



HEARING BOARD STAFF REPORT

TYPE: REGULAR VARIANCE

CASE NO: 2016-39-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 emission testing of combustion equipment that is not operating or is operating intermittently and less than the amount that is necessary for testing, during this extended shutdown. The Regular Variance, if granted, will allow the Petitioner enforcement relief through December 06, 2017, or within 90 days of the facility resuming the processing of oil and gas, 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 Petitioner's facility may occur.

- 3.0 **BACKGROUND:** A Petition for Regular Variance was submitted on November 10, 2016, by Venoco LLC. If granted, 2016-39-R would grant enforcement relief from December 07, 2016 through December 06, 2017, or 90 days after the date the facility resumes processing oil and gas, whichever occurs first. 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)(i)**

- *Process Heater (H-204) - Source Testing. The permittee shall conduct annual stack emissions testing of H-204 emissions and process parameters listed in Table 9-2 below. Venoco may perform source testing on a biennial basis upon written approval of the District. The permittee shall submit a written source test plan to the District for approval 30 days prior to the anniversary date of the last source test. The anniversary source test date shall be January 1st or other date approved in advance by the District. The source test plan shall be prepared consistent with the District's "Source Test Procedures Manual" (revised May 24, 1990 and updates thereof). The permittee shall obtain written District approval of the source test plan prior to source testing. The District shall be notified at least ten (10) calendar days prior to the start of source testing activity to arrange for a mutually agreeable source test date when District personnel may observe the test.*

A source test for an item of equipment shall be performed on the scheduled day of testing (the test day mutually agreed to) unless circumstances beyond the control of the operator prevent completion of the test on the scheduled day. Such circumstances include mechanical malfunction of the equipment to be tested, malfunction of the source test equipment, delays in source test contractor arrival and/or set-up, or unsafe conditions on site. Except in cases of an emergency, the operator shall seek and obtain District approval before deferring or discontinuing a scheduled test, or performing maintenance on the equipment item on the scheduled test day. Once the sample probe has been inserted into the exhaust stream of the equipment unit to be tested (or extraction of the sample has begun), the test shall proceed in accordance with the approved source test plan. In no case shall a test run be aborted except in the case of an emergency or unless approval is first obtained from the District. If the test cannot be completed on the scheduled day, then the test shall be rescheduled for another time with prior authorization by the District. Failing to perform the source test of an equipment item on the scheduled test day without a valid reason and without District's prior authorization, except in the case of an emergency, shall constitute a violation of this permit. If a test is postponed due to an emergency, written documentation of the emergency event shall be submitted to the District by the close of the business day following the scheduled test day.

- **Condition 9.C. 2(c)(i)**

- *Source Testing - The permittee shall conduct stack emissions compliance source testing of the air emissions and process parameters listed in Table 9-4 below annually, or upon written request from District. The permittee shall submit a written source test plan to the District 30 days prior to the source test date. The anniversary source test date shall be January 1st or other date approved by the District. The source test plan shall be prepared consistent with the District's "Source Test Procedures Manual" (revised May 24, 1990 and updates thereof). The permittee shall obtain written District approval of the source test plan prior to source testing. The District shall be notified at least ten (10) calendar days prior to the start of source testing activity to arrange for a mutually agreeable source test date when District personnel may observe the test.*

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

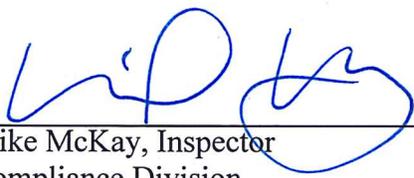
8.0 **RESERVED**

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 2016-39-R



Mike McKay, Inspector
Compliance Division

11/22/16

Date