

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

Thursday, February 11, 2015

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

1. Call Meeting to Order
The Chair, John Stovall, reconvened the meeting at 10:01 a.m.

2. Roll Call

William Bland (Chair) – Public	Present
John Stovall – Attorney	Present
Daniel Padilla – Engineer	Present
Nancy Dunn – Public	Present
Dean Haddock – Medical*	Present

*Dr. Haddock arrived at 10:07 a.m.

Staff Present:

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

Central Region (Fresno): Clay Bishop, Supervising Air Quality Specialist; Shannon Moore, Air Quality Specialist; Chris Kalashian, Air Quality Specialist; Jessi Fierro, Assistant Legal Counsel; Carol Flores, Operations and Program Support Supervisor

3. Approve Minutes of January 14, 2015

The Chair asked if there were any comments regarding the Minutes for January 14, 2015. Having decided the Minutes were accurate, on motion of Ms. Dunn and seconded by Mr. Stovall unanimously passed, the Minutes were approved with no changes.

The Chair asked if there were any comments regarding the Minutes for January 15 and January 21, 2015. On motion of Mr. Stovall and seconded by Ms. Dunn unanimously passed, the Minutes were approved with the proposed change to the wording as follows: "Thursday, January 15, 2015".

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-14-02S	Short	Freeport McMoRan Oil & Gas 1200 Discovery Drive, Suite 100 Bakersfield, CA 93309

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 subject permits. The requested variance would be for a non-consecutive 5-day period to occur sometime between February 17, 2015, and April 17, 2015, inclusive. If granted, the variance would allow Freeport to continue to store VOC containing liquids in the subject tanks without a functional or operating VRS while the new VRS line is brought online.

Ms. Campbell requested the following modifications to the Recommendations:

2B. Condition 2 of permit S-1372-128-5 and S-1372-100-30

2C. Condition 3 of permits S-1372-129-6 & -131-6

Mr. Kalashian verified these modifications were acceptable.

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.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
B. S-15-04S	Short	California Resources Production Corp 36B Waterflood Facility Buena Vista Hills Oil Field

Petitioners: William Shaffer

Mr. Kalashian presented the Staff Report.

CRPC has requested a short variance from the applicable requirements of District Rules 2010, 2070, 2201, 2520, 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 February 12, 2015, and May 12, 2015, inclusive. If granted, the variance would allow CRPC to continue to store VOC containing liquids in the subject tanks without an operating or functional VRS while the subject work is completed.

Ms. Dunn requested clarification of the terminology *reached end of useful life*. Mr. Shaffer explained the original installer utilized non-internally coated carbon steel piping and inspections have identified several locations of settled condensation.

Mr. Padilla asked if the project will be completed over two separate time periods. Mr. Shaffer explained after the installation there will be pressure tests to ensure the system is safe to be operated.

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>
C. S-15-05S	Short	Midway Sunset Cogeneration Company Aera Energy LLC 3466 West Crocker Springs Road Fellows, CA 93224

Petitioners: Ray Smith and Doug McCormick

Mr. Kalashian presented the Staff Report.

MSCC has requested a short variance from the applicable requirements of District Rules 2010, 2070, 2201, 2520, and 4703, in addition to the applicable conditions of the subject permits. The requested variance period would be for a non-consecutive six-day period to occur sometime between April 1, 2015, and June 30, 2015, inclusive. If granted, the variance would allow MSCC to emit excess NO_x emissions while they commission the new combustion hardware.

Mr. McCormick commented a variance was previously approved for Unit B for the same process as Unit A today.

Mr. Padilla asked how the installation and testing for Unit B went. Mr. McCormick explained testing and tuning have not been completed but is scheduled for March 2015.

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 short variance.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
D. S-15-06S	Short	Kern River Cogeneration Company 1600 China Grade Loop Bakersfield, CA 93308

Petitioners: Cory Eagar and Alex Cesare

Mr. Moore presented the Staff Report.

KRCC 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 42-hour period to occur sometime between March 1, 2015, through May 29, 2015, 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.

Mr. Eagar commented the facility has previously submitted variances for the same upgrades and this is number 7 of 8.

Mr. Padilla asked if there was a process in place to minimize the amount of time the facility is shut down. Mr. Eagar explained the system must be tested; however with the experience of the previous updates the time spent has been decreasing.

Mr. Bland asked how the previous 6 updates have fared. Mr. Eagar stated there was a learning curve and the process has become more efficient. He added the emissions have been well below the variance limit.

Mr. Stovall asked if the update is a requirement in order to continue to do business. Mr. Eagar responded affirmatively. Mr. Cesare added the new equipment is more reliable and easier to work with.

Public Comments: None

Having decided the petition had met the required findings, on motion of Ms. Dunn 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-15-07S	Short	Chevron USA Inc 26C Oil Cleaning Plant Midway Sunset Oil Field

Petitioners: Ashley Dahlstrom 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 4401, in addition to applicable conditions of the subject permits. The requested variance period would be for a non-consecutive 96-hour period to occur sometime between February 23, 2015 and May 23, 2015, 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 CUSA 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.

Ms. Dahlstrom commented the maintenance performed is to prepare for future upgrades.

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.

5. Emergency Variance

The Southern Region Hearing Board heard and granted one emergency variance since the January 21, 2015, Hearing Board meeting.

6. Public Comments

None

7. Hearing Board Member Comments

Mr. Bland expressed appreciation to the Board Members electing him Chair for another year.

Mr. Bland reminded the Board Members to complete the AB1234 Ethics Compliance Training. Mr. Padilla requested the email be resent.

Mr. Padilla expressed appreciation for the electronic agenda packet noting it provided more time to review the petitions. Mr. Bland stated this process is acceptable and requested District staff to send an electronic agenda packet and provide a hard copy at the meetings.

8. New Business

None

9. Next Scheduled Meeting

The next schedule meeting is March 11, 2015. 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 10:47 a.m.