



H.B. Case No.:	<u>2016-15-M1</u>
Petitioner:	<u>Exxon Mobil</u>
Permit No.:	<u>08092</u>
Date Rec'd:	<u>05/05/17</u>
Time Rec'd:	<u>14:20</u>
Filing Fee Paid:	<u>\$580.00</u>

## PETITION FOR VARIANCE

<b>Type of Variance Requested:</b>			
Emergency	<u>                    </u>	Interim <sup>1</sup>	<u>                    </u>
		90-Day	<u>                    </u>
		Regular	<u>  X  </u>
Length of Variance Requested:	Start Date	Order extension from	<u>                    </u>
			<u>6/26/17</u>
	End Date		<u>                    </u>
			<u>6/25/19</u>
<sup>1</sup> A 90-Day or Regular Variance must be filed concurrently with an Interim Variance			

### 1. PETITIONER INFORMATION

A. Please provide the name, address and phone number of the Petitioner.

Name: ExxonMobil Production Company  
 (a division of Exxon Mobil Corporation)  
 Address: 22777 Springwoods Village Parkway  
W4.2.A551  
Houston, TX 77389  
 Phone Number: (281) 654-6317

B. Please provide the name, address and phone number of the person authorized to receive correspondence regarding this Petition if different from response in 1.A.

Name: Jing Wan  
 Address: 12000 Calle Real  
Goleta, CA 93117  
 Phone Number: (805) 961-4078

C. The Petitioner is (please check one):

- 1) An Individual ( )
- 2) Partnership ( )
- 3) Corporation (X)
- 4) Public Agency ( )
- 5) Other Entity (please describe)

2. Location of equipment for which the variance is requested if different from response in 1.A.

**The equipment is located at POPCO's gas processing plant. The plant is approximately 25 miles northwest of Santa Barbara, California**

3. List any District permits that are applicable to the equipment subject to this variance request.

**PTO and Part 70 Operating Permit 8092**

4. Briefly describe the equipment that is the subject of this Petition.

**POPCO's Las Flores Canyon Gas Treatment Plant is a natural gas sweetening process and sulfur recovery unit (SRU). The purpose of this process is to remove H<sub>2</sub>S and CO<sub>2</sub> from natural gas. The H<sub>2</sub>S is removed from natural gas and converted into elemental sulfur by the SRU. Any residual H<sub>2</sub>S contained in the SRU tail gas is incinerated and converted to SO<sub>2</sub> in one of the two 40 MMBTU/hr boilers, which are located downstream of the SRU. The POPCO Continuous Emission Monitoring system (CEMs) has been designed to provide continuous monitoring data to the SBCAPCD Central Data Acquisition System (CDAS) to facilitate enforcement of permit conditions. The program is described in detail in the SBCAPCD –approved POPCO CEMS monitoring plan which is incorporated by reference in the operating permit for the facility.**

#### **FINDINGS REQUIRED FOR THE GRANTING OF A VARIANCE**

In order for the Hearing Board to grant a variance to a Petitioner authorizing the operation of a source in violation of any rule, regulation or order of the District, the Hearing Board is required to make “findings” in accordance with the requirements specified in California Health and Safety Code §42352, et. seq. and District rules and regulations. The Hearing Board’s variance decision will take into consideration information you provide in this Petition. Please ensure your responses are complete and thorough. Please use additional pages as necessary.

A. Please state 1) what District rule, regulation or order you either are or will be in violation of, and 2) the date said violation will or did occur. Include as appropriate the applicable permit conditions for which variance relief is being sought.

**As a result of the Plains All American Pipeline (AAPL) Line 901 failure, there is an extended shutdown of operations at the ExxonMobil (EM) Santa Ynez Unit. Information below is based on the original petition for Variance Order 2015-20-R.**

***SBCAPCD Rule 206, Permit 8092, Condition 9.C.12 - POPCO shall implement the APCD-approved CEM plan and meet the requirements set forth in APCD Rule 328 and 40 CFR 51 and 40CFR 60. The plan specifies quarterly audit or calibration of the SO<sub>x</sub> and NO<sub>x</sub> analyzers, the annubar stack flow measuring system, and the following process analyzers: Stretford unit tailgas H<sub>2</sub>S analyzer, Stretford unit tailgas flow transmitters, plant inlet sour gas feed flow sensor and the***

