



air pollution control district  
SANTA BARBARA COUNTY

## HEARING BOARD STAFF REPORT

**TYPE: REGULAR VARIANCE**

**CASE NO: 2020-08-R**

**DATE: June 3, 2020**

### **1.0 GENERAL INFORMATION:**

- 1.1 **PETITIONER COMPANY NAME:** Terracore Operating Company
- 1.2 **EQUIPMENT LOCATION:** GWP Fee Lease in the Cat Canyon Field, Santa Maria, CA
- 1.3 **PERMIT NUMBER(S):** Permit to Operate 8171-R10
- 1.4 **FACILITY NAME/ID:** GWP Fee, FID 3007
- 1.5 **FACILITY DESCRIPTION:** GWP Fee is an oil and gas processing facility. The facility consists of equipment associated with the gathering and processing of crude oil and produced gas. Heater treaters, also known as process heaters, are utilized at the facility to improve viscosity and dehydration.

**2.0 REASON FOR THE VARIANCE REQUEST:** District Rule 361 requires all AB 617 Industrial Units to meet new emissions standards for NO<sub>x</sub> by June 20, 2020. Without Variance coverage, the Petitioner will be in violation of Rule 361 and 206, Permit to Operate 8171-R10 Condition 2.e. for two heater treaters (APCD Device IDs 1634 and 1636).

**3.0 BACKGROUND:** The Petitioner was on schedule to complete the low NO<sub>x</sub> equipment replacement as required. However, the outbreak of the COVID-19 virus has caused the Petitioner to delay the heater treater construction project. There are approximately 16 persons working on the construction project (e.g., welders, pipe fitters, laborer, etc.). To comply the current social distancing and shelter in place directives put in place by Santa Barbara County and the State, the Petitioner has reduced the size and scheduling of the construction crews. This delay has significantly impaired the Petitioner's ability to progress on the project as planned. As a result, the Petitioner will not meet the June 20, 2020, deadline for the low NO<sub>x</sub> heater treaters.

**4.0 PERMITTING HISTORY:** Permit to Operate 8171-R10 was issued on May 3, 2019, with the reevaluation due April 2022.

**5.0 COMPLIANCE HISTORY:** There are no enforcement actions for the equipment subject to this variance request in the past three (3) years.

**6.0 REGULATORY ANALYSIS:** The following permit conditions and rule requirements are applicable to the variance request:

- **District Rule 361 BOILERS, STEAM GENERATORS, AND PROCESS HEATERS (Between 2-5 MMBtu/hr)**

- *D (Requirements – Emission Standards)*
  3. *On or after January 1, 2020, no owner or operator shall install or modify any unit unless the unit complies with the emission limits set forth in Table 2 below.*

**Table 2: Emission Limits for Units Installed On or After January 1, 2020**

<b>Fuel Type</b>	<b>NOx Emission Limit (ppm at 3% O2)</b>	<b>CO Emission Limit (ppm at 3% O2)</b>
<i>Natural Gas or Field Gas: non-atmospheric units</i>	9	400
<i>Natural Gas or Field Gas: atmospheric units</i>	12	400
<i>Landfill Gas</i>	25	400
<i>Digester Gas</i>	15	400
<i>Liquefied Petroleum Gas</i>	20	400
<i>All other fuels</i>	30	400

4. *On or before June 20, 2020, all AB 617 Industrial Units shall operate in compliance with the emission limits specified in Section D.3.*

- *L (Compliance Schedule – Existing Units)*
  2. *On or before June 20, 2020, the owner or operator of any AB 617 Industrial Unit shall operate in compliance with the emission standards in D.3.*

- **Permit to Operate 8171-R10, Condition 2.e (Rule 361 Compliance – Existing Unit)**

- *On or before January 1, 2020, the owner or operator of any unit subject to Rule 361 shall demonstrate final compliance with this rule. Any existing unit that is replaced or modified that is subject to requirements of Rule 361 and shall first obtain a District ATC permit prior to installation or modification.*
- **District Discussion Regarding Permit Language:** *Permit to Operate 8171-R10 was issued on May 3, 2019. The adoption of Rule 361 to include the above AB 617 language occurred on June 20, 2019. As a result, this language was not included in the permit. However, the incorporation of this permit condition is applicable because of the lower NOx requirement was noted in the permit. AB 617 requires low NOx by a extends the deadline for these units to June 20, 2020.*

**7.0**    **EMISSIONS ANALYSIS:** The Petitioner expects the excess emission, based on the emission factors in the permit compared to Rule 361 limits, to be 8.19 lbs/day NOx.

**8.0**    **RESERVED**

**9.0** OTHER FACTORS: None

**10.0** DISTRICT RECOMMENDATION: The District supports the Petitioner's variance request.

**11.0** ATTACHMENTS:

- Attachment 1 – Draft Regular Variance Order 2020-08-R



---

Aimee Long, Air Quality Specialist  
Compliance Division

May 19, 2020

---

Date