

 <p>Santa Barbara County Air Pollution Control District</p>	Case No / Date	2016-31-R	11/02/16
	Petitioner	ExxonMobil Production Company	
	Permit #	Part 70/PTO 5651	
	Date Rec'd	10/11/16	
	Time Rec'd	12:18	
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**BEFORE THE HEARING BOARD
OF THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

In The Matter of the Application of)
ExxonMobil Production Company for a)
Regular Variance from District Rules)
325 and 206, Conditions 9.C.1(c),)
9.C.6(c)(iv), 9.C.8(c), and 9.C.12(a) of)
Part 70/Permit to Operate 5651.)

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H.B. Case No. 2016-31-R

VARIANCE FINDINGS

AND ORDER

On October 11, 2016, ExxonMobil Production Company filed a Petition for a Regular Variance. The Regular Variance was heard on November 02, 2016 in accordance with Health and Safety Code §40808 with Patrice Surmeier appearing for the Petitioner and Mike McKay appearing for the Santa Barbara County 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. The Petitioner operates the equipment described in the Petition at Las Flores Canyon (LFC), located at 12000 Calle Real, Goleta, CA, approximately 25 miles northwest of the City of Santa Barbara, CA.
4. ExxonMobil Production Company, a division of Exxon Mobil Corporation, is the holder of Permit to Operate 5651. This main facility permit authorizes the operation of equipment and processes located at the Las Flores Canyon Oil and Gas Plant (LFC), which is part of the Exxon – Santa Ynez Unit (SYU) Project.

5. As a result of the Plains All American Pipeline (AAPL) Line 901 failure on May 19, 2015, ExxonMobil experienced facility impacts. Due to these impacts, SYU onshore and offshore facilities are temporarily ceasing operations. On June 16, 2015 incoming platform gas was terminated. Preservation plans for the facility are still in progress. Line 901 remains shutdown and Plains continues to work with local and federal agencies to understand the nature of the failure and repair options. At this time, it is unclear when the restart of the facility may occur. Since the facility is not in operation, the Petitioner asserts it is either infeasible or unwarranted to conduct source testing on the Cogeneration Power Plant (CPP), Stripping Gas Treating Plant (SGTP), and the EQ Tank Venturi Scrubber during the preservation period. Upon the date the facility resumes processing platform gas, the Petitioner is requesting an additional 180 days of variance coverage from the above permit requirements for performing source tests on the CPP, SGTP, and EQ Tank Venturi Scrubber.
6. Without variance coverage, the Petitioner would be in violation of District Rules 325 and 206, Conditions 9.C.1(c), 9.C.6(c)(iv), 9.C.8(c), and 9.C.12(a) of Part 70/Permit to Operate 5651.
7. Due to conditions beyond the reasonable control of the Petitioner, compliance would result in an arbitrary or unreasonable taking of property as the pipeline closure is outside of the Petitioner's control.
8. Closing or taking would be without a corresponding benefit in reducing air contaminants as there are no expected excess emissions as a result of the granting of this Variance.
9. The Petitioner has curtailed operations in that the entire facility is shut in and will continue to remain shut in until a compliant method of oil shipment is established.
10. There are no expected excess emissions due to the granting of this variance.
11. The Petitioner will monitor the dates, hours, and all emissions, if any, related to the granting of this Variance.
12. 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.
13. The District staff supports the Petition as conditioned below.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That a Regular Variance be granted for the continued operation of the Las Flores Canyon Oil and

Gas Plant in violation of District Rules 325 and Rule 206, Conditions 9.C.1(c), 9.C.6(c)(iv), 9.C.8(c), and 9.C.12(a) of Part 70/Permit to Operate 5651 from January 1, 2017 through December 31, 2017, or 180 days after the date the facility resumes processing platform gas, whichever occurs first, with the following conditions:

1. Petitioner shall submit increments of progress to the Hearing Board and District on the first day of every calendar quarter after the effective date of the Regular Variance beginning April 1, 2017. The increments of progress report shall include: status of compliance, any corrective action taken to date, and the dates, times, volumes and actual emissions, if any, that occurred during the variance.
2. Petitioner shall submit a final report to the Hearing Board and District within thirty (30) days of the facility returning to compliance. The report shall include the date compliance was achieved together with the corrective actions taken and the dates, times, volumes and actual emissions, if any, that occurred during the variance period. If corrective action would be subject to District permits, then permits must be obtained prior to initiating corrective action.
3. Petitioner shall retain the obligation to comply with all other local, state and federal regulations not specifically referenced in the Order.
4. Failure to abide by all conditions of this Order shall subject the Petitioner receiving the variance to penalties set forth in Health and Safety Code section 42402.
5. Each day during any portion of which a violation occurs is a separate offense.

DATED: _____

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair
Santa Barbara County Air Pollution Control District
Hearing Board