

	Case No / Date	2020-13-N	6/03/2020
	Petitioner	Southern California Gas Company	
	Permit #	9584-R6	
	Date Rec'd	5/18/2020	
	Time Rec'd	1504 hours	
	FOR OFFICIAL USE ONLY		

**BEFORE THE HEARING BOARD
OF THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

In the Matter of the Application of)
 Southern California Gas Company for)
 a 90-Day Variance from District Rules)
 333.E.1.a, 206, and Part 70 Permit to)
 Operate 9584-R6, Conditions)
 9.C.1(a), 9.C.1(b)(iv), 9.C.1(b)(v),)
 9.C.1(b)(viii)(A) and 9.C.1(b)(viii)(C).)

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H.B. Case No. 2020-13-N

VARIANCE FINDINGS

AND ORDER

Southern California Gas Company filed a Petition for a 90-Day Variance on May 18, 2020. A hearing of the above-entitled matter was held on June 3, 2020 in accordance with Health and Safety Code §40808. Andrew Longworth and Edward Wiegman represented the Petitioner and Aimee Long represented the Santa Barbara County Air Pollution Control District (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 the La Goleta Facility located at 1171 More Ranch Road, Goleta, CA.
4. The facility's Main Unit #5 (APCD Device ID 001202), a 650 bhp natural gas-fueled engine and integral compressor, has been out of service since August 18, 2018. In order to return this engine to service it is necessary to operate it under no load and light load conditions (<500 bhp) to check, adjust, tune-up and break-in the engine/compressor following the overhaul work.

5. The Petitioner estimates the post-overhaul break-in period can be completed in less than 150 hours of intermittent engine operation. During this period, the exhaust from the engine will continue to be routed through the engine's muffler; however, the catalytic converter element will be removed to prevent oil fouling. Additionally, the Air/Fuel Ratio Controller (AFRC) is not capable of controlling throughout this broad range of horsepower (0-650 bhp) and will need to be turned off until after the engine is tuned, adjusted and operated at or near its normal load and temperatures.

Upon completion of these post-overhaul checks, adjustments and break-in run period, the catalyst will be installed, the AFRC will be placed back in service and the engine will be operated at normal loads while the Petitioner's mobile emissions lab inspects and adjusts the engine as required to meet emission concentration limits.

6. Without Variance coverage, the Petitioner will be in violation of District Rules 333.E.1.a, 206, and Part 70 Permit to Operate 9584-R6, Conditions 9.C.1(a), 9.C.1(b)(iv), 9.C.1(b)(v), 9.C.1(b)(viii)(A) and 9.C.1(b)(viii)(C).
7. Due to conditions beyond the reasonable control of the Petitioner, immediate compliance with the referenced permit conditions and rule would result in an arbitrary or unreasonable taking of property. The engine/compressor must go through a break-in period prior to normal operation and the catalytic converter and AFRC cannot be operated during this period. If the engine/compressor were required to be operated with the catalytic converter in place, oil fouling of the catalyst would likely occur and result in damage/loss. The catalyst replacement cost is estimated to be greater than \$10,000.
8. The closing or taking would be without a corresponding benefit in reducing air contaminants in that the engine/compressor unit is necessary to the routine operation of the facility. Moreover, requiring the operation of the catalyst at lower loads and operating temperatures would not serve to reduce emissions as the unit is not effective at reducing NOx at these lower operating loads and temperatures.
9. The Petitioner has considered curtailing operations; however, this would require the engine/compressor to be permanently removed from service.
10. During the Variance period, the Petitioner will reduce emissions to the maximum extent feasible by minimizing the break-in runtime.
11. During the Variance period, the Petitioner will continue to record runtime hours and fuel consumption. Emissions will be calculated using the AP-42 factors for an uncontrolled engine of this type, size and fuel category. The excess emissions associated with this Variance for the worst-case scenario are expected to be no more than 2,131 lbs NOx.
12. If, due to reasons beyond the control of the Petitioner, the Main Unit #5 (APCD Device ID 001202) is not returned to service during the Variance period, additional relief will be sought.

13. 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.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That a 90-Day Variance be granted for the operation of the Petitioner's Main Unit #5 (APCD Device ID 001202) in violation of District Rules 333.E.1.a, 206, and Part 70 Permit to Operate 9584-R6, Conditions 9.C.1(a), 9.C.1(b)(iv), 9.C.1(b)(v), 9.C.1(b)(viii)(A) and 9.C.1(b)(viii)(C) from June 8, 2020 through September 5, 2020, with the following conditions:

1. Petitioner shall submit a final written report to the Hearing Board and District, to variance@sbcapcd.org, by September 25, 2020, or within fifteen (15) days of compliance, whichever occurs first. The report shall include runtime hours, fuel consumed, and the calculated emissions using the applicable AP-42 factors for the Variance period.
2. Petitioner shall retain the obligation to comply with all other local, state and federal regulations not specifically referenced in the Order.
3. In accordance with District Fees Rule 210, Schedule F.12.e, the Petitioner shall pay excess emission fees for each additional ton of pollutant emissions or portion thereof allowed as the result of the issuance of this Variance.
4. Failure to abide by all conditions of this Order shall subject the Petitioner 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.
6. The Environmental Protection Agency does not recognize California's Variance program; therefore, this Variance does not protect the Petitioner from Federal Enforcement actions.

DATED: _____

Chair
Santa Barbara County Air Pollution Control District
Hearing Board