



## HEARING BOARD STAFF REPORT

**TYPE:** REGULAR VARIANCE

**CASE NO:** 2016-13-M1

**DATE:** July 05, 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 at 12000 Calle Real, Goleta, CA
- 1.3 **PERMIT NUMBER(S):** Part 70/Permit to Operate 8092
- 1.4 **FACILITY NAME/ID:** POPCO, FID 03170
- 1.5 **FACILITY DESCRIPTION:** The Pacific Offshore Pipeline Company (POPCO) Gas Plant 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). POPCO, a subsidiary of Exxon Mobil Corporation, owns the facility. ExxonMobil Production Company (ExxonMobil), an unincorporated division of Exxon Mobil Corporation, operates the facility. POPCO has operated the existing gas processing plant since 1984, processing raw sour gas produced from the SYU oil and gas field located in the Outer Continental Shelf. The POPCO Gas Plant facility currently includes a Sulfur Removal Unit, two 41.000 MMBtu/hr steam boilers, two tri-ethylene glycol reboilers, an electrically driven propane refrigerant gas treatment system, and a thermal oxidation unit.

- 2.0 **REASON FOR THE VARIANCE REQUEST:** An H<sub>2</sub>S analyzer is required to continuously measure H<sub>2</sub>S concentrations in the gas. This analyzer failed and requires repair or replacement. In addition, as a result of the Plains All American Pipeline (AAPL) Line 901 failure on May 19, 2015, ExxonMobil Production Company has shut down operations and facility equipment has been preserved to manage its integrity. On April 06, 2016, the Hearing Board heard and issued Regular Variance Order 2016-13-R, providing relief from the conditions listed in 6.0 through June 05, 2017. At this time, it is unclear when the restart of the Petitioners facility may occur. Adequate verification of proper operation of a new H<sub>2</sub>S analyzer is only feasible if installed just prior to operation and in-service testing completed to ensure proper operation. Per Health and Safety Code §42357, the Petitioner is requesting a Modification of Final Compliance Date, extending variance coverage through June 05, 2019 or the date the facility resumes the processing of platform gas, whichever occurs first. There are no expected emissions related to the granting of the Petitioners request.

- 3.0 **BACKGROUND:** On June 05, 2015, the Petitioner filed for a Regular Variance for a failed H<sub>2</sub>S analyzer. The Hearing Board heard and issued Regular Variance 2015-15-R, granting relief through June 05, 2016. On April 06, 2016, the Hearing Board heard and issued Regular Variance 2016-13-R, providing continued relief and a Modification of Final Compliance Date for Regular Variance 2015-15-R. While the initial variance request (2015-15-R) was for a failed H<sub>2</sub>S analyzer, the following variance requests (2016-13-R and 2016-

13-M1) were due to the unknown timeline for repair of AAPL 901 and subsequent inability of the Petitioner to adequately calibrate and test a new H<sub>2</sub>S analyzer.

**4.0 PERMITTING HISTORY:** The POPCO Gas Plant was permitted in two phases. The first phase was constructed in 1980 under District Rule 205. While the second phase was constructed in 1984 and routine operations began. Modifications to the Sulfur Recovery Unit (SRU) were made in 1997.

**5.0 COMPLIANCE HISTORY:** The H<sub>2</sub>S Analyzer (Stretford tail gas analyzer AE-405) has historically operated in compliance with District rules and regulations.

