



## HEARING BOARD STAFF REPORT

**TYPE:** REGULAR VARIANCE

**CASE NO:** 2017-06-R

**DATE:** February 01, 2017

### 1.0 **GENERAL INFORMATION:**

- 1.1 **PETITIONER NAME:** ExxonMobil Production Company (ExxonMobil)
- 1.2 **EQUIPMENT LOCATION:** Petitioner operates the equipment described in the Petition on Offshore lease tract OCS-P-0182
- 1.3 **PERMIT NUMBER(S):** Part 70/Permit to Operate (PTO) 9102
- 1.4 **FACILITY NAME/ID:** Platform Heritage, FID 08019
- 1.5 **FACILITY DESCRIPTION:** Platform Heritage is part of the *Exxon – Santa Ynez Unit (SYU)* Project stationary source (SSID # 01482). The *Exxon – SYU Project* stationary source consists of five facilities: Platform Harmony (FID 08018), Platform Heritage (FID 08019), Platform Hondo (FID 08009), Las Flores Canyon Oil and Gas Plant (FID 01482), and POPCO Gas Plant (FID 03170). ExxonMobil Production Company (ExxonMobil), an unincorporated division of Exxon Mobil Corporation, is the sole owner and operator of the facility.

- 2.0 **REASON FOR THE VARIANCE REQUEST:** 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 most of the Petitioners facility is not in operation, the Petitioner asserts it is either infeasible or unwarranted to conduct source testing on the Central Process Heater because it is not operating during this extended shutdown. Upon the date the facility resumes operations, the Petitioner is requesting an additional 180 days of variance coverage from the above permit requirements to return the Central Process Heater to compliance. There are no expected emissions related to the granting of this variance.

- 3.0 **BACKGROUND:** A Petition for Variance Order 2017-06-R was submitted on January 10, 2017 by ExxonMobil Production Company. If granted, 2017-06-R would grant enforcement relief from February 01, 2017 through January 31, 2018, or within 180 days of Platform Heritage resuming operations, 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 Platform Heritage, PTO 9102 has been re-evaluated numerous times, with the most recent being in March of 2016.

- 5.0 **COMPLIANCE HISTORY:** The permit conditions listed in 6.0 have historically been performed in compliance with District rules and regulations.

**6.0 REGULATORY ANALYSIS:** The following permit conditions of Part 70 Permit to Operate 9102 and rule requirements are applicable to the variance request:

- **Condition 9.C.2 (Combustion Equipment – Central Process Heater)**

- *c. Monitoring: The equipment in this section are subject to all the monitoring requirements listed in District Rule 342.E, G and I. The test methods In Rule 342.H shall be used. In addition, ExxonMobil shall:*
  - *ii. Source Testing - On a biennial schedule, ExxonMobil shall source test the Central Process Heater according to Condition C.12 (Source Testing). More frequent testing may be required, as determined by the District, if full operating loads have not been achieved.*

- **Condition 9.C.12 (Process Stream Sampling and Analysis)**

- *The following source testing provisions shall apply:*
  - *b. ExxonMobil shall submit a written source test plan to the District for approval at least thirty (30) calendar days prior to initiation of each source test. The source test plan shall be prepared consistent with the District's Source Test Procedures Manual (revised May 1990 and any subsequent revisions). This plan shall include a technical evaluation on how the engines and process heater will be tested at the maximum safest load. ExxonMobil shall obtain written District approval of the source test plan prior to commencement of 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.*
  - *c. Source test results shall be submitted to the District within forty-five (45) calendar days following the date of source test completion and shall be consistent with the requirements approved within the source test plan. Source test results shall document ExxonMobil's compliance status with mass emission rates in Section 5 and applicable permit conditions, and rules. All District costs associated with the review and approval of all plans and reports and the witnessing of tests shall be paid by ExxonMobil as provided for by District Rule 210.*
  - *d. 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 authorization 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.*

- *e. The timelines in (a), (b), and (c) above may be extended for good cause provided a written request is submitted to the District at least three (3) days in advance of the deadline, and approval for the extension is granted by the District.[Re: PTO 9101]*

- **Rule 342 (Control of Oxides of Nitrogen (NOx) from Boilers, Steam Generators, and Process Heaters)**

- **G. Requirements – Source Testing**

- *1. Except units complying with Subsection D.2.c, all units covered under Subsections D.1 and D.2 shall be tested for compliance not less than once every 24 months.*

**7.0** **EMISSIONS ANALYSIS:** There are no expected emissions related to the granting of this variance.

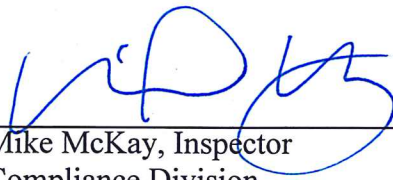
**8.0** **RESERVED**

**9.0** **OTHER FACTORS:** none

**10.0** **DISTRICT RECOMMENDATION:** The District supports the Petitioner's request and recommends the granting of a Regular Variance for ExxonMobil as listed in the attached draft variance order.

**11.0** **ATTACHMENTS:**

- Attachment 1 – Draft Regular Variance Order 2017-06-R

  
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Mike McKay, Inspector  
Compliance Division

02/13/17  
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Date