



Action Summary Minutes

SOUTHERN REGION HEARING BOARD MEETING

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

Wednesday, March 14, 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	Present
Nancy Dunn – Public	Present
William Bland – Public	Present

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

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

3. APPROVE MINUTES OF FEBRUARY 8, 2012

The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of February 8, 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-11-76R Regular Bowman Asphalt, Inc.
Meridian Avenue and Cast Street
Bakersfield, CA 93308

Petitioner: Devin Embree

Bowman has requested a regular variance from District Rules 1081, 2010, 2201, and 4309 in addition to conditions of applicable ATC. The requested variance period would be from March 22, 2012, until June 30, 2012. If granted, the variance would allow Bowman to postpone the start-up compliance source test.

Mr. Embree stated they have stabilized the new burner in order to conduct the source test, but noted the problem appeared to be a regulator valve not reacting quick enough for the burner. Other various things were changed within the burner; however, they did experience a flame-out at the end of the day last Monday. They hope it's unrelated to this issue. Nonetheless, they feel confident they have a handle on it. The emission samples continue to be in good shape.

Mr. Carlile suggested perhaps they need more than one regulator and asked for more information regarding the changes made.

Mr. Stovall expressed his understanding is that they need the variance to allow them to perform the required test in modified compliance and if it doesn't pass the test, they go back to square one.

Mr. Embree stated they bought a new hand-held testing unit similar to the one the District Inspector's use. So far, the numbers are coming in under the limits. He added that for three weeks straight, Hauck's engineers, the designer, and technical personnel were on site working to resolve the problems with this burner.

Dr. Haddock expressed a desire to visit the plant in order to understand it better.

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-11-78i Interim Mt. Poso Cogeneration Company, LLC
36157 Famoso Highway
Bakersfield, CA 93380

Petitioner: Bill Dixon

Mt. Poso has requested an interim and regular variance from District Rules 1080, 1081, 2010, 2070.7.0, 2201, 2520, 4001, and 4352, in addition to conditions of the applicable ATCs and Permit to Operate (PTO). The requested interim and regular variance period would be from March 30, 2012, to December 31, 2012. If granted, the interim variance would allow Mt. Poso to postpone the compliance source test and CEMS RATA for up to 90 days or the date the source test and RATA is initiated, or the date of decision on the regular petition.

Mr. Dixon stated they have resolved the various problems they had back in January when they came before the Board, but the problem seems to center on one piece of equipment, a drag chain conveyor not metering fuel to both sides of the boiler correctly. They are offline today doing a modification to that conveyor. They have the original equipment manufacturer onsite helping with this mechanical issue.

Mr. Dixon went on to say they are allowing the OEM the opportunity to rectify the problem, but as a back-up plan, they have engaged another engineering company to have a solution ready in case they need it.

Dr. Haddock asked what goes into biomass. Mr. Dixon stated primarily Ag., which are orchards such as almonds and citrus; Urban, which are pallets and clean construction waste; and Refuse, which is wood taken from landfills and dumps.

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.

C.	S-12-04S	Short	Chevron USA, Inc. Cahn 3, 32US and 29 Oil Cleaning Plants Lost Hills Oil Field
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Petitioners: Larry Landis, Barry Silken

CUSA has requested a short variance from District Rules 2010, 2070.7.0, 2201, 2520, 4409, and 4623 in addition to conditions of the applicable Permits to Operate (PTOs) and Authorities to Construct (ATCs). The requested short variance would be a consecutive 96-hour period to occur sometime between, and including, March 15, 2012, and June 12, 2012. If granted, it would allow the continued storage of VOC containing liquids in the subject tanks without a functional or operating VRS while the maintenance is conducted.

Mr. Landis pointed out that the Lost Hills oil field is a large operation (about 16,000 barrels of oil per day) and during the variance period all gas compressors and oil wells will be shut down, which will minimize emissions while the Vapor Recovery System is down. Periodically we come to the Board to ask for down-time for maintenance.

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.

Mr. Landis added that he will be retiring at the end of May and will probably not be before the Board again. He thanked the Board for their continued service to the community.

D. S-12-05S Short Sycamore Cogeneration Company
Unit #3
1600 China Grade Loop
Bakersfield, CA 93308

Petitioners: Cory Eagar, Dale Johnson

Sycamore has requested a short variance from District Rules 2070.7.0, 2201, 2520, and 4703 in addition to conditions of the applicable Permits to Operate (PTOs) and Authorities to Construct (ATCs). The requested variance would be for a non-consecutive 40-hour period to occur sometime between, and including, March 21, 2012, and June 19, 2012. If granted, the variance would allow the operation of the subject turbine unit with excess NO_x and CO emissions while Sycamore conducts the necessary tuning.

Mr. Eagar stated they have GE turbines which have been upgraded over the years. The components in the combustion hardware are extremely sensitive. The manufacturer recommends about 11,000 to 16,000 hours of runtime on those components so we periodically have to change those out. Unit Number 3 is undergoing major outage. It has been torn apart since March 5th. Anytime the combustion hardware components are replaced, the manufacturer comes out and starts it up and does the tuning.

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.

E. S-12-06S Short Vintage Production California, LLC
North Antelope Hills Oil Field
Bakersfield, CA 93311

Petitioner: Jerry Frost, Scott Grodewald, Nicholas Diercks

Vintage has requested a short variance from District Rules 2010 and 2201 in addition to conditions of the applicable Authority to Construct (ATC). The requested short variance would be from March 24, 2012, until June 21, 2012. If granted, it would allow the continued operation of the subject steam generator with excess SO_x emissions when the regular source of natural gas fuel is shut off and the steam generator begins using propane.

Mr. Frost thanked Mr. Hayashi for his accurate presentation. He pointed out that on February 24, 2012, they found out their supply of natural gas would be terminated by March 24th. They plan to shut down one steam generator and switch the other one to propane. They hope to renegotiate the natural gas supply because if the field goes cold, it will be lost.

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.

5. The Southern Region Hearing Board granted no emergency variances since the February 8, 2012, Hearing Board meeting.
6. PUBLIC COMMENTS: None.
7. HEARING BOARD MEMBER COMMENTS: Dr. Haddock expressed an interest in Visiting some of the plants presented here. Mr. Hayashi agreed to look into scheduling some tours, if possible.
8. NEW BUSINESS: Catherine Redmond introduced the new Assistant Counsel, Annette Williamson to the Hearing Board.
9. NEXT SCHEDULED MEETING: Wednesday, April 11, 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 11:30 a.m.