*plant inlet H2S analyzer. The plan also specifies Relative Accuracy Test Audits (RATAs) once every four calendar quarters for these same units.*

***SBCAPCD Rule 206, Permit 8092, Condition 9.C.12 (b) – Performance certification (RATAs) of boiler NOx and SOx, inlet feed H2S and Stretford Tail gas H2S analyzer shall occur at least occur every year.***

*Due to the shutdown of the POPCO facility these audits will not be performed.*

- B. Please describe how compliance with the District rule, regulation or order listed in Section A above is beyond your reasonable control. In addition to any other relevant factors, please include in your discussion 1) what actions you have taken to comply or seek a variance, which were timely and reasonable under the circumstances.

**Information in italics provides details submitted in the petition for Variance Order 2015-20-R. This order was extended for one year by Variance Order 2016-15-R. During the original petition timeframe, the extent of the facility impact was not clear. The failure has since caused an extended suspension of operations at ExxonMobil's Santa Ynez Unit. Facility equipment has been preserved to manage its integrity over the longer term due to the uncertainty around the recommencement timing of production operations. The facility may be preserved for an extended period while AAPL reestablishes pipeline operations.**

**There are currently 5 POPCO orders related to impacts of the AAPL Pipeline 901 failure. ExxonMobil is requesting that Variance Orders 2016-33-R and 2016-15-R be consolidated into a single order to ease administration. These orders cover similar testing conditions and are in effect until the orders expire or 90 calendar day of POPCO resuming platform gas processing (whichever is lessor). Petition 2016-33-R is provided as an attachment to this petition.**

**As provided by California Health and Safety Code §42357, ExxonMobil is requesting a modification to the final compliance date of Variance Order 2016-15-R and 2016-33-R for good cause. Permit conditions listed herein and in the attached Petition 2016-33-R are either infeasible or impractical until processing resumes. Startup is not within the control of the petitioner.**

*As a result of the failure of the Plains All American Pipeline's Line 901 on May 19, 2015 ExxonMobil has experienced facility impacts. Due to these impacts, SYU onshore and offshore facilities are ceasing operations. On June 16, 2015 incoming platform gas to the POPCO facility terminated and on June 24, operations began depressurizing the facility. Line 901 remains shut down, and Plains continues to work with local and federal government agencies to understand the nature of the failure and repair options. At this time it is unclear when restart of the facility may occur.*

*Annual relative accuracy test audits (RATA) of POPCO monitors had been scheduled for the week of June 22, 2015. The audits are performed by an independent contractor and take three or more days to complete. Because of the shutdown, POPCO was unable to perform this requirement. This audit is required on an annual basis and is due in May or June of each year. Quarterly relative accuracy audits (RAAs) of the SO<sub>2</sub> and NO<sub>x</sub>, stack flow and calibrations of several process analyzers mentioned above are also required by the plan. POPCO may miss one or more of the quarter audit requirements due to the facility shutdown.*

*Until platform gas is re-established, RATA testing of the SO<sub>2</sub> stack analyzer, the inlet feed H<sub>2</sub>S and the Stretford Tail gas H<sub>2</sub>S analyzer is not feasible due to lack of sulfur in the system. Although the boiler may be operated periodically during the shutdown to provide steam for maintenance activities, it would not be feasible to properly perform RATAs for the NO<sub>x</sub> analyzer or RAAs on the stack flow anubar during this maintenance activity. During this activity there*

would be very low boiler loads and operation time would be too short to schedule a RATA or RAA. Quarterly cylinder gas audits (CGA's) (which are offline calibrations) of the Stretford unit tailgas H2S analyzer, Stretford unit tailgas flow transmitters, plant inlet sour gas feed flow sensor and the plant inlet H2S analyzer could be performed however are unnecessary as there is no Stretford tailgas or inlet gas (platform gas) to be measured until POPCO returns to normal operation. These unnecessary calibrations add manpower costs to the shutdown operation. Quarterly NO<sub>x</sub> and SO<sub>x</sub> boiler analyzer CGA's will continue unless it becomes clear that the boiler will be shutdown for an extended period. If the boiler is restarted for maintenance activities, the CGA will be performed prior to the restart.

