store VOC containing liquids in the storage tanks without a functional or operating VRS.

Ms. Ordway thanked Mr. Houlihan for his accurate representation of the petition. She had nothing further to add.

Public Comments: None

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

D. S-11-70S Short Aera Energy LLC PO Box 11164 Bakersfield, CA 93389

Petitioners: Tim Smith, Brent Wynn

AERA has requested a short variance from District Rules 2070.7.0, 2201, 2520 and 4409 in addition to the applicable conditions of the subject Permit to Operate (PTO). The requested short variance would be for a seven-day period to occur something between January 3, 2012, and March 30, 2012. If granted, the variance would not require AERA to follow all the provisions of Rule 4409 while the de-ethanizer is being repaired.

Mr. Smith presented photos of the equipment in question and explained the scope of the work to be completed.

Mr. Wynn thanked Mr. Houlihan for his accurate report.

Public Comments: None

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

E. S-11-71S Short Chevron USA, Inc. PO Box 1392
Bakersfield, CA 93302

Petitioners: David Moore, Martin Lundy, Martin Quintero

CUSA has requested a short variance from District Rules 2070.7.0, 2201, and 4623 in addition to applicable conditions of the subject Permits to Operate (PTOs). The requested short variance period would be for a consecutive three-day period to occur sometime between, and including, December 14, 2011, and March 12, 2012. If granted, the variance would allow for the continued storage of VOC containing liquids

Southern Region Hearing Board ACTION SUMMARY MINUTES December 14, 2011 Page 4 of 6

in the tanks and vessels without a functional or operating VRS while CUSA replaces the subject breaker.

Mr. Lundy provided further clarification to the description of work to be done. This will result in a change to paragraph two on page one of the Staff Report. The District will accept these changes. Paragraph two will read as follows:

CUSA must replace the main motor control center (MCC1) electrical circuit breaker. The MCC1 breaker is the primary protection for all of the equipment fed from the motor control center in Station 31.

This change will also lead to changes in Required Findings number three and four in the Staff Report.

Required Finding number three will read as follows:

The closing or taking would require that four tanks be drained, degassed and cleaned which would result in the release of air contaminants due to the equipment and procedures involved. It would also cost CUSA roughly \$100,000.00 per tank for cleaning. The large economic loss and the emissions associated with the draining, degassing and cleaning of the tanks would negate any benefit a closing or taking would have in reducing air contaminants.

Required Finding number four will read as follows:

CUSA considered curtailing operations by following the tank cleaning procedures outlined in each permit by removing the tanks from service to performing the maintenance. However, it was not deemed practical based on the duration of the proposed activities, the amount of expected emissions, and the potential for additional excess emissions during tank cleaning, the expense of tank cleaning and the economic loss associated with the curtailment of production activities. IF CUSA left the current oil in the tanks, then variance relief would still be necessary to operate the subject tanks without a functional and operating VRS as it is required by the rule and conditions of the PTOs when VOC containing liquids are being stored.

The Petitioners had no additional comments.

Public Comments: None

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

F. S-11-63S Short Chevron USA, Inc. PO Box 1392 Bakersfield, CA 93302

Petitioners: David Moore, Martin Lundy, Martin Quintero

Southern Region Hearing Board ACTION SUMMARY MINUTES December 14, 2011 Page 5 of 6

CUSA has requested a short variance from District Rules 2070.7.0, 2201, 2520, and 4623, in addition to the conditions of the applicable Permits to Operate (PTOs). The requested variance period would be effective for a non-consecutive120-hour period to occur sometime between, and including, December 14, 2011, to March 12, 2012. If granted, the variance would allow CUSA to continue to store VOC containing liquids in the subject tanks without a functional or operating VRS discharge piping. It would also allow wells with closed well vapor vents to produce into storage tanks that are not controlled by a VRS.

Mr. Lundy asked to change the variance period to a NON-consecutive 120-hour period on page two of the Staff Report. The District will accept these changes. Mr. Lundy had nothing further to add.

Public Comments: None

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

G. S-11-72S Short Chapman Student Film 1835 West Willow Avenue Orange, CA 92868

Petitioners: Mairin Hart, Scott Field, Eric Coyne, Brad Dunlap, Mimi Schuler, Larry Stoneburner

CHAPMAN has requested a short variance from the applicable requirements of District Rule 4103. The requested short variance would occur sometime between January 31, 2012, and February 13, 2012. If granted, the variance would allow CHAPMAN to create bonfires for the purpose of filming a graduate student film and to burn after 5:00 pm.

After introductory comments from the petitioners, Mr. Field asked the District if there is any way CHAPMAN could get the OK to burn further in advance than 1-day. They also asked permission to double the fuel load. The plan is to have the fires burning during the shoot time and extinguish the fires after shooting is completed. A double fuel load will ensure that there will be dry wood to burn for the next day's shoot.

After lengthy discussion between the Board, Petitioners and District staff, it was agreed that CHAPMAN's request to double the fuel load was approved. However, because of changing weather patterns, etc., it is not possible to give more advanced notice than 1 day.

During the first 5 days of the filming period the District will give the film crew 1-day advanced notice that it's ok to burn. If it comes to the last 5 days of filming and there has not been a clear day, burning will be allowed to proceed, provided the film crew will work with the APCD and relevant fire crews to minimize, to the degree possible, any air pollution that might occur from the burn.

Southern Region Hearing Board ACTION SUMMARY MINUTES December 14, 2011 Page 6 of 6

Public Comments: None

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

H. S-11-74S Short Sycamore Cogeneration Company PO Box 80598 Bakersfield, CA 93380

Petitioners: Cory Eagar, Kyle Todt

SYCAMORE has requested a short variance from District Rules 2070.7.0, 2201, 2520, 4401, and 4703, in addition to the conditions of the applicable Permit to Operate (PTO). The requested short variance period would be for a non-consecutive 40-hour period to occur sometime between December 14, 2011, and March 13, 2012. If granted, the variance would allow the operation of the subject turbine unit with excess NOx and CO emissions while SYCAMORE conducts the necessary tuning.

Mr. Eagar thanked Mr. Houlihan for the staff report. He made note that Permit numbers affected by this variance should be S-511-0-3 & S-511-4-13.

Public Comments: None

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

- 5. The Southern Region Hearing Board has not heard nor granted any emergency variances since the November 9, 2011, Hearing Board meeting.
- 6. Public Comments: None.
- 7. HEARING BOARD MEMBER COMMENTS: None.
- 8. <u>New Business:</u> None.
- 9. <u>NEXT SCHEDULED MEETING</u>: Wednesday, January 12, at 10:00 a.m. The meeting will be held via video teleconferencing (VTC) in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via VTC.
- 10. ADJOURNMENT: The meeting was adjourned at 12:46 p.m.