

San Joaquin Valley Air Pollution Control District

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Executive Director/ Air Pollution Control Officer

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Southern Region Office 2700 M Street, Suite 275 Bakersfield, CA 93301-2373 (661) 326-6900 FAX (661) 326-6985 Action Summary Minutes
Southern Region Hearing Board Meeting
San Joaquin Valley Unified Air Pollution Control District
2700 M Street, Suite 275
Video Teleconference (VTC) Room
Bakersfield, CA.

Wednesday, March 9, 2005 10:00 a.m.

Meeting held via video teleconferencing (VTC) with the Central Region Office (Fresno) participating via VTC.

- <u>Call Meeting to Order</u> The Vice Chair, William L. Bland, Jr., chaired the Meeting. The Vice Chair called the meeting to order at 10:00 a.m.
- 2. Roll Call was taken and a quorum was present.

Kimm Wolber
Andrew C. Thomson
Nancy Ann Dunn
William L. Bland, Jr., Vice Chair
Hollis B. Carlile, Chair (absent)

Medical
Attorney
Public
Public
Engineer

Also present in the Southern Region Office (Bakersfield)

Creighton Smith, Supervising Air Quality Inspector, Debra Monterroso and Robert Goon, Air Quality Inspectors, Leonard Scandura, Supervising Air Quality Engineer, and Brenda Turner, Air Quality Education Rep.

Also present in the Central Region Office (Fresno) – Catherine Tognazzini, Assistant Counsel, Michael Carrera, Supervising Air Quality Inspector, Morgan Lambert, Senior Air Quality Inspector, Lynn Sargenti, Senior Office Assistant, Jerry Frost, Kern Oil & Refining Co., Scott Sill, Lone Star Gas, and Sissy Smith, Clerk to the Board.

 Approve Minutes of February 9, 2005 – The Vice Chair ask if there were any corrections to the Minutes of February 9, 2005. Hearing no comments the Vice Chair declared the Minutes of February 9, 2005 were approved as submitted.

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All persons testifying were sworn in by the Vice Chair.

The Vice Chair asked if the Petitions had been properly noticed and on file with the Clerk to the Board. Ms. Smith responded affirmative.

The Vice Chair requested the Hearing Board Packet and any addenda brought forth in today's hearings be entered into the Official Record.

Morgan Lambert presented the Staff Reports.

A.)

Docket S-05-01R, Regular Variance, Big West of California, LLC, Bakersfield Refinery Areas (Areas 1, 2 & 3), 6451 Rosedale Highway, Bakersfield, CA. 93308. Type of Business: Crude Oil Refining.

Mr. Lambert made a correction to page 2 of the Staff Report by stating: <u>"Shell currently operates forty-eight process units and boilers covered under twenty-three permits."</u>

<u>Petitioners</u> – Jeff Utley and Dave Stein represented Big West of California, LLC.

<u>Public Comments</u> – No Public Comments.

<u>Decision</u> – Board Member Thomson made the motion to grant the variance. Board Member Thomson noted that the six required findings have been considered and made, and that the variance be subject to the eleven recommended conditions set forth on pages 5 and 6 of the Staff Report with the exception of the dates of April 30, 2005 as set forth in recommended conditions 1., 7., and 8. will be change to May 30, 2005. Seconded by Board Member Wolber.

Staff noted that in recommended Condition # 9 the written report due date should be changed to June 14, 2005.

Board Member Thomson amended his motion to reflect that the written report due date in recommended Condition # 9 be changed to June 14, 2005.

The amended motion carried unanimously with the following Roll Call Vote:

Ayes: Wolber, Thomson, Dunn, and Bland.

Absent: Carlile.

The Board granted a Regular Variance to Docket S-05-01R, Big West of California, LLC, Bakersfield Refinery, (Areas 1, 2, & 3). The variance shall be effective for a consecutive 62-day period between February 28, 2005, and May 30, 2005, or until an ECP reflecting Big West's Rule 4306 compliance strategy for

the refinery, as well as ATCs for at least 62.5% of the affected units at the facilities are submitted to the District, whichever occurs first. The eleven recommended conditions as amended during the hearing will be set forth in the Hearing Board Order.

The Board will hear C.) Docket S-05-04R, Big West of California, LLC, (Area 3), and D.) Docket S-05-05R, Big West of California, LLC, (Area 3) simultaneously with separate votes on each item.

C.)

