

	Case No / Date	2020-16-E	8/21/2020
	Petitioner	Terracore Operating Company	
	Permit #	9554-R7	
	Date Rec'd	8/17/2020	
	Time Rec'd	1300 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)
Terracore Operating Company for an)
Emergency Variance from District)
Rules 325.D.1, 206 and Condition 9 of)
Permit to Operate 9554-R7.)

H.B. Case No. 2020-16-E

VARIANCE FINDINGS

AND ORDER

Terracore Operating Company filed a Petition for an Emergency Variance on August 17, 2020. A hearing of the above-entitled matter was held on August 21, 2020. Rich Field, represented the Petitioner, Aimee Long represented the Santa Barbara County Air Pollution Control District (District), and Lee-Volker Cox represented the Hearing Board for this Emergency Hearing.

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 Williams Holding Long Canyon Lease (06863) located in the Cat Canyon Oilfield, Los Alamos, California.
4. The Williams Holding Long Canyon Lease (06863) consists of two oil and gas wells, crude oil tanks (APCD Device ID 111293 and 111294), wash tank (APCD Device ID 111292), diluent tank (APCD Device ID 111295) and a vapor recovery unit (VRU) (APCD Device IDs 104497 and 104713). Well production is piped directed to the William Holding Lease (FID 3009) for processing. Currently, the facility is using a vapor recovery VRU permitted for various locations within the stationary source (FID 11334, PTO 13992-R2, APCD Device IDs 386159

and 386160).

5. On August 15, 2020, there was an electrical/lightning storm which damaged a 480V transformer owned and operated by Pacific Gas and Electric (PG & E) providing power to the Williams Holding Long Canyon Lease (06863). As a result, power to the facility, including the vapor recovery system was lost. On August 17, 2020, a Rule 505 Breakdown Report (Breakdown 11750) was submitted to the District. Repairs exceeded the 24-hour breakdown coverage allowed for in District Rule 505. As a result, an Emergency Variance was requested.
6. Without Variance coverage, the Petitioner will be in violation of District Rules 325.D.1, 206 and Condition 9 of Permit to Operate 9554-R7.
7. If, due to reasons beyond the control of the Petitioner, successful repairs are not completed during this Variance period, additional relief will be sought.
8. The Petitioner will monitor, calculate and record, on a daily basis, all emissions related to the granting of this Variance. The uncontrolled emissions associated with this Variance are expected to be 6.7 lbs ROC. In contrast, the total emissions for all pollutants associated with using a portable diesel generator (rated at 49 bhp) to operate the VRU is 58.8 lbs for the duration of the Variance. This far exceeds the uncontrolled emissions.
9. 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.
10. The District staff supports the Petition as conditioned below.
11. Pursuant to District Rule 506, the occurrence constitutes a breakdown condition, as defined in District Rule 505.
12. Pursuant to District Rule 506, continued operation is not likely to create an immediate threat or hazard to public health or safety.
13. Pursuant to District Rule 506, the requirements for a variance set forth in Health and Safety Code Section 42353 have been met.
14. Pursuant to District Rule 506, the continued operation in a breakdown condition will not interfere with the attainment or maintenance of the national primary ambient air quality standard.

15. Pursuant to Health and Safety Code section 42359.5, "good cause" exists for the granting of Petitioner's request for an Emergency Variance.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That an Emergency Variance be granted for the requirement to operate vapor recovery at the Petitioner's facility during this electrical outage causing a violation of District Rules 325.D.1, 206 and Condition 9 of Permit to Operate 9554-R7 from August 16, 2020 through August 30, 2020, or the date compliance is achieved, whichever occurs first, with the following conditions:

1. Petitioner shall submit a written report to the Hearing Board and District, to variance@sbcapcd.org, by September 11, 2020. The report shall include the date compliance was achieved together with the cause of the malfunction, description of the corrective action taken, the dates, times, and actual or calculated, whichever is greater, excess emissions that occurred during 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. Failure to abide by all conditions of this Order shall subject the Petitioner receiving the variance to penalties set forth in Health and Safety Code section 42402.
4. 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.
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.

Sep 9, 2020

DATED: _____



Lee-Volker Cox (Sep 9, 2020 18:38 PDT)

Lee-Volker Cox, Chair
Santa Barbara County Air Pollution Control District
Hearing Board