ExxonMobil (acting on behalf of POPCO) is requesting that a variance to allow the suspension of RATAs and quarterly audits and calibrations until the POPCO facility returns to normal operations. Within 90 days of the resumption of platform gas processing, POPCO would perform the annual RATA requirements and thereafter would return to the normal audit cycle specified in the CEMs plan. If the RATA is performed within 90 days prior to the next normally scheduled annual RATA, the annual RATA will not be performed and POPCO will continue the regular annual schedule the following year. Calibrations of the Stretford unit tailgas H2S analyzer, Stretford unit tailgas flow transmitter, plant inlet sour gas feed flow sensor and the plant inlet H2S analyzer would be deferred until just prior to platform gas reintroduction to POPCO.

- C. Please describe how you would be impacted if you were required to immediately comply with the District rule, regulation or order the subject of this variance request. In addition to any other relevant factors, please discuss why such impacts would result in 1) an arbitrary or unreasonable taking of property, or 2) the practical closing and elimination of a lawful business.

**POPCO has no means of immediately complying with the rule and permit condition cited earlier. Shut down of the facility was not within their control.**

- D. If you were required to immediately comply with the District rule, regulation or order the subject of this variance request, please describe what impact, if any that would have on air contaminants.

**POPCO has no means of immediately complying with the rule and permit condition cited earlier. Shut down of the facility was not within their control.**

- E. Please describe what consideration you have given to curtailing of operations in lieu of obtaining a variance.

**Curtailing operations would not result in compliance and would not remove the need for a variance.**

- F. Please describe what steps and measures you will take to reduce excess pollutant emissions the maximum extent feasible during the requested variance period.

**There will be no excess emissions associated with this variance.**

- G. If requested to do so by the District, please describe how you will monitor or otherwise quantify and report to the District any pollutant emissions associated with the granting of your variance.

**There will be no excess emissions associated with this variance.**

**6. SUPPLEMENTAL FINDINGS IF APPLYING FOR AN EMERGENCY VARIANCE PURSUANT TO RULE 506 (EMERGENCY VARIANCE FOR BREAKDOWNS)**

- A. Please provide the date and time the breakdown was reported to the District

Date: \_\_\_\_\_ Time: \_\_\_\_\_

- B. Breakdown number (as provided by the District):
  - C. Please provide a description of the “breakdown condition”, including equipment involved and the cause to the extent it is known.
  - D. Please describe why the continued operation of your facility in a “breakdown condition” is not likely to cause an immediate threat or hazard to public health or safety and will not interfere with the attainment or maintenance of any primary national ambient air quality standard.
7. Will the operation of the equipment subject to this variance result in violation of District Rule 303, Nuisance? **The granting of this variance will not result in injury, detriment, nuisance, or annoyance to the public, and will not endanger the health or safety of the public or cause injury or damage to business or property.**
8. Please state whether or not any civil or criminal case involving the equipment subject to this variance is pending any court. **No case involving the same or identical equipment is pending in any court, civil or criminal, for which ExxonMobil is aware.**

The undersigned is authorized to submit the above Petition on behalf of the Petitioner and further states under penalty of perjury under the laws of the State of California, that the above Petition, including any attachments and the items therein set forth, are true and correct.

DATE: 5/5/17 SIGNATURE:  \_\_\_\_\_

TITLE: California Operations Asset Manager

PRINT NAME: Jing Wan

**Variance Filing Fees:** All variance Petitions must be accompanied by the requisite filing fee at the time of filing or include a letter from the Petitioner on company letterhead authorizing the District to debit the filing fee from the company’s reimbursable account. You may also pay your filing fees by credit card using the attached form. Current variance filing fees may be found under Rule 210, schedule F, Sections 12a and 12b at <http://www.sbcapcd.org/fees.htm>.

**POPCO Permit (8092) Variance Petition (Originally 2015-20-R, renewed now 2016-15-R)**

Area	Condition	Condition Language	Other information
	CEMS plan	6.2 CGAs every quarter except RATA quarter	received variance
	CEMS plan	8.5 Process sensors (tailgas and inlet H2S and flow) will be calibrated at least quarterly.	received variance
	CEMS plan	6.2 RAA of boiler stacks every quarter	received variance
	CEMS plan	6.2 Annual RATA of boilers	Annual RATA boiler due May/June. Received variance.
CEM	9.C.12(b)	Performance certification (relative accuracy testing and seven day calibration drift test) of the boiler SOx & NOx, inlet feed H2S and Stretford Tailgas H2S analyzers shall occur at least once per year, or more often if determined necessary by the District. POPCO shall perform quarterly quality assurance audits as per 40 CFR 60, Appendix F on these analyzers.	Received variance.

