

	Case No / Date	2017-02-R	02/01/17
	Petitioner	ExxonMobil Production Company	
	Permit #	Part 70/PTO 9100	
	Date Rec'd	01/10/17	
	Time Rec'd	12:41	
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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.D.1(b), 325.E.1(b), 325.F.4(b),)
 325.F.4(d), 359.F.2, 359.G.1, 359.H.2,)
 359.H.3, and 206, Conditions)
 9.C.2(c)(i), 9.C.2(c)(ii), 9.C.2(c)(iii),)
 9.C.2(c)(iv), 9.C.2(d)(i), 9.C.2(d)(ii),)
 9.C.2(d)(iii), 9.C.2(d)(iv), 9.C.2(d)(v),)
 9.C.3(b)(i), 9.C.6(b)(i), 9.C.6(c)(i),)
 9.C.6(d), 9.C.6(d)(i), 9.C.6(d)(ii),)
 9.C.9(b)(i), 9.C.9(b)(iii), 9.C.9(b)(iv),)
 9.C.9(b)(v), 9.C.9(b)(vi), 9.C.9(b)(vii),)
 9.C.9(e), 9.C.9(f)(i), 9.C.9(h)(iv),)
 9.C.12, 9.C.15, and 9.C.18 of Part)
 70/Permit to Operate 9100)
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H.B. Case No. 2017-02-R

VARIANCE FINDINGS

AND ORDER

On January 10, 2017, ExxonMobil Production Company filed a Petition for a Regular Variance. The Regular Variance was heard on February 01, 2017 in accordance with Health and Safety Code §40808 with Erin Grubbs and 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 Platform Hondo, located on offshore lease tract OCS-P-0188.
4. ExxonMobil Production Company, a division of Exxon Mobil Corporation, is the holder of Permit to Operate 9100. This main facility permit authorizes the operation of equipment and processes located at Platform Hondo, 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 preparing for an extended suspension of operations. On June 16, 2015, all platform gas being sent onshore was terminated. Facility equipment is not operating normally and is being preserved to manage its integrity over the longer term. This preservation process may involve the temporary and intermittent use of equipment, not reflective of normal operating conditions. Line 901 remains shutdown and Plains continues to work with local and federal agencies to reestablish pipeline operations. Although it is unclear when the restart of the Petitioners facility may occur, it is anticipated that all of the equipment will eventually be operated again. Since the facility is not in operation, the Petitioner is requesting coverage from performing measurement and/or recordkeeping of process parameters that do not exist during this extended shutdown. Any emissions related to the granting of this variance are expected to be within permitted limits.
6. Without variance coverage, the Petitioner would be in violation of District Rules 325.D.1(b), 325.E.1(b), 325.F.4(b), 325.F.4(d), 359.F.2, 359.G.1, 359.H.2, 359.H.3, and 206, Conditions 9.C.2(c)(i), 9.C.2(c)(ii), 9.C.2(c)(iii), 9.C.2(c)(iv), 9.C.2(d)(i), 9.C.2(d)(ii), 9.C.2(d)(iii), 9.C.2(d)(iv), 9.C.2(d)(v), 9.C.3(b)(i), 9.C.6(b)(i), 9.C.6(c)(i), 9.C.6(d), 9.C.6(d)(i), 9.C.6(d)(ii), 9.C.9(b)(i), 9.C.9(b)(iii), 9.C.9(b)(iv), 9.C.9(b)(v), 9.C.9(b)(vi), 9.C.9(b)(vii), 9.C.9(e), 9.C.9(f)(i), 9.C.9(h)(iv), 9.C.12, 9.C.15, and 9.C.18 of Part 70/Permit to Operate 9100.
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 potential emissions related to the granting of this variance are expected to be within permitted limits.
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. Emissions related to the granting of this variance are expected to be within permitted limits.
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 Platform Hondo in violation of District Rules 325.D.1(b), 325.E.1(b), 325.F.4(b), 325.F.4(d), 359.F.2, 359.G.1, 359.H.2, 359.H.3, and 206, Conditions 9.C.2(c)(i), 9.C.2(c)(ii), 9.C.2(c)(iii), 9.C.2(c)(iv), 9.C.2(d)(i), 9.C.2(d)(ii), 9.C.2(d)(iii), 9.C.2(d)(iv), 9.C.2(d)(v), 9.C.3(b)(i), 9.C.6(b)(i), 9.C.6(c)(i), 9.C.6(d), 9.C.6(d)(i), 9.C.6(d)(ii), 9.C.9(b)(i), 9.C.9(b)(iii), 9.C.9(b)(iv), 9.C.9(b)(v), 9.C.9(b)(vi), 9.C.9(b)(vii), 9.C.9(e), 9.C.9(f)(i), 9.C.9(h)(iv), 9.C.12, 9.C.15, and 9.C.18 of Part 70/Permit to Operate 9100 from February 01, 2017 through January 31, 2018, or the date the facility resumes operations, 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

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