



Action Summary Minutes

SOUTHERN REGION HEARING BOARD MEETING

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

Wednesday, April 11, 2012, 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:

Dr. Dean Haddock – Medical	Absent
Hollis Carlile (Chair) – Engineer	Present
John Stovall – Attorney	Present
Nancy Dunn – Public	Present
William Bland – Public	Present

Staff present - Southern Region (Bakersfield): Emily Gonzalez-Demont, Office Services Manager.

Central Region (Fresno): Patrick Houlihan, Senior Air Quality Specialist, Ryan Hayashi, Supervising Air Quality Specialist, Catherine Redmond, Legal Counsel, Michelle Banuelos, acting as Deputy Clerk to the Board.

3. APPROVE MINUTES OF MARCH 14, 2012
The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of March 14, 2012. 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-11-78R Regular Mt. Poso Cogeneration Company, LLC
36157 Famoso Highway
Bakersfield, CA 93380

Petitioner: William Dickson

Mt. Poso has requested a regular variance from District Rules 1080, 1081, 2010, 2070.7.0, 2201, 2520, 4001 and 4352 in addition to conditions of the applicable Authority to Construct (ATC) and Permit to Operate (PTO). The requested Regular variance period would be from April 11, 2012, until December 31, 2012. If granted, the variance would allow Mt. Poso to postpone the compliance source test and CEMS RATA until they can initiate the source test or RATA.

Mr. Dickson stated they made improvements in the fuel feed system. The source test RATA for this project is over a three day period, so it's imperative that the plant be operating steady over that three day period. The CEMS daily calibration continues to be done. They completed a cylinder gas audit in March of this year to confirm the CEMS is still operating per the requirements. They have modifications scheduled for the fuel feed system and feel confident it will stabilize boiler operations.

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 Regular variance.

B. S-12-08i Interim GE Betz
3050 Pegasus Drive
Bakersfield, CA 93308

Petitioner: Anthony Rowe

GE has requested an interim variance, to be followed by a Regular variance, from District Rule 4307 in addition to conditions of the applicable PEER. The requested interim and regular variance period would be from April 11, 2012, until June 30, 2012, or until the hearing on the Regular can be heard, whichever occurs first. If granted, it would allow the subject boiler to continue to operate while failing to meet the 30 ppm NO_x emission limit.

Mr. Rowe stated they have gotten a quote for two new boilers and are awaiting approval to be able to purchase the boilers. GE's plan is to install the equipment on a Friday and possibly be ready for a source test by the following Tuesday in order not to disrupt plant operations.

Mr. Stovall asked how many employees would be affected if the plant were shut down. Mr. Rowe answered 20 employees.

Public Comments: None

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

C. S-12-09i Interim Vintage Production California, LLC
Section 25, T30S, R21E
Bakersfield, CA 93311

Petitioners: Joey Barulich, Scott Lamb, Nicholas Diercks

Vintage has requested an interim variance, to be followed by a regular variance, from District Rules 2010, 2201, and 2520 in addition to conditions of the applicable Authority to Construct (ATC). The requested interim variance would be from April 2, 2012, until June 13, 2012, or until the hearing on the regular can be heard, whichever occurs first. If granted, it would allow the subject flare to exceed its annual fuel flow rate.

Mr. Carlile asked if Recommendations 4, 5, 6 and 7, page four, were likely to be exceeded. Mr. Houlihan stated the District does not expect that those would be exceeded. The figures used in the report represent worst case emissions.

Mr. Barulich thanked Mr. Houlihan for his accurate presentation. They have a temporary-use flare for an event of maintenance, but now have exceeded their annual limit due to an abnormal situation. They applied for an ATC modification to increase their annual limit and are awaiting EPA review. Hopefully they will get back to selling natural gas, not flaring.

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 Interim variance.

D. S-12-05S Short Aera Energy, LLC
59231 Main Camp Road
McKittrick, CA 93251

Petitioners: John Haley, Roshani Patel

Aera has requested a short variance from District Rules 2070.7.0, 2201, 2520, 4311, and 4802, in addition to conditions of the applicable Permits to Operate (PTOs). The requested short variance would be for a consecutive 30-day period to occur sometime between May 14, 2012, and August 11, 2012, inclusive. If granted, the variance would allow the VRS gas to flow to the flare untreated while the Sulfatreat vessel is replaced.

