

San Joaquin Valley Air Pollution Control District
SOUTHERN REGION HEARING BOARD MEETING

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

ACTION SUMMARY MINUTES

Wednesday, October 9, 2013

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

1. CALL MEETING TO ORDER

The Chair, William Bland, called the meeting to order at 10:00 a.m.

2. ROLL CALL

Dr. Dean Haddock – Medical	Present
Nancy Dunn – Public	Present
William Bland – Public	Present
John Stovall – Attorney	Present
Daniel Padilla – Engineer	Present

Staff Present:

Southern Region (Bakersfield): Dave Baldwin, Supervising Air Quality Inspector

Central Region (Fresno): Patrick Houlihan, Senior Air Quality Specialist; Ryan Hayashi, Supervising Air Quality Specialist; Annette Williamson, Legal Counsel; Carol Flores, Operations and Program Support Supervisor

3. APPROVE MINUTES OF September 11, 2013

The Chair asked if there were any comments regarding the Minutes for September 11, 2013. Hearing no comments, the 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.	S-13-48S	Short	Alon Bakersfield Refining 6451 Rosedale Avenue Bakersfield, CA 93308

Petitioners: Nicholas Diercks

Patrick Houlihan presented the Staff Report.

Alon has requested a short variance from applicable requirements of District Rules 2070.7.0, 2201, 2520, 4455 and 4623 in addition to applicable conditions of the

subject PTOs. The requested variance period would be for a consecutive 48-hour period to occur sometime between October 9, 2013, and December 1, 2013, inclusive. If granted, the variance would allow Alon to continue to store VOC containing liquids in tanks, vessels, and sumps without a functional or operating VRS.

Mr. Houlihan provided a photo for illustration of facility.

Mr. Diercks stated the facility has received the bladder and is scheduled to be installed on Tuesday, October 15, 2013.

Mr. Bland asked what the material of the bladder is. Mr. Diercks did not have the information. Mr. Bland asked what materials are inside the bladder. Mr. Diercks explained there are VOC containing vapors coming from the VRS.

Ms. Dunn asked what the damage is to the bladder. Mr. Diercks explained there a possible thinning of the material. Mr. Stovall commented the bladder is subject to rupture if not repaired.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
B. S-13-49S	Short	Kern River Cogeneration Company 1600 China Grade Loop Bakersfield, CA 93308

Petitioners: Cory Eagar

Patrick Houlihan presented the Staff Report.

KRCC has requested a short variance from District Rules 2070.7.0, 2201, 2520, and 4703 in addition to conditions of the applicable PTOs. The requested short variance would be for a non-consecutive 40-hour period to occur sometime between October 9, 2013, and January 6, 2014, inclusive. If granted, the variance would allow the operation of the subject turbine unit with excess NO_x and CO emissions while KRCC conducts the necessary tuning and testing.

Mr. Houlihan noted a modification to condition 5 on page 4. CO excess emission shall not exceed 4,800 lbs. /day during the variance period.

Mr. Padilla requested clarification regarding the NO_x and CO excess emissions conditions 4 and 5 on page 4. Mr. Houlihan explained the volume is for the whole variance period. The conditions should read as follows:

4. NO_x excess emissions shall not exceed 2,400 lbs. during the variance period.
5. CO excess emissions shall not exceed 4,800 lbs. during the variance period.

Mr. Eagar commented the excess emissions included in the variance are worst case scenario.

Mr. Stovall asked for how many houses does a 300 megawatt facility generate wattage. Mr. Eagar responded a 300 megawatt facility would generate enough for about 300,000 houses. He added the equipment is obsolete and parts are unable to be replaced.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
C. S-13-50S	Short	Chevron USA Inc. Lost Hills Gas Plant Lost Hills Oil Field

Petitioners: Lance Ericksen and Eric Bell

Patrick Houlihan presented the Staff Report.