Docket S-05-04R, Regular Variance, Big West of California, LLC, Bakersfield Refinery (Area 3), 3663 Gibson Street, Bakersfield, CA. 93302. Type of Business: Crude Oil Refining.

D.)

Docket S-05-05R, Regular Variance, Big West of California, LLC, Bakersfield Refinery (Area 3), 3663 Gibson Street, Bakersfield, CA. 93302. Type of Business: Crude Oil Refining.

<u>Petitioners</u> – Jeff Utley and Dave Stein represented Big West of California, LLC.

Public Comments – No Public Comments.

C.) Docket S-05-04R, Big West of California, LLC, (Area 3)

<u>Decision</u> – Board Member Thomson made the motion to grant the variance. Board Member Thomson noted that the six required findings have been considered and made, and that the variance shall be subject to twelve recommended conditions set forth on pages 5, 6, and 7 in the Staff Report, with the inclusion of the modified wording for recommendation #4 <u>under this variance</u>. Seconded by Board Member Dunn and carried unanimously with the following *Roll Call Vote:*

Ayes: Wolber, Thomson, Dunn, and Bland.

Absent: Carlile.

The Board granted a Regular Variance to Docket S-05-04R, Big West of California LLC, Bakersfield Refinery, (Area 3). The variance shall be effective for a consecutive 365-day period between June 2, 2005, and June 1, 2006, or until the 81-H12 boiler unit is brought into compliance with the NOx emission standard specified in District Rule 4306, whichever occurs first. The twelve recommended conditions, with the modification to #4 will be set forth in the Hearing Board Order.

D.) Docket S-05-05R, Big West of California, LLC, (Area 3)

<u>Decision</u> – Board Member Thomson made the motion to grant the variance. Board Member Thomson noted that the six required findings have been considered and made, and that the variance shall be subject to twelve recommended conditions set forth on pages 5, 6, and 7 of the Staff Report, with the inclusion of the modified wording for recommendation #4 <u>under this variance</u>. Seconded by Board Member Wolber and carried unanimously with the following *Roll Call Vote*

Ayes: Wolber, Thomson, Dunn, and Bland.

Absent: Carlile.

The Board granted a Regular Variance to Docket S-05-05R, Big West of California LLC, Bakersfield Refinery, (Area 3). The variance shall be effective for a consecutive 365-day period between June 2, 2005, and June 1, 2006, or until the H-100 heater unit is brought into compliance with the NOx emission standard specified in District Rule 4306, whichever occurs first. The twelve recommended conditions, with the modification to #4 will be set forth in the Hearing Board Order.

B.)

Docket S-05-03R, Regular Variance, Big West of California, LLC, Bakersfield Refinery (Areas 1, 2 & 3), 6451 Rosedale Highway, Bakersfield, CA. 93308. Type of Business: Crude Oil Refining.

Petitioners - Jeff Utley and Dave Stein represented Big West of California, LLC.

Public Comments – No Public Comments.

<u>Decision</u> – Board Member Thomson made the motion to grant the variance. Board Member Thomson noted that the six required findings have been considered and made, and that the variance be subject to eleven recommended conditions set forth on pages 4, 5, and 6 of the Staff Report with Recommendation # 6 date of March 31, 2005 be changed to April 30, 2005, and Recommendation #7 date of April 30, 2005 be changed to May 30, 2005. Seconded by Board Member Dunn and carried unanimously with the following *Roll Call Vote:*

Ayes: Wolber, Thomson, Dunn, and Bland.

Absent: Carlile.

The Board granted a Regular Variance to Docket S-05-03R, Big West of California, LLC, Bakersfield Refinery, (Areas 1, 2 & 3). The variance shall be effective for a consecutive 123-day period between February 28, 2005, and June 30, 2005, or until an ECP reflecting Big West's Rule 4702 compliance strategy for the refinery, as well as ATCs and I&M plans for a least 62.5% of the affected units at the facilities are submitted to the District, and implemented, whichever

occurs first. The eleven recommendations with revisions will be set forth in the Hearing Board Order.

G.

Docket S-05-14S, Equilon Enterprises, LLC, (dba) Shell Oil Products US, Bakersfield Refinery (Areas (1, 2 & 3), 6451 Rosedale Highway, Bakersfield, CA. 93308. Type of Business: Crude Oil Refining.

<u>Petitioners</u> – Doug Thompson and Rodney Scott represented Equilon Enterprises, LLC.

Public Comments – No Public Comments.

