



HEARING BOARD STAFF REPORT

TYPE: REGULAR VARIANCE

CASE NO: 2018-06-R

DATE: June 06, 2018

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:** 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 the facility is not in operation, the Petitioner is requesting approval to temporarily preserve their odor monitoring station until recommissioning activities begin. The station is used to house equipment which measures wind speed, temperature, and ambient H₂S concentration. Since temporary suspension of operations began in May of 2015, there have been no reported odor complaints.

- 3.0 **BACKGROUND:** A Petition for Variance Order 2018-06-R was submitted on May 03, 2018 by ExxonMobil Production Company. If granted, 2018-06-R would grant enforcement relief from July 01, 2018 through June 30, 2020, or the date the facility resumes processing platform gas, whichever occurs first. A Regular Variance was requested due to the unknown timeline for the AAPL repair.

- 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:** Historically, the conditions described in Section 6.0 have not been violated.
- 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.13 (Data Telemetry)**
 - *POPCO shall telemeter monitoring data to the District as specified by Conditions C.12 (Continuous Emission Monitoring) and C.16 (Ambient Air Quality and Odor Monitoring Program) of this permit. The data telemetry equipment shall be in place and functional for the life of the project consistent with the above-specified conditions. This telemetry equipment shall be compatible with the District's Central Data Acquisition System. Table 9.1 (CEMs Parameters To Be Telemetered To The Data Acquisition System (DAS)), defines the parameters required to be telemetered to the DAS (excluding Ambient Air Quality and Odor Monitoring Program data). [Re: PTO 8092, PTO 9215]*
 - **Condition 9.C.14 (Central Data Acquisition System)**
 - *This system shall receive and analyze continuous emissions data from POPCO CEMs (as specified in Condition C.12), and odor monitoring (as specified in Condition C.16) and any other data necessary to evaluate observed and potential air quality impacts either site-specific or regional. [Re: ATC 9047, PTO 8092, PTO 9215, ATC 9047-3]*
 - **Condition 9.C.16 (Ambient Air Quality and Odor Monitoring Program)**
 - *POPCO shall implement the following requirements:*
 - *(a) Odor Monitoring Plan – Implement the District-approved Odor Monitoring Plan (approved 9/13/93) for ambient odor monitoring and human olfactory verification programs for the life of the POPCO project.*
 - *(b) Odor Monitoring Station – Operate an odor monitoring station as listed in Sections 4.14 and 6.6 and Table 4.16 of this permit to continuously monitor ambient hydrogen sulfide (H₂S) concentrations to ensure that H₂S emissions emanating from the facility are in compliance with State and local ambient air quality standards and not causing a public nuisance. This station shall be located at the property boundary of the ExxonMobil LFC facility at a site approved by the District. For the purpose of compliance with District Rule 310 and the applicable ambient air standards, this odor monitoring station shall be assumed to be located at POPCO's property boundary. POPCO shall take over the maintenance and operation of the LFC - Odor station in the event ExxonMobil abandons or ceases to operate it. All monitoring equipment (H₂S and meteorological) shall be operated and maintained according to the Air Quality and Meteorological Monitoring Protocol for Santa Barbara County, dated October 1990, and all subsequent revisions. POPCO shall monitor and report the parameters listed in Table 4.16 in accordance with their District-approved Odor Monitoring Plan. All ambient monitoring data and records shall be submitted to the Air Pollution Control District in a form approved by the Air Pollution Control Officer. All data specified in Table 4.16 shall be telemetered to the District's Data Acquisition System on a real-time basis. Other odor-related*

pollutant-specific equipment may be added to the station, if deemed necessary by the District. POPCO shall reimburse the District's costs for the review and audit of the station's data in accordance with the cost reimbursement provisions of Rule 210.

- *(c) Up to two additional monitors may be required of POPCO to monitor odorous emissions emanating from the Las Flores Canyon facilities and offshore operations if the District determines that odor thresholds are being exceeded. [Re: PTO 8092, ATC 9047, ATC 9047-3]*

- **Condition 9.C.35 (Documents Incorporated by Reference)**

- *The documents listed below, including any District-approved updates thereof, are incorporated herein and shall have the full force and effect of a permit condition for this operating permit. These documents shall be implemented for the life of the Project and shall be made available to District inspection staff upon request.*
 - *(d) Odor Monitoring Plan (approved 09/1993)*

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

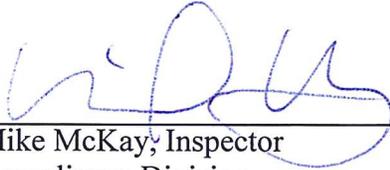
8.0 **RESERVED**

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 2018-06-R



Mike McKay, Inspector
Compliance Division

05/23/18

Date