**6.0 REGULATORY ANALYSIS:** The following permit conditions of Part 70 Permit to Operate 8092 and rule requirements are applicable to the variance request:

- **Condition 9.C.7(a)(i) (Emission Limits)**
  - See section 7.0
- **Condition 9.C.12 (CEM)**
  - POPCO shall implement a CEM program for emissions and process parameters as specified in Section 4.11 and Tables 4.9 through 4.12 of this permit. POPCO shall implement the District-approved CEM Plan. The CEM monitors shall be in place and functional for the life of the project. The District shall use the CEM data alone, or in combination with other data, to verify and enforce project conditions. Excess mass emissions indicated by the CEM systems shall be considered a violation of the applicable mass emission limits.
- **Condition 9.C.12(a)**
  - The monitoring devices shall meet the requirements set forth in District Rule 328 and 40 CFR 51 and 40 CFR 60. Monitors must be installed, maintained, and operated in accordance with District and EPA requirements, as specified in the CFR and the District approved CEM Plan with manufacturer's specifications.
- **Rule 328 (Continuous Emissions Monitoring)**
  - Install, calibrate, operated and maintain in good working order equipment for continuously monitoring and recording emissions from a stationary source.

**7.0 EMISSIONS ANALYSIS:** Excess emissions are not expected as a result of this Variance.

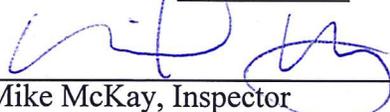
**8.0 RESERVED**

**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 ExxonMobil listed in the attached draft variance order.

**11.0 ATTACHMENTS:**

- Attachment 1 – Draft Regular Variance Order 2016-13-M1
- Attachment 2 – Approved Regular Variance Order 2016-13-R

  
\_\_\_\_\_  
Mike McKay, Inspector  
Compliance Division

06/15/17  
\_\_\_\_\_  
Date

	<b>Case No / Date</b>	<b>2016-13-M1</b>	<b>07/05/17</b>
	<b>Petitioner</b>	<b>ExxonMobil Production Company</b>	
	<b>Permit #</b>	<b>Part 70/PTO 8092</b>	
	<b>Date Rec'd</b>	<b>05/05/17</b>	
	<b>Time Rec'd</b>	<b>14:20</b>	
<b>FOR OFFICIAL USE ONLY</b>			

**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 )  
328 and Rule 206, Conditions )  
9.C.7(a)(i), 9.C.12, and 9.C.12(a) of )  
Part 70/Permit to Operate 8092. )

**\*\*\* DRAFT \*\*\***

**H.B. Case No. 2016-13-M1**

**VARIANCE FINDINGS**

**AND ORDER**

On May 05, 2017, ExxonMobil Production Company filed a Petition for a Regular Variance, requesting a Modification of the Final Compliance Date for Regular Variance 2016-13-R. The Regular Variance was heard on July 05, 2017 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 their Pacific Offshore Pipeline Company (POPCO) gas processing plant located approximately 25 miles northwest of the City of Santa Barbara, California.
4. The Petitioner is currently operating under Regular Variance Order 2016-13-R, which provides relief from the above rules and conditions through June 05, 2017.

5. An H<sub>2</sub>S analyzer is required to continuously measure H<sub>2</sub>S concentrations in the gas. This analyzer failed and requires repair or replacement. Adequate verification of proper operation of a new H<sub>2</sub>S analyzer is only feasible if installed just prior to operation and in-service testing completed to ensure proper operation. Due to the Plains All American Pipeline Line 901 failure on May 19, 2015, ExxonMobil Production Company has shut down operations and facility equipment has been preserved to manage its integrity. At this time, it is unclear when the restart of the Petitioners facility may occur.
6. Per Health and Safety Code §42357, the Petitioner requested a Modification of Final Compliance Date in order to extend variance coverage through June 05, 2019. There are no expected emissions related to the granting of the Petitioners request.
7. A nuisance as defined in District Rule 303 is not expected to occur as a result of this variance and there is not a likely immediate threat or hazard to public health or safety.
8. Pursuant to Health and Safety Code section §42357, it is found that “good cause” exists for the granting of Petitioner’s request for a Modification of the Final Compliance Date set forth in 2016-13-R.
9. The District staff supports the Petition as conditioned below.