<u>Decision</u> – Board Member Dunn made the motion to grant the variance. Board Member Dunn noted that the six required findings could be made, and that the variance be subject to eleven recommended conditions set forth on pages 5 and 6 of the Staff Report, with corrections to the following conditions, Condition # 2 remove Subsection P., Condition #3 remove. Subsection D., and Condition #9 remove the word NOx from Subsection B. Seconded by Board Member Wolber and carried unanimously with the following *Roll Call Vote:*

Ayes: Wolber, Thomson, Dunn, and Bland.

Absent: Carlile.

The Board granted a Short Variance to Docket S-05-14S, Equilon Enterprises, LLC, (dba) Shell Oil Products US, Bakersfield Refinery, (Areas 1, 2 & 3). The variance shall be effective between March 10, 2005, and March 31, 2005, or until PG&E returns power to the refinery, the VRS and associated equipment is switched back to PG&E power, the required tank inspections are complete, and the CEMS are switched back to PG&E power and allowed to stabilize, whichever occurs first. The eleven recommended conditions with corrections will be set forth in the Hearing Board Order.

F

Docket S-05-12S, Short Variance, Equilon Enterprises, LLC, (dba) Shell Oil Products US, Bakersfield Refinery (Area 2), 6451 Rosedale Highway, Bakersfield, CA. 93308. Type of Business: Crude Oil Refining.

<u>Petitioners</u> - Doug Thompson and Rodney Scott represented Equilon Enterprises, LLC.

Public Comments – No Public Comments.

<u>Decision</u> – Board Member Thomson made the motion to grant the variance. Board Member Thomson noted that the six required findings have been Action Summary Minutes Southern Region Hearing Board Meeting March 9, 2005

reviewed and made, and that the variance be subject to the eleven recommended conditions set forth on pages 4, 5, and, 6 of the Staff Report. Seconded by Board Member Wolber and carried unanimously with the following *Roll Call Vote:*

Ayes: Wolber, Thomson, Dunn, and Bland.

Absent: Carlile.

The Board granted a Short Variance to Docket S-05-12S, Equilon Enterprises, LLC, Bakersfield Refinery, (Area 2). The variance shall be effective for a consecutive 72-hour period to occur between March 10, 2005, and April 1, 2005, or until the repairs to the Area 2 fuel gas system are completed and the system brought back on-line, whichever occurs first. The eleven recommended conditions will be set forth in the Hearing Board Order.

F.) Withdrawn

Docket S-05-13S, Short Variance, Equilon Enterprises, LLC, Bakersfield Refinery (Areas 1 & 2), (dba) Shell Oil Products US, 6451 Rosedale Highway, Bakersfield, CA. 93308. Type of Business: Crude Oil Refining.

Break at 11:11 a.m.

Return from Break at 11:21 a.m.

H.)

Docket S-05-17S, Short Variance, Big West of California, LLC, Bakersfield Refinery (Area 2), 6451 Rosedale Highway, Bakersfield, CA. 93308. Type of Business: Crude Oil Refining.

<u>Petitioners</u> – Doug Thompson and Jeff Utley represented Big West of California, LLC.

Public Comments – No Public Comments.

<u>Decision</u> – Board Member Dunn made the motion to grant the variance. Board Member Dunn noted that the six required findings have been reviewed and made, and that the variance is subject to eleven recommended conditions set forth on pages 4, 5, and 6 of the Staff Report. Seconded by Board Member Wolber and carried unanimously with the following *Roll Call Vote:*

Ayes: Wolber, Thomson, Dunn and Bland.

Absent: Carlile.

The Board granted a Short Variance to Docket S-05-17S, Big West of California, LLC, Bakersfield Refinery (Area 2). The variance shall be effective for a

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consecutive 72-hour period to occur between March 10, 2005, and April 1, 2005, or until the repairs to the Area 2 fuel gas system are completed and the system brought back on-line, whichever occurs first. The eleven recommended conditions will be set forth in the Hearing Board Order.

I.) Withdrawn

Docket S-05-18S, Short Variance, Big West of California, LLC, Bakersfield Refinery (Areas 1 & 2), 6451 Rosedale Highway, Bakersfield, CA. 93308.

J.)

Docket S-05-19S, Short Variance, Big West of California, LLC, Bakersfield Refinery (Areas 1 & 2), 6451 Rosedale Highway, Bakersfield, CA. 93308. Type of Business: Crude Oil Refining.

<u>Petitioners</u> – Doug Thompson and Jeff Utley represented Big West of California, LLC.

Public Comments – No Public Comments.