**POPCO Permit (8092) Variance Petition - October 2016 - Source Tests (2016-33-R)**

Area	Condition	Condition Language	Other information
Utility Boilers	9.C.1(c)(iii)	POPCO shall source test the Utility Boilers according to the Source Testing condition in this permit.	Petitioner requests relief from source tests for all equipment that is temporarily not in service until 3 months after resumption of platform processing gas.
Wastewater tank T-601	9.C.5(b)(v)	The source test condition 9.C.18 shall be adhered to with regards to the Wastewater Tank T-601.	Petitioner requests relief from source tests for T-601 until 3 months after resumption of platform processing gas.
Stretford Unit Oxidizer Tanks	9.C.7(c)(ii)	To ensure that hydrocarbon emissions associated with carry-under of hydrocarbons from the Beavon Tailgas into the Stretford unit oxidizers are within permitted limits, POPCO shall source test the tanks on a triennial basis.	Petitioner requests relief from source tests for all equipment that is temporarily not in service until 3 months after resumption of platform processing gas.
Source Testing	9.C.18(a)	POPCO shall conduct source testing of air emissions and process parameters listed in Section 4.12 and Tables 4.13, 4.14 and 4.15 of this permit. Source testing shall be performed at the frequency specified in Table 4.13 using May-June as the anniversary date for the utility boilers and the SRU.	Petitioner requests relief from source tests for all equipment until 3 months after resumption of platform processing gas.

Hearing Board Case No. 2016-33-R

APCD Rule	Title	Applicability	Section Heading	Section	Rule Language	Reason for Exemption
342	Control of Oxides of Nitrogen (Nox) from Boilers, Steam Generators, and Process Heaters	Boilers B-801.A & B	G Requirements - Testing	G.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.	Petitioner requests relief from source tests for all equipment that is temporarily not in service until 3 months after resumption of platform processing gas.
342	Control of Oxides of Nitrogen (Nox) from Boilers, Steam Generators, and Process Heaters	Boilers B-801.A & B	J. Reporting Requirements	J	The owners and operators of units subject to Sections D1, D.2.a, D.2.b, and D.2.d shall submit compliance test reports on each unit for each fuel burned. Test reports shall include operational characteristics of all flue-gas NOx reduction equipment or technology.	Petitioner requests relief from source tests for all equipment that is temporarily not in service until 3 months after resumption of platform processing gas.

ExxonMobil Production Company  
12000 Calle Real  
Goleta, California 93117



May 5, 2017

Petition for Regular Variance  
Extension Final Compliance Date  
Variance Orders 2016-13-R, 2016-15-R  
and 2016-33-R  
PTO 8092-R8

Ms. Sara Hunt  
Santa Barbara County  
Air Pollution Control District  
260 N. San Antonio Road, Suite A  
Santa Barbara, California 93110-1315

Dear Ms. Hunt:

Attached please find the referenced Regular Variance Petitions for Pacific Offshore Pipeline Facility (POPCO). We understand that the variance, if granted, will extend the final compliance date of the subject orders and combine Orders 2016-15-R and 2016-33-R into a single order.

Please instruct the SBCAPCD to charge the applicable filing fees to ExxonMobil's reimbursable agreement with the District. If you have any questions or need further information, please contact Patrice Surmeier at (805) 961-4297 or at [patrice.a.surmeier@exxonmobil.com](mailto:patrice.a.surmeier@exxonmobil.com).

Sincerely,

Jing Wan  
California Operations Asset Manager

Santa Ynez Unit Project  
ExxonMobil Production Company  
(a division of Exxon Mobil Corporation)

Attachment

cc: Mike McKay, SBCAPCD

**Attachment Description:**

- 2016-13-R Variance Petition Extension
- 2016-15-R Variance Petition Extension and consolidation request with 2016-33-R
- 2016-15-R Variance Table for reference
- 2016-33-R Variance for reference
- 2016-33-R Variance Table for reference