

	Case No / Date	2015-01-R	02/04/15
	Petitioner	Southern California Gas Company	
	Permit #	Part 70/PTO 9584-R4	
	Date Rec'd	01/14/15	
	Time Rec'd	13:45	
<b>FOR OFFICIAL USE ONLY</b>			

**BEFORE THE HEARING BOARD  
OF THE SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT**

In The Matter of the Application of )  
 Southern California Gas Co. for a )  
 Regular Variance from District )  
 Rule 206, Conditions 9.C.1(a), )  
 9.C.1(b)(iv), 9.C.1(b)(v) and )  
 9.C.1(b)(vi)(A) of Permit to Operate )  
 9584-R4 and District Rule 333.E.1(a) )

**H.B. Case No. 2015-01-R**  
**\*\*\* DRAFT \*\*\* VARIANCE FINDINGS**  
**AND ORDER**

Southern California Gas Company filed a Petition for a Regular Variance on January 14, 2015. The Regular Variance was heard on February 4, 2015 with Edward Wiegman appearing for the Petitioner and Michael McKay and Michael Goldman appearing for the Santa Barbara Air Pollution Control District.

This matter having been fully presented and duly considered, the Hearing Board makes the following findings and gives the following reasons for its decision.

1. Notice of the Hearing was duly given in the manner and for the time required by law.
2. Sworn testimony and argument on behalf of the Petitioner and the Air Pollution Control Officer were made, received and considered.
3. Petitioner operates the equipment described in the Petition at 1171 More Ranch Road, Goleta, CA.

4. Southern California Gas Company is the holder of Permit to Operate 9584-R4. This main facility permit authorizes the operation of equipment and processes located at the La Goleta natural gas storage facility.
5. The facility's Main Unit #2, a 650-bhp natural gas-fueled engine and integral compressor, has been out of service due to an engine and compressor overhaul since January 23, 2014. In order to return this engine to service it is necessary to operate it under "no load" and "light load" conditions (<500 bhp) to check, adjust, tune-up and break-in the engine/compressor following overhaul work.
6. The Petitioner estimates that the post-overhaul "break in" period can be completed in less than 150 hours of intermittent engine operation during the variance period. During this period, the exhaust from the engine will continue to be routed through the engine's muffler; however, the catalytic converter element will be removed to prevent oil fouling. Additionally, the Air/Fuel Ratio Controller (AFRC) is not capable of controlling throughout this broad range of horsepower (0-650 bhp) and will need to be turned off until after the engine is tuned, adjusted and operated at or near its normal load and temperatures.

Upon completion of these post-overhaul checks, adjustments and "break in" run period, the catalyst will be installed, the air fuel ratio controller will be placed back in service and the engine will be operated at normal loads while the Petitioner's mobile emissions lab inspects and adjusts the engine as required to meet emission concentration limits. All of this work will be completed within the timeframe of this variance. Engine runtime hours and fuel consumption will be record by the Petitioner and reported to the District at the close of the variance together with the amount of excess emissions based upon AP-42 emission factors for an uncontrolled engine of this size and type using natural gas.

7. During the "break in" period the Petitioner will be in violation of District Rule 206, Conditions 9.C.1(a) (Emission Limits), 9.C.1(b)(iv) (I&M Plan), 9.C.1(b)(v) (Catalyst Operation) and 9.C.1(b)(vi)(A) (AFRC Control) of Part 70 Permit to Operate 9584-R4 and Rule 333 E.1(a) requiring control of emissions using the AFRC.
8. Due to conditions beyond the reasonable control of the Petitioner, requiring immediate compliance with the referenced permit conditions and rule would result in an arbitrary or unreasonable taking of property in that the engine/compressor must be go through a proper break-in period prior to normal operation and the AFRC cannot be operated during this period. If the engine/compressor were required to be operated with the catalyst control in place, oil fouling of the catalyst would likely occur and result in damage/loss of the catalyst. The catalyst replacement cost is estimated at \$10,000+.
9. The taking would be without a corresponding benefit in reducing air contaminants in that the engine/compressor unit is necessary to the routine operation of the facility. Moreover,

requiring the operation of the catalyst at lower loads and operating temperatures would not serve to reduce emissions as the unit is not effective at reducing NOx at these lower operating loads and temperatures.

10. The Petitioner has given consideration to curtailing operations of the source in lieu of obtaining a variance, but this would require simply no longer using this engine/compressor.
11. During the period that the variance is in effect the Petitioner will reduce emissions to the maximum extent feasible by minimizing break-in runtime.
12. During the period that the variance is in effect the Petitioner will continue to record runtime hours and fuel consumed. Emissions can be calculated using AP-42 factors for an uncontrolled engine of this type, size and fuel category.
13. A nuisance as defined in District Rule 303 is not expected to occur as a result of this variance and continued operation is not likely to create an immediate threat or hazard to public health or safety.
14. The District staff supports the Petition.

**THEREFORE, THE HEARING BOARD ORDERS,** as follows:

That a Regular Variance be granted for the operation of Petitioner's Main Unit #2 in violation of the District Rule 206, Conditions 9.C.1(a) (Emission Limits), 9.C.1(b)(iv) (I&M Plan), 9.C.1(b)(v) (Catalyst Operation) and 9.C.1(b)(vi)(A) (AFRC Control) of Part 70 Permit to Operate 9584-R4 and Rule 333 E.1(a) requiring control of emissions using the AFRC from February 4, 2015 to February 3, 2016 or the date the break-in period of the engine is complete, whichever occurs first, and not to exceed 150 hours of engine runtime, with the following conditions:

1. Petitioner will notify the District within 24 hours of the first day of non-compliant operation.
2. Petitioner will record runtime hours, fuel consumed, and all related emissions associated with Main Unit #2 during the variance period. The data shall be submitted to the District and Hearing Board within one calendar week following completion of the engine's "break-in" period or the end the variance, whichever occurs first.
3. If operation of the engine creates a public nuisance, the engine must cease operating until the nuisance can be mitigated.

4. Petitioner shall submit a monthly additional fee as set by APCD Rule 210 Schedule F.12.a by the 10<sup>th</sup> of every month starting in June of 2015, and each month thereafter until January of 2016, or until the break-in period is complete, whichever occurs first.
5. Petitioner shall retain the obligation to comply with all other local, state and federal regulations not specifically referenced in this Order.
6. Failure to abide by all conditions of this Order shall subject the Petitioner receiving the variance to penalties set forth in Health & Safety Code §42402.
7. Each date during any portion of which a violation occurs is a separate offense.

**DATED:** \_\_\_\_\_

AYES:

NOES:

ABSENT:

ABSTAIN:

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Chair  
Santa Barbara County Air Pollution Control District  
Hearing Board