

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 8, 2014

*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 10:05 a.m.

2. Roll Call

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

Staff Present:

Southern Region (Bakersfield): Mike Oldershaw, Air Quality Compliance Manager

Central Region (Fresno): Clay Bishop, Supervising Air Quality Specialist; Patrick Houlihan, Senior Air Quality Specialist; Shannon Moore, Air Quality Specialist; Chris Kalashian, Air Quality Specialist; Jessi Fierro, Assistant Legal Counsel; Michelle Banuelos, Senior Office Assistant

3. Approve Minutes of September 10, 2014

The Chair asked if there were any comments regarding the Minutes for September 10, 2014. Having decided the Minutes were accurate, on motion of Mr. Stovall and seconded by Dr. Haddock, unanimously passed, the Minutes were approved with no changes.

4. Public Hearing

The Chair swore in all those present to testify for all matters.

This item was taken out of order at the Chair's prerogative.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
B. S-14-55R	Regular	Aera Energy LLC 12-2D Steam Generator Belridge Oil Field

Petitioners: John Haley and Garry Barker

Mr. Houlihan presented the Staff Report.

Aera has requested a short variance from applicable requirements of District Rules 1081, 2070, 2201, 2520, 4305, 4306, and 4320, in addition to applicable conditions of the subject permits. The requested short variance would be effective from October 8, 2014, through March 31, 2015. If granted, the variance would allow steam generator 12-2D to emit excess NO_x and CO emissions while it undergoes testing as part of an experimental research exemption operation.

Mr. Houlihan noted the following Recommendation was modified to read:

8. Aera shall not burn more than 75 MMCF of fuel over the duration of the variance period.

Mr. Haley added the new technology is expected to lower NO_x emissions from the steam generators and increase the efficiency and safety of the unit.

Ms. Dunn asked what data is available to indicate the technology would be successful. Mr. Barker explained there have been numerous successful lab trials. Mr. Haley added the company that will be providing the new technology has been thoroughly researched.

Mr. Bland asked how the facility discovered the new technology. Mr. Haley stated he read an article and began to research the technology.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
C. S-14-58S	Short	Aera Energy LLC Lockwood & 25 Hill Leases Midway Sunset Oil Field

Petitioners: Robert Beebout

Mr. Moore presented the Staff Report.

Aera has requested a short variance from District Rules 2070, 2201, 2520, and 4623, in addition to conditions of the applicable Permits to Operate (PTOs). The requested short variance would be for a non-consecutive 144-hour period to occur sometime between October 8, 2014, through January 5, 2015. If granted, the short variance would allow for the continued storage of VOC containing liquids in the tanks without a functional or operating VRS while MSCC shuts down the electrical power.

Mr. Moore noted the following Recommendations were modified to read:

3. The variance shall allow the continued storage of VOC containing liquids within the subject tanks without a functional or operating VRS until MSCC

completes all their maintenance, restores the power, and Aera returns the VRS to compliance operation.

5. Aera shall notify the District between a period of 96 to 24 hours prior to shutting down the VRS.

Mr. Beebout noted the facility is dependent upon the power supply from MSCC.

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>
A. S-14-57S	Short	Alon Bakersfield Refining Area 1 & 2 6451 Rosedale Highway Bakersfield, CA 93308

Petitioners: Helen Ordway

Mr. Moore presented the Staff Report.

Alon has requested a short variance from the applicable requirements of District Rules 1080, 2070, 2201, 2520, and 4623 in addition to the applicable conditions of the subject permits. The requested variance period would be for 24 consecutive hours to occur sometime between October 8, 2014, and January 5, 2015, inclusive. If granted, the short variance would allow Alon to continue operating without a CEMS and would allow for the continued storage of VOC containing liquids in the tanks without a functional or operating VRS while PG&E shuts down the electrical power to complete repairs of their electrical distribution system. The variance would also grant relief from visible emissions requirements on the flares if the boilers are unable to produce steam during the shutdown.

Ms. Ordway thanked Mr. Moore and Mr. Houlihan for their assistance with the variances.

Public Comments: None

Having decided the petition had met the required findings, on motion of Ms. Dunn 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>
D. S-14-62S	Short	Aera Energy LLC Gas Plant 32 Belridge Oil Field

Petitioners: Brent Winn and Matt Funkhouser

Mr. Houlihan presented the Staff Report.

Aera has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4409 in addition to the applicable conditions of the subject permits. The requested short variance period would be for a consecutive seven-day period to occur sometime between October 8, 2014, and January 5, 2015, inclusive. If granted, the variance would allow Aera to bypass the Gas Plant without following all the provisions of District Rule 4409 during the shutdown.

Mr. Bland asked if the determination to repair/refurbish the dormant emissions units occurred while performing maintenance on them. Mr. Funkhouser responded affirmatively. He added the valves will assist in making the equipment safer and not have it necessary to shut down the Gas Plant to perform maintenance on the equipment.

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>
E. S-14-60S	Short	Sycamore Cogeneration Company Unit #1 1600 China Grade Loop Bakersfield, CA 93308

Petitioners: Cory Eagar

Mr. Kalashian presented the Staff Report.

Sycamore has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4703 in addition to the applicable conditions of the subject permits. The requested short variance would be for a non-consecutive 40-hour period to occur sometime between October 9, 2014, and December 31, 2014, inclusive. 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 noted this unit is the last for Sycamore that will require replacement after several obsolete units have been replaced.

Mr. Bland asked how the numbers of hours were calculated to reach 40. Mr. Eagar explained past experience has indicated the tuning period will not go over 40 hours even if issues arose.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
F. S-14-61S	Short	Freeport McMoRan Oil & Gas E&M Lease Midway Sunset Oil Field

Petitioners: Charlotte Campbell

Mr. Kalashian presented the Staff Report.

Freeport has requested a short variance from the applicable requirements of District Rules 2201, 2070, 2520, and 4623 in addition to applicable conditions of the permits. The requested variance would be for a non-consecutive 35-day period to occur sometime between October 9, 2014, and December 31, 2014, inclusive. If granted, the variance would allow Freeport to continue to store VOC containing liquids in tanks without a functional or operating VRS while Freeport performs the proposed work.

Ms. Campbell commented the downtime will be minimized as much as possible.

Public Comments: None

Having decided the petition had met the required findings, on motion of Ms. Dunn 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>
G. S-14-63S	Short	Chevron USA Inc. Station 2-22 Midway Sunset Oil Field

Petitioners: Dave Bone and Steve Enns

Mr. Houlihan resented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, 4401, and 4623, in addition to applicable conditions on the subject permits. The requested short variance period would be for a non-consecutive 240 hour (10 day) period to occur sometime between October 8, 2014, and January 5, 2015, inclusive. If granted, the variance would allow the shutdown of the VRS while the work described above is performed. In addition, it will allow wells with closed casing vents to produce into tanks that do not have a functional or operating VRS.

Mr. Enns clarified a different method to complete the work was determined and the previous variance was not able to be utilized and the emissions calculations had to be redone. He noted the difference in emissions is minimal.

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.

5. Emergency Variance

The Southern Region Hearing Board heard and granted one emergency variance since the September 10, 2014, 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 12, 2014. The meeting will be held via video teleconferencing in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via video teleconferencing.

10. Adjourn

The Chair adjourned the meeting at 11:18 a.m.