

 <p>air pollution control district SANTA BARBARA COUNTY</p>	Case No / Date	2021-04-MS	09/07/2022
	Petitioner	Beacon West Energy Group, LLC	
	Permit #	9109-R4	
	Date Rec'd	08/04/2022	
	Time Rec'd	1451 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)
Beacon West Energy Group, LLC for a)
Modification of Increments of Progress)
for Increment 1.c of Regular Variance)
2021-04-M1.)

H.B. Case No. 2021-04-MS

VARIANCE FINDINGS

AND ORDER

Beacon West Energy Group, LLC filed a Petition on August 4, 2022, for a Modification of Increments of Progress for Variance Order 2021-04-M1. Variance Order 2021-04-M1 was granted on January 5, 2022. A hearing of the Modification of Increments of Progress for Regular Variance Order 2021-04-MS was held on September 7, 2022, in accordance with Health and Safety Code §40808. John Garnett and Keith Wenal represented the Petitioner, Aimee Long represented the Santa Barbara County Air Pollution Control District (District), and Terence Dressler represented the Hearing Board.

This matter having been fully presented and duly considered, the Hearing Board makes the following findings and gives the following reasons for its decision.

HEARING

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. A nuisance as defined in District Rule 303 is not expected to occur as a result of this Variance.
4. If, due to reasons beyond the control of the Petitioner, Increment 1.c cannot be achieved by January 4, 2023, additional relief will be sought.
5. District staff supports the Petition as conditioned below.

BACKGROUND

1. The Petitioner operates the equipment described in the Petition at Platform Houchin located on offshore lease tract OCS-P-0166, approximately 7 miles southeast from the City of Santa Barbara, California.
2. Oil and gas production operations have permanently ceased on Platform Houchin. All wells on the platform are currently shut-in while the facility awaits well plugging and abandonment and ultimately facility decommissioning.
3. On January 5, 2022, Variance Order 2021-04-M1 was granted by the Hearing Board for relief from emission controls, monitoring and maintenance requirements at the Petitioner's facility in violation of District Rules 331.D - I, 325.E, 359.D.2.b, and 206, Part 70 Permit to Operate 9109-R4 Conditions 9.C.1.b.v, 9.C.1.b.vi, 9.C.2.a, 9.C.2.b, 9.C.2.c, 9.C.2.d, 9.C.6.b.ii, 9.C.6.b.iii, 9.C.6.b.iv, and 9.C.9 from January 5, 2022 through January 4, 2023, or the date compliance is achieved, whichever occurs first.
4. Pursuant to Health and Safety Code §42358(b), Variance Orders extending beyond one year require increments of progress. The granting of Variance Order 2021-04-M1 on January 5, 2022, extended coverage beyond the one-year threshold, and therefore required increments of progress. If granted, this Variance will only apply to Increment of Progress 1.c of Variance Order 2021-04-M1.
5. Increment of Progress 1.c of Variance Order 2021-04-M1, requires the Petitioner install a bull frog crane or District-approved device by September 30, 2022.
6. The Petitioner has been working with their vendor to obtain a portable crane since January 2022. However, the equipment is no longer available due to the supply chain issues.
7. The Petitioner has initiated the procurement process of an alternative crane engine. Based on the estimated equipment availability and crane build time, installation is expected to occur in the second or third quarter of 2023. This is beyond Variance Order 2021-04-M1 coverage and therefore, coverage is only being requested through January 4, 2023, the expiration date of Variance Order 2021-04-M1. The Petitioner is requesting a Modification of Increments of Progress for installation of the bull frog crane or District-approved device.

FINDINGS

1. Without Variance coverage, the Petitioner will be in violation of Increment of Progress 1.c of Variance Order 2021-04-M1, granted on January 5, 2022.
2. Pursuant to Health and Safety Code §42357, "good cause" exists for the granting of the Petitioner's request for a Modification of Increments of Progress.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That a Modification of Increments of Progress, Variance Order 2021-04-MS be granted to amend Variance Order 2021-04-M1 Increment of Progress Condition 1.c., by extending the due date for installation of the bull frog crane or District-approved device from September 30, 2022 to January 4, 2023, or the date compliance is achieved, whichever occurs first, with the following conditions:

1. The Petitioner shall meet the following Increments of Progress:
 - a. Submit a permit application and filling fees for a District-approved crane device, to replace the proposed bull frog crane, by January 4, 2023.
2. This Variance shall terminate on January 4, 2023, or the date a District-approved crane device is installed, whichever occurs first.
3. Petitioner shall submit a written report to the Hearing Board and District, variance@sbcapcd.org, within 7 calendar days after the installation of the District-approved crane device. The report shall include the date of installation of the District-approved crane device.
4. Petitioner shall submit monthly written reports to the District and Hearing Board, to variance@sbcapcd.org, on the 15th of every month for the duration of variance coverage. The report shall include:
 - a. Status of actions taken on Increments of Progress (see Condition 1 above).
 - b. List of actions to be taken for Increments of Progress (see Condition 1 above) in the next month.
5. Petitioner shall retain the obligation to comply with all other local, state, and federal regulations not specifically referenced in the Order.
6. 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.
7. 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.
8. Each day during any portion of which a violation occurs is a separate offense.
9. The Environmental Protection Agency does not recognize California's Variance Program; therefore, this Variance does not protect the Petitioner from Federal Enforcement actions.

10. Petitioner shall submit deviation reports to the District for all violations of federally-enforceable requirements.

Sep 7, 2022
DATED: _____

Terence E. Dressler
Terence E. Dressler (Sep 7, 2022 15:13 PDT)

Chair
Santa Barbara County Air Pollution Control District
Hearing Board