



HEARING BOARD STAFF REPORT

TYPE: REGULAR VARIANCE

CASE NO: 2016-38-R

DATE: December 07, 2016

1.0 **GENERAL INFORMATION:**

- 1.1 **PETITIONER NAME:** Venoco, LLC
- 1.2 **EQUIPMENT LOCATION:** Petitioner operates the equipment described in the Petition at 7979 Hollister Avenue, Goleta, CA
- 1.3 **PERMIT NUMBER(S):** Part 70/Permit to Operate 7904
- 1.4 **FACILITY NAME/ID:** Ellwood Onshore Facility, FID 00028
- 1.5 **FACILITY DESCRIPTION:** The Ellwood Onshore Facility (EOF) is part of the *Venoco - Ellwood* stationary source (SSID # 01063). The *Venoco - Ellwood* stationary source consists of four facilities: Platform Holly (FID 03105), Beachfront Lease (FID 03035), Seep Containment Device (FID 01065), and Ellwood Onshore Facility (FID 00028). Venoco, LLC is the sole owner and operator of Ellwood Onshore Facility (EOF).

- 2.0 **REASON FOR THE VARIANCE REQUEST:** As a result of the Plains All American Pipeline (AAPL) Line 901 failure on May 19, 2015, Venoco, LLC has experienced facility impacts and is not currently processing oil and gas at EOF. The Petitioner is requesting relief from the requirements to perform measurement and analysis of gas streams that have no gas flow during this extended shutdown. The Regular Variance, if granted, will allow the Petitioner enforcement relief through December 06, 2017, or the date the facility resumes oil and gas processing, whichever occurs first. No additional emissions are expected if the Petitioner's request is granted.

Until the facility is able to resume operations, the Petitioner is requesting this Variance to allow for suspension of the permit requirements listed in 6.0 REGULATORY ANALYSIS. At this time, it is unclear when the restart of the Petitioners facility may occur.

- 3.0 **BACKGROUND:** A Petition for Regular Variance was submitted on November 10, 2016, by Venoco LLC. If granted, 2016-38-R would grant enforcement relief from December 07, 2016 through December 06, 2017. A Regular Variance was requested due to the unknown timeline for the AAPL repair.
- 4.0 **PERMITTING HISTORY:** Since the original permitting of EOF, PTO 7904 has been re-evaluated numerous times, with the most recent being in December of 2014. The EOF is part of the Ellwood stationary source and operates under a combined local and federal operating permit. See <https://www.ourair.org/venoco-ellwood/> for details.
- 5.0 **COMPLIANCE HISTORY:** Historically, the conditions described in Section 6.0 have not been violated.

6.0 REGULATORY ANALYSIS: The following permit conditions of Part 70/Permit to Operate 7904 are applicable to the variance request:

• **Condition 9.C.1(c)(v)**

- *Sulfur Content of In-plant Gas. Venoco shall monitor the hydrogen sulfide (H₂S) content of the in-plant fuel gas to H-204 on a daily basis using District-approved methods. Once every six-month, Venoco shall sample and analyze the fuel to determine the total sulfur (TRS) content. The samples shall be analyzed in accordance with ASTM-D1072 or a District approved equivalent method. The semi-annual analyses shall be used to determine the non-H₂S fraction of the gas. The non-H₂S fraction shall be added to the daily H₂S readings for daily compliance determinations.*

• **Condition 9.C. 1(c)(vi)**

- *Sulfur Content of Grace Unit Permeate Gas. Venoco shall monitor the hydrogen sulfide (H₂S) content of the permeate gas on a daily basis using District-approved methods. Once every six-month, Venoco shall sample and analyze the fuel to determine the total sulfur content. The samples shall be analyzed in accordance ASTM-D1072 or a District approved equivalent method. Upon written notification from the District, Venoco may be required to perform more frequent sampling and analyses or may be required to install a process monitor to provide semi-continuous monitoring. The semi-annual analyses shall be used to determine the non-H₂S fraction of the gas. The non-H₂S fraction shall be added to the daily H₂S readings for daily compliance determinations.*

• **Condition 9.C. 1(c)(viii)**

- *Heat Value Content of Grace Unit Permeate Gas. Venoco shall measure the higher heating value of the permeate gas on a monthly basis using ASTM-D3588 or a District approved equivalent method.*

7.0 EMISSIONS ANALYSIS: Excess emissions are not expected as a result of granting this variance.

8.0 RESERVED

9.0 OTHER FACTORS: none

10.0 DISTRICT RECOMMENDATION: The APCD supports the Petitioner's request and recommends the granting of a Regular Variance for Venoco, LLC as listed in the attached draft variance order.

11.0 ATTACHMENTS:

- Attachment 1 – Draft Regular Variance Order 2016-38-R



Mike McKay, Inspector
Compliance Division

11/22/16

Date