CUSA has requested a short variance from the applicable requirements of District Rules 2070.7.0, 2201, 2520, and 4311 in addition to applicable conditions of the Permits to Operate (PTOs). The requested short variance would be for a consecutive 20-day period to occur sometime between October 10, 2013, and January 7, 2014, inclusive. If granted, it would allow the emergency flare to operate during non-emergency events and exceed the daily and annual limit while the Cal Canal pipeline is inspected and repaired.

Mr. Houlihan presented photos of the facility.

Mr. Ericksen emphasized the gas will continue through the pipeline but if a pig gets stuck in the line then the line needs to get cut and the flare would need to be used. He added minor repairs will be made but other non-essential repairs will be completed on the next scheduled maintenance series.

Mr. Bland requested clarification on the capability of the flare. Mr. Ericksen explained the flare is capable of handling the entire production. Mr. Bell added the flare is operationally capable of handling 30 million cubic feet a day.

Mr. Stovall asked where the gas normally goes. Mr. Bell explained after Lost Hills compresses the gas it is shipped through the Cal Canal pipeline to the 17Z Gas Plant. He added the gas is further processed and sent to Southern California Edison or the Mojave pipeline system.

Mr. Padilla asked what prompted the smart pigging. Mr. Bell explained the regulation for the Department of Transportation and the facility's planning process.

Mr. Ericksen provided photos to illustrate pigging equipment. He explained a pig is bullet shaped soft material used to clean the pipe lines.

Mr. Padilla asked if there is a pressure release type valve along the line. Mr. Bell stated he did not know if any such valve.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
D. S-13-51S	Short	Chevron USA Inc. Station 2-22 Midway Sunset Oil Field

Petitioners: Ashley Dahlstrom and Steve Enns

Patrick Houlihan presented the Staff Report.

CUSA has requested a short variance from the applicable requirements of District Rules 2070.7.0, 2201, 2520, 4311, and 4401 in addition to applicable conditions on the subject Permits to Operate (PTOs). The requested short variance period would be for a non-consecutive 24-hour period to occur between October 9, 2013, and January 13, 2014, inclusive. If granted, the variance would allow the use of the emergency flare during a non-emergency event while CUSA upgrades the process logic controller for the two tank VRS compressors.

Mr. Enns clarified the facility has two vapory recovery systems and one of them is the tank vapor recovery system. He noted the tank vapor recovery system will not be shut down. He explained the gas from the vapory recovery system at the oil plant goes into the field gas gathering system and there are three compressors in the system which distributes gas accordingly. Mr. Enns reported two of the three compressors in the field gas gathering system are being shut down. The shutdown of the two compressors will prevent the tank vapor recovery system from sending the gas into the gathering system and automatically be diverted to the flare.

Mr. Enns suggested removing the word 'tank' from condition 3 on page 4 to not cause confusion. Mr. Houlihan stated removing all references to tank and refer to the subject equipment as vapor recovery system.

Mr. Padilla requested clarification on Condition 9 on page 5. Mr. Houlihan explained the excess emissions are calculated for the period of the variance and not per day. He added the facility has a choice of submitting emission reduction credits or paying the penalties.

Ms. Dahlstrom clarified the compressors VRU 1 and VRU2 are not the subject equipment being shut down. She added two of the three CARR (field gas gathering)

compressors are receiving the software upgrades and being shut down two at a time.

Mr. Houlihan reported the revisions and modifications have been noted and will be reflected in the variance order.

Public Comments: None

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

5. EMERGENCY VARIANCE

The Southern Region Hearing Board granted one emergency variance since the September 11, 2013, Hearing Board meeting.

6. PUBLIC COMMENTS

No public comment.

7. HEARING BOARD MEMBER COMMENTS

None.

8. NEW BUSINESS

None

9. NEXT SCHEDULED MEETING

The next scheduled meeting is November 13, 2013. The meeting will be held via teleconferencing in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via teleconferencing.

10. ADJOURN

The Chair adjourned the meeting at 11:05 a.m.