



## HEARING BOARD STAFF REPORT

**TYPE:** REGULAR VARIANCE

**CASE NO:** 2016-25-M1

**DATE:** September 06, 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 5651
- 1.4 **FACILITY NAME/ID:** Las Flores Canyon, FID 01482
- 1.5 **FACILITY DESCRIPTION:** The Las Flores Canyon (LFC) Oil and Gas Processing 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). ExxonMobil Production Company (ExxonMobil), an unincorporated division of Exxon Mobil Corporation, owns and operates the facility. The LFC facility currently includes a gas turbine, a heat recovery steam generator, oil storage tanks, a waste gas incinerator, various sumps, pumps and compressors, a pig receiver, a thermal oxidizer, three diesel-fired water pump engines, and fugitive components.

- 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 Production Company has shut down operations and facility equipment has been preserved to manage its integrity. Because the facility is shut down, the Petitioner is requesting continued relief from the below requirements associated with monitoring, recordkeeping, and calibrating activities. The Petitioner is currently operating under Regular Variance Orders 2016-25-R, which provides relief from the below conditions through September 29, 2017 (or six months after the date the facility resumes processing platform gas, whichever occurs first) and 2016-31-R, which provides relief from the below conditions through December 31, 2017 (or 180 days after the date the facility resumes processing platform gas, whichever occurs first). Per Health and Safety Code §42357, the Petitioner is requesting a Modification of Final Compliance Date for Variances 2016-25-R and 2016-31-R to extend coverage through September 29, 2019, or 180 days after the date the facility resumes platform gas processing, whichever occurs first. Per Health and Safety Code §42356, the Petitioner is also requesting Regular Variances 2016-25-R and 2016-31-R be incorporated into a single variance, effectively terminating 2016-25-R and 2016-31-R. There are no expected emissions related to the granting of the Petitioner's request.

- 3.0 **BACKGROUND:** An application was submitted on July 27, 2017 by ExxonMobil Production Company to consider a Modification of Variance and Modification of Final Compliance Date of Regular Variances 2016-25-R and 2016-31-R. If granted, 2016-25-R

and 2016-31-R would be incorporated into 2016-25-M1, effectively terminating 2016-25-R and 2016-31-R, upon approval. Enforcement relief would also be granted from September 30, 2017 through September 29, 2019, or 180 days after the date the facility resumes processing platform gas, whichever occurs first. A Modification of Variance and Modification of Final Compliance Date set forth in 2016-25-R and 2016-31-R was requested due to the unknown timeline for the AAPL repair.

**4.0 PERMITTING HISTORY:** The LFC facility was originally permitted under ATC 5651 in November of 1987. Since that time, ATC 5651 was modified numerous times. The District Permit to Operate for LFC was issued in January of 1999.

**5.0 COMPLIANCE HISTORY:** The conditions listed in section 6.0 below 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 5651 and rule requirements are applicable to the variance request:

- **Condition 9.C.1(c)**
  - *ExxonMobil shall monitor the emission and process parameters listed in Table 10.1 for the life of the project. ExxonMobil shall perform annual source testing of the CPP consistent with the requirements listed in Table 4.5 and the source testing condition of this permit.*
- **Condition 9.C.6 (c)(iv)**
  - *On an annual basis, ExxonMobil shall source test the venturi scrubber to determine the control efficiency. Source testing shall be performed in accordance with the Source Testing condition of this permit.*
- **Condition 9.C.8(c)**
  - *ExxonMobil shall monitor the emission and process parameters listed in Table 10.2 for the life of the project. ExxonMobil shall perform annual source testing of the WGI consistent with the requirements listed in Table 4.6 and the source testing permit condition below.*
- **Condition 9.C.12(a)**
  - *ExxonMobil shall conduct source testing of air emissions and process parameters listed in Section 4.13 and Tables 4.5, 4.6 and 4.7 of this permit. More frequent source testing may be required if the equipment does not comply with permitted limitations or if other compliance problems, as determined by the District, occur. Source testing shall be performed on an annual schedule (except as specifically noted) using December/January as the anniversary date for the CPP and March/April as the anniversary date for the SGTP and the Equalization Tank.*
- **Condition 9.C.15 (Continuous Emission Monitoring)**
  - *ExxonMobil shall implement a CEM program for emissions and process parameters as specified in Section 4.12 and Attachment 10.1 of this permit. ExxonMobil 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 emissions*

*indicated by the CEM systems shall be considered a violation of the applicable emission limits.*

- **Rule 325 (Crude Oil Production and Separation)**
  - *This rule applies to equipment used in the productions, gathering, storage, processing, and separation of crude oil and natural gas prior to custody transfer.*
- **Rule 328 (Continuous Emissions Monitoring)**
  - *Install, calibrate, operate, 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 granting this variance.

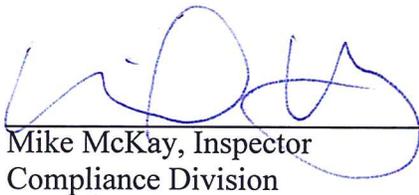
8.0 **RESERVED**

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 ExxonMobil as listed in the attached draft variance order.

11.0 **ATTACHMENTS:**

- Attachment 1 – Draft Regular Variance Order 2016-25-M1
- Attachment 2 – Approved Regular Variance Order 2016-25-R
- Attachment 3 – Approved Regular Variance Order 2016-31-R

  
Mike McKay, Inspector  
Compliance Division

08/23/17  
Date