

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, December 9, 2015

*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 10:01 a.m.

2. Roll Call

William Bland (Chair) – Public	Present
Dr. Dean Haddock – Medical	Present
Daniel Padilla – Engineer	Present
John Stovall – Attorney	Present

Staff Present:

Southern Region (Bakersfield): Amelia Yuan, Supervising Air Quality Inspector

Central Region (Fresno): Patrick Houlihan, Senior Air Quality Specialist; Shannon Moore, Air Quality Specialist; Crystal Bussard, Air Quality Specialist; Jessi Fierro, Assistant District Counsel; Carol Flores, Operations and Program Support Supervisor

3. Approve Minutes of November 12, 2015

The Chair asked if there were any comments regarding the Minutes for November 12, 2015. Having decided the Minutes were accurate, on motion of Dr. Haddock and seconded by Mr. Stovall, the Minutes were approved with no changes.

4. Public Hearing

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
A. S-14-69X	Short	Tricor Refining LLC 1134 Manor Street Bakersfield, CA 93308

Petitioners: Jeff Beecher

Mr. Houlihan presented the Staff Report.

Tricor has requested an extension of the previously granted regular variance from applicable requirements of District Rules 2070, 2201, 2520, 4305, 4306, and 4320,

in addition to applicable conditions of the subject permits. The requested variance would be effective for a non-consecutive 42 day period to occur sometime between December 15, 2015, and June 14, 2016, inclusive. If granted, the variance would allow process heater #21 to emit excess NOx, CO, VOC, Sox, and PM₁₀ emissions while it undergoes testing as part of an experimental research exemption operation.

Mr. Stovall asked if there was any data on the anticipated amount of reduced NOx. Mr. Houlihan explained the data for the process heater is unavailable but the steam generator will have a reduction from approximately 15 to 4 ppb of NOx.

Mr. Padilla asked if the facility is in compliance. Mr. Houlihan explained the heater is not currently in operation and therefore the facility is in compliance. Mr. Padilla asked for clarification on the need for the variance. Mr. Houlihan explained there have been delays in the delivery of the component and the previous variances have not been needed or used. Mr. Beecher added the device is manufactured and the expectation is to be up and running by January. Mr. Padilla asked if the project will be completed by the end of the variance. Mr. Beecher responded the expectation is to have the project completed prior to the end of the variance.

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 an extension to the previous variance.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
B. S-15-56R	Regular	Aera Energy LLC 12-2D Steam Generator 106 Belridge Oil Field

Petitioners: John Haley and Gary Barker

Mr. Houlihan presented the Staff Report.

Aera has requested a regular 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 variance would be effective from December 9, 2015, through October 31, 2016. If granted, the variance would allow steam generator 12-2D and 106 to exceed the permitted limit of 15ppmv NOx while they undergo testing as part of an experimental research exemption operation. It would also allow flexibility in utilizing the portable combustion analyzer such that it would not be required within the 5 days after a restart as the permit requires. In addition, it would not require that steam generator 106 be source tested within 60 days of returning to operation from a dormant emission unit (DEU) status.

Mr. Haley commented there is no data since the last hearing and the facility is on the third project design. Mr. Barker added the installation is scheduled for next week.

Mr. Padilla asked if the facility is exceeding limits. Mr. Haley explained the facility is not currently in production and it is not exceeding limits. Mr. Padilla asked if the

portable combustion analyzer was being used according to the limits. Mr. Haley explained the District has a requirement of a monthly recording from the portable combustion analyzer. He added the variance would allow the testing not to be performed within the 5 days required after start up due to the sometimes immediate shut down of the facility and inability to test.

Mr. Stovall suggested a drawing or a photo of the project to better understand the issue at hand.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
C. S-15-59S	Short	Aera Energy LLC Lost Hills One Dehydration Facility Lost Hills Oil Field

Petitioners: John Ludwick and Chris Henry

Mr. Moore presented the Staff Report.

Aera has requested a short variance from the applicable requirements of District Rules 2201, 2070, 2520, and 4623, in addition to applicable conditions of the subject permits. The requested short variance period would be effective for a non-consecutive 120-hour period to occur sometime between December 10, 2015, and March 8, 2016, inclusive. If granted, the variance would allow Aera to continue to store VOC containing liquids in the subject tanks without a functional or operating VRS while the electrical power to the VRS is shut off.

Mr. Moore reported the following Recommendations are modified:

1. The variance shall be effective for a non-consecutive 120-hour period to occur sometime between April 1, 2016, and June 29, 2016, inclusive, or until the subject work is completed and the VRS is returned to compliant operation, whichever occurs first.
9. By July 14, 2016, or no later than 15 calendar days after completing the subject work and returning the VRS to compliant operation, whichever occurs first, Aera shall submit a summary report to the District.

The Petitioners had no further comments.

Public Comments: None

Having decided the petition had met the required findings, on motion of Mr. Padilla 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-15-60S	Short	Chevron USA Inc Station 1-09 Oil Cleaning Plant Midway Sunset Oil Field

Petitioners: Brian Kiet, Kris Rickards and Steve Enns

Ms. Bussard presented 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 of the subject permits. The requested variance period would be for a non-consecutive 24-hour period to occur sometime between December 9, 2015, and March 7, 2016, inclusive. If granted, the variance would allow Chevron to continue to store VOC containing liquids in the subject tanks without an operating or functional VRS while Chevron conducts the maintenance. In addition, it will allow wells with closed casing gas vents to produce into tanks that do not have a functional or operating VRS.

Mr. Padilla asked what additional upgrades or maintenance are expected. Mr. Rickards explained there are no expected upgrades or maintenance projects; the option was added just in case there was a need.

Public Comments: None

Having decided the petition had met the required findings, on motion of Mr. Stovall 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>
E. S-15-61S	Short	Chevron USA Inc 15Z Oil Cleaning Plant Cymric Oil Field

Petitioners: Kris Rickards and Steve Enns

Mr. Moore presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4623, in addition to the applicable conditions of the subject permits. The requested variance would be for a non-consecutive 48 hour period to occur sometime between December 9, 2015, and March 8, 2016, inclusive. If granted, the variance would allow the continued storage of VOC containing liquids in the subject tank without a functional or operating VRS.

Mr. Stovall asked if there was a possibility of the tanks venting in cold weather. Mr. Rickards explained the possibility is good due to minimal variations inside the tanks.

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>
F. S-15-62S	Short	Aera Energy LLC MOCO & National Dehydration Facilities Midway Sunset Oil Field

Petitioners: Robert Beebout

Mr. Houlihan presented the Staff Report.

Aera has requested a short variance from applicable requirements of District Rules 2010, 2070, 2201, 2520, and 4623, in addition to applicable conditions of the subject permits. The requested short variance would be for a non-consecutive 144-hour period to occur sometime between January 11, 2016, and April 9, 2016, inclusive. If granted, the short variance would allow for the continued storage of VOC containing liquids in the subject tanks without a functional or operating VRS while PG&E and Aera perform maintenance activities.

Mr. Beebout commented the shutdown will affect all the leases listed on the staff report.

Public Comments: None

Having decided the petition had met the required findings, on motion of Mr. Padilla 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 two emergency variances since the November 12, 2015, Hearing Board meeting.
6. Public Comments
No public comment.
7. Hearing Board Member Comments
None
8. New Business
Mr. Houlihan reported the Chair and Vice Chair elections will be held at the next meeting.
9. Next Scheduled Meeting
The next scheduled meeting is January 13, 2016. The meeting will be held in the Southern Region Office (Bakersfield).
10. Adjourn
The Chair adjourned the meeting at 10:55 a.m.