**THEREFORE, THE HEARING BOARD ORDERS,** as follows:

That a Regular Variance be granted for the operation of the Petitioner’s POPCO facility in violation of District Rules 328 and 206, Conditions 9.C.7(a)(i), 9.C.12, and 9.C.12(a) of Part 70/Permit to Operate 8092 from June 06, 2017 through June 05, 2019, or the date the facility resumes the processing of 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 date of approval of the Regular Variance beginning August 01, 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) calendar 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:

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Chair  
Santa Barbara County Air Pollution Control District  
Hearing Board

 <p><b>Santa Barbara County Air Pollution Control District</b></p>	<b>Case No / Date</b>	<b>2016-13-R</b>	<b>04/06/16</b>
	<b>Petitioner</b>	<b>ExxonMobil Production Company</b>	
	<b>Permit #</b>	<b>Part 70/PTO 8092</b>	
	<b>Date Rec'd</b>	<b>03/11/16</b>	
	<b>Time Rec'd</b>	<b>15:45</b>	
<b>FOR OFFICIAL USE ONLY</b>			

**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 )  
328 and Rule 206, Conditions )  
9.C.7(a)(i), 9.C.12 and 9.C.12(a) of )  
Part 70/Permit to Operate 8092. )

**H.B. Case No. 2016-13-R**

**VARIANCE FINDINGS**

**AND ORDER**

On March 11, 2016, ExxonMobil Production Company filed a Petition for Regular Variance 2016-13-R, requesting a Modification of the Final Compliance Date for 2015-15-R. The Regular Variance was heard on April 6, 2016 in accordance with Health and Safety Code Section 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 POPCO's gas processing plant located approximately 25 miles northwest of the City of Santa Barbara, California.
4. The Petitioner operates the equipment described in the Petition at 12000 Calle Real, Goleta, CA.
5. ExxonMobil Production Company, a division of Exxon Mobil Corporation, is the holder of Permit to Operate 8092-R8. This main facility permit authorizes the operation of the

equipment and processes located at the Pacific Offshore Pipeline Company (POPCO) Gas Plant, which is part of the Exxon – Santa Ynez Unit Project.

6. As a result of the Plains All American Pipeline (AAPL) Line 901 failure on May 19, 2015, ExxonMobil Production Company has experienced facility impacts. On July 01, 2015, the Hearing Board heard and issued Regular Variance Order 2015-15-R, providing relief from the above conditions through June 5, 2016.
7. At this time, it is unclear when the restart of the Petitioners facility may occur. Adequate verification of proper operation of a new H<sub>2</sub>S analyzer is only feasible if installed just prior to operation and in-service testing completed to ensure proper operation. If the analyzer is installed now, there is no way of verifying that the unit will read accurately under normal operating conditions because this verification can only be performed once tail gas is present. Per Health and Safety Code §42357, the Petitioner is requesting a Modification of Final Compliance Date, extending variance coverage through June 5, 2017. There are no expected emissions related to the granting of the Petitioners request.
8. 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.
9. The District staff supports the Petition as conditioned below.
10. Pursuant to Health and Safety Code section 42359.5, it is found that “good cause” exists for the granting of Petitioner’s request for a Modification of the Final Compliance Date set forth in 2015-15-R.

**THEREFORE, THE HEARING BOARD ORDERS, as follows:**

That a Regular Variance be granted for the operation of the Pacific Offshore Pipeline Company facility in violation of Rules 328 and Rule 206, Conditions 9.C.7(a)(i), 9.C.12 and 9.C.12(a) of Part 70/Permit to Operate 8092 from June 6, 2016 through June 5, 2017, or the date the facility resumes platform gas processing, 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 date of approval of the Regular Variance beginning July 1, 2016. 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:** 4/6/2016

**AYES:** Ward, Lagattuta, Saperstein, Schmarje

**NOES:** None

**ABSENT:** Lavagnino

**ABSTAIN:** None

  
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Chair  
Santa Barbara County Air Pollution Control District  
Hearing Board