



Action Summary Minutes

SOUTHERN REGION HEARING BOARD MEETING

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

Wednesday, August 8, 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	Present
Hollis Carlile (Chair) – Engineer	Present
John Stovall – Attorney	Absent
Nancy Dunn – Public	Present
William Bland – Public	Present

Staff present - Southern Region (Bakersfield): Amelia Yuan, Supervising Air Quality Inspector.

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 JULY 11, 2012
The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of July 11, 2012. Hearing no comments, Mr. Carlile declared the minutes 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-12-32S Short Mt. Poso Cogeneration, LLC
36157 Famoso Highway
Bakersfield, CA 93380

Petitioner: Mike Blakey, Ted Guth

Mt. Poso has requested a short variance from District Rules 2010, 2070.7.0, 2201, 2520, and 4352, in addition to conditions of the applicable ATC and Permit to Operate (PTO). The requested variance period would be from August 8, 2012, until November 5, 2012. If granted the variance would allow Mt Poso to operate with excess emissions of NO_x and CO while the system is tuned. It would also allow excess ammonia slip and a limestone injection rate below what the ATC requires as biomass does not require the same rate of injection that coal does.

Mr. Blakey thanked Mr. Houlihan and commented that while testing, they try to minimize their impact on the environment by taking the ammonia out of service periodically to gather data. They immediately bring the NO_x back down as soon as testing is done.

They have brought in boiler equipment experts, tuning experts, and combustion control experts to work together with the operating company to try to identify how to minimize the emissions and train operators.

Public Comments: None

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

B. S-12-36S Short Crimson Resource Management
5001 California Avenue, Suite #206
Bakersfield, CA 93309

Petitioner: Paul Combs, Scott Faulkenburg

CRM has requested a short variance from District Rules 2010, 2201, and 2520 in addition to conditions of the applicable Permit to Operate (PTO). The requested variance would be from August 15, 2012, until November 12, 2012. If granted, it would allow the subject flare to exceed its annual flow volume.

Mr. Houlihan noted a change to the staff report. Page three (3), Item Five (5) to read:

CRM will send gas to the sales line when it is periodically available, thereby reducing flaring.

Dr. Haddock noted recommendation seven (7) on page four (4) is missing a date. Mr. Houlihan indicated it should read,

If CRM should need protection beyond the end of this variance period, a petition for a regular variance should be filed no later than October 1, 2012.

Mr. Faulkenburg thanked Mr. Houlihan for his accurate summation and indicated they have submitted an application to modify their PTO to increase the flare limit, which they feel will take care of any future problems.

Dr. Haddock wished to disclose that he has known petitioner Paul Combs for over 40 years. District Counsel, Catherine Redmond indicated there is no legal conflict.

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 short variance.

C.	S-12-39i	Interim	Covanta Delano 31500 Pond Road Delano, CA 93216
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Petitioner: Jamie Williams, Kelly Champion, Jeffrey Hahn

Covanta has requested an interim variance to be followed by a regular variance, from District Rules 2070.7.0, 2520, and 4352, in addition to conditions of the applicable Permits to Operate (PTOs). The requested interim variance period would be from August 8, 2012, until October 10, 2012, or until the petition for the regular variance can be heard, whichever occurs first. If granted, the interim variance would allow Covanta to exceed the PSD CO and NO_x emission limits until the permit can be modified to allow for higher limits.

Mr. Hahn gave a brief history of Covanta Delano and their complicated dealings with EPA over the past several years. They met with Dave Warner, Director of Permit Services for the District, to work on a plan to bring the PSD conditions into sync with the District conditions.

Ms. Champion thanked the District staff for all their help.

Dr. Haddock asked if they have any idea when the permitting will be in sync.

Ms. Champion and Mr. Hahn noted Mr. Warner had spoken to EPA who is hoping to address the comments that were filed sometime this month. In the meantime Covanta will work with the District to get this process moving along.

Public Comments: None

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

D. S-12-40S Short Chevron USA Inc.
P O Box 1392
Bakersfield, CA 93302

Petitioner: Troy Latham, Steve Enns, Dave Bone

CUSA has requested a short variance from District Rules 2201, 2070.7.0, 2520, and 4623, in addition to conditions of the applicable PTOs. The requested short variance period would be effective for a consecutive 60-day period to occur sometime between August 13, 2012, and November 10, 2012, inclusive. If granted, the variance would allow CUSA to continue to store VOC containing liquids in the subject tanks without a functional VRS while CUSA conducts the proposed maintenance.

Mr. Houlihan noted a change to the staff report. Page Four (4), Recommendation One (1). Strike out the word non-consecutive to read,

The variance shall be effective for a consecutive 60-day period...

Mr. Latham stipulated that the existing knock out vessel bypasses the VRS compressor and goes straight into the VRS discharge lining leaving the OCP. They plan to install a back up vessel to help prevent this type of issue in the future.

Mr. Bone thanked Mr. Houlihan for the presentation and 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 Dr. Haddock, unanimously passed, the petitioner was granted a short variance.

5. The Southern Region Hearing Board granted eight emergency variances since the June 13, 2012, Hearing Board meeting.
6. PUBLIC COMMENTS: None.
7. HEARING BOARD MEMBER COMMENTS: Mr. Carlile commented on the script for swearing in witnesses. He suggested everyone be sworn in. Ms. Redmond noted there is a legal distinction between members of the public providing comment and those providing sworn testimony and not everybody needs to be sworn in.
8. NEW BUSINESS: None
9. NEXT SCHEDULED MEETING: Wednesday, September 12, 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 11:35 a.m.