Mr. Houlihan noted a change to Condition #9A, page four. They will be bypassing their flow meter and not be able to record time(s); Therefore, strike the word *time(s)* and leave the word *date(s)*.

Mr. Haley stated Mr. Houlihan did a good job describing their situation and added that they are hopeful with the technological advances of the new sulfatreat vessel, that they will be more successful. Ms. Patel added that the carbon steel vessel will be upgraded to a stainless steel vessel. She added that the current piping will also be changed out to stainless steel.

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.

E.	S-12-12S	Short	Vintage Production California, LLC 9600 Ming Avenue, Suite 300 Bakersfield, CA 93311
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Petitioner: Jerry Frost, Nicholas Diercks

Vintage has requested a short variance from District Rules 2070.7.0, 2201, 4401, and 4623 in addition to conditions of the applicable Permits to Operate (PTO). The requested short variance would be a consecutive 24-hour period to occur sometime between April 11, 2012, and May 31, 2012. If granted, it would allow the continued storage of VOC containing liquids in the subject tanks without a functional or operating VRS until PG&E restores electrical power and the VRS and CVR are reactivated.

Mr. Houlihan noted a change to the Excess Emissions Section, page two, last paragraph, from 263.1 pounds to 10 pounds. The change will affect Finding #4, on page four. Rewrite the condition to read: *Excess VOC emissions shall not exceed 10 pounds over the duration of the variance period.*

Mr. Frost stated the excess emissions they calculated for an 8-hour period were at 2.5 pounds, and a 24-hour period at 5 pounds, but accepted Mr. Houlihan's change to 10 pounds on the staff report. They don't expect any excess emissions.

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.

F.	S-12-13S	Short	Alon Bakersfield Property, LLC 6451 Rosedale Highway Bakersfield, CA 93308
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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 short variance would be for a consecutive 72-hour period to occur sometime between, and including, April 11, 2012, and July 10, 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 and Mr. Hayashi for their help with the report. She added that although 553 pounds of emissions sounds like a lot, last year their emissions were calculated at 8 pounds.

Mr. Stovall asked how many employees would be impacted. Ms. Ordway answered approximately 100 employees and 60 contractors on site.

Ms. Ordway added they are doing feasibility studies on additional plants ALON took out of bankruptcy in hopes of growing larger.

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-12-14S	Short	Chevron USA, Inc. 15Z Oil Cleaning Plant Cymric Oil Field McKittrick, CA 93224
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Petitioners: Dave Bone, Bob Langner

CUSA has requested a short variance from the requirements of District Rules 2070.7.0, 2201, 2520, and 4623 in addition to the applicable conditions of the subject Permit to Operate (PTO) and Authority to Construct (ATC). The requested variance period would be for a consecutive 16-hour period to occur sometime between between April 12, 2012, and July 11, 2012, inclusive. If granted, the variance would allow for the continued storage of VOC containing liquids in the tanks without a functional or operating VRS while CUSA performs the planned work.

Mr. Houlihan noted a correction to Recommendation #1, page four. Strike out the word non and change 52 hour period to 16 hour period.

Mr. Bone thanked Mr. Houlihan for his accurate report and stated he had no other comments.

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.

5. The Southern Region Hearing Board granted one emergency variance since the March 14, 2012, Hearing Board meeting.

6. PUBLIC COMMENTS: None.
7. HEARING BOARD MEMBER COMMENTS: Mr. Stovall commented it might be a good idea to begin thinking about having Mr. Bland Chair some of the meetings in lieu of Mr. Carlile's plan to retire at the end of this year.
8. NEW BUSINESS:
9. NEXT SCHEDULED MEETING: Wednesday, May 9, 2012, at 10:00 a.m. The meeting will be held via video conferencing (VTC) in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via VTC.
10. ADJOURNMENT: The meeting was adjourned at 11:45 a.m.