<u>Decision</u> - Board Member Thomson made the motion to grant the variance. Board Member Thomson noted that the six required findings have been reviewed and made, and that the variance is subject to the eleven recommended conditions set forth on pages 6 and 7 of the Staff Report, with corrections to the following conditions, Condition # 2 remove Subsection P., Condition #3 remove. Subsection D., and Condition #9 remove the word NOx from Subsection B. Seconded by Board Member Dunn and carried unanimously with the following *Roll Call Vote:*

Ayes: Wolber, Thomson, Dunn, and Bland.

Absent: Carlile.

The Board granted a Short Variance to Docket S-05-19S, Big West of California, LLC, Bakersfield Refinery, (Areas 1 & 2). The variance shall be effective between March 10, 2005, and March 31, 2005, or until PG&E returns power to the refinery, the VRS, and associated equipment is switched back to PG&E power, the required tank inspections are complete, and the CEMS are switched back to PG&E power, and allowed to stabilize, whichever occurs first. The eleven recommended conditions, with corrections will be set forth in the Hearing Board Order.

The Board will hear K.) Docket S-05-10S, Plains Exploration & Production Co., and L.) Docket S-05-11S, Plains Exploration & Production Co., simultaneously with separate votes on each item.

K.

Docket S-05-10S, Short Variance, Plains Exploration & Production, Co., Mt. Poso Oil Field, Sec. SW4, T27S, R28E, Kern County, CA. Type of Business: Crude Oil and Gas Production.

L.)

Docket S-05-11S, Short Variance, Plains Exploration & Production Co., Mt. Poso Oil Field, Sec. SW4, T27S, R28E, Kern County, CA. Type of Business: Crude Oil and Gas Production.

<u>Petitioners</u> – Kenneth Bork, Ivan Tether, and Richard Garcia represented Plain Exploration & Production Co.

Board Member Thomson announced that he is acquainted with Richard Garcia, but there is no Conflict of Interest.

<u>Public Comments</u> – No Public Comments.

K.) Docket S-05-10S, Short Variance, Plains Exploration & Production Co.

<u>Decision</u> – Board Member Thomson made the motion to grant the variance, and noted the six required findings have been considered and made, and that the variance be subject to the eleven recommended conditions set forth on pages 4 and 5 of the Staff Report. Seconded by Board Member Wolber and carried unanimously with the following *Roll Call Vote:*

Ayes: Wolber, Thomson, Dunn and Bland.

Absent: Carlile.

The Board granted a Short Variance to Docket S-05-10S, Plains Exploration & Production Co., Mt. Poso Oil Field, Sec. SW4, T27S, R28E, Kern County, CA. The variance shall be effective between February 11, 2005, and April 1, 2005, or until Engine #1 is returned to compliance with the permitted NOx limitation, whichever occurs first. The eleven recommended conditions will be set forth in the Hearing Board Order.

L.) Docket S-05-11S, Short Variance, Plains Exploration & Production Co.

<u>Decision</u> – Board Member Thomson made the motion to grant the variance. Board Member Thomson noted that the six required findings have been considered and made, and that the variance be subject to the eleven recommendations conditions set forth on pages 4 and 5 of the Staff Report. Seconded by Board Member Dunn and carried unanimously with the following *Roll Call Vote*

Ayes: Wolber, Thomson, Dunn, and Bland.

Absent: Carlile.

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The Board granted a Short Variance to Docket S-05-11S, Plains Exploration & Production Co. The variance shall be effective between February 11, 2005, and May 1, 2005, or until Engine #2 is returned to compliance with the permitted NOx limitation, whichever occurs first.

M.) Withdrawn

Docket S-05-16S, Short Variance, Aera Energy LLC, Cymric Oil Field, 59231 Main Camp Road, McKittrick, CA. 93251.

- 5. <u>Emergency Variances</u> The Southern Region Hearing Board has not heard or approved an emergency variance order since February 9, 2005.
- 6. **Public Comments** No Public Comments.
- 7. <u>Hearing Board Member Comments</u> No Hearing Board Member Comments.
- 8. New Business No New Business.
- Next Scheduled Meeting Wednesday, April 13, 2005 at 10:00 a.m. The meeting will be held via video teleconference (VTC) in the Southern Region Office, 2700 M Street, Suite 275, Bakersfield with the Central Region Office (Fresno) participating via VTC.
- 10. Adjournment The Vice Chair adjourned the meeting at 11:55 a.m.

Sissy Smith, Clerk to the Board Southern Region Hearing Board San Joaquin Valley Unified APCD