

BOARD MEETING DATE: November 3, 2023

AGENDA NO. 3

PROPOSAL: Amend Agreement with Phillips 66 Company for Continued Fenceline Air Measurements at Phillips 66 Wilmington Refinery Using Optical Tent, Recognize Revenue, Appropriate Funds and Amend Contract

SYNOPSIS: As part of MATES V, an optical tent air measurement system was deployed at the Phillips 66 Wilmington Refinery by the Regents of University of California, Los Angeles (UCLA) to demonstrate its ability to monitor fugitive VOC emissions. After the MATES V study concluded, the optical tent was adopted by the refinery as part of their fenceline air monitoring system for Rule 1180 implementation, with continued oversight provided by UCLA for quality assurance/quality control, and reporting for this advanced technology. These actions are to amend an existing agreement with Phillips 66 Company to extend fenceline air measurements at the Phillips 66 Wilmington Refinery using an optical tent, recognize revenue, appropriate funds and amend a contract with UCLA.

COMMITTEE: Administrative, October 13, 2023; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to amend the current agreement with the Phillips 66 Company to continue operation of the optical tent at their Wilmington refinery;
2. Recognize revenue up to \$250,000 upon receipt from the Phillips 66 Company into the General Fund; and
3. Appropriate up to \$250,000 from the General Fund Undesignated (Unassigned) Fund Balance for the Monitoring and Analysis' (MAD) FY 's 2023-24 and 2024-25 Budgets (Org 46), Services & Supplies Major Object and authorize the Executive Officer to use these funds to amend the current contract with the Regents of University of California, Los Angeles (UCLA) to continue to provide quality assurance/quality control and reporting on the operation of the optical tent air monitoring system at the Phillips 66 Wilmington Refinery for two additional years.

Wayne Nastri
Executive Officer

Background

In 2018-2019, South Coast AQMD conducted MATES V to collect information on air toxics and their associated health risks based on long-term monitoring at ten fixed locations throughout the South Coast Air Basin. In October 2017, to complement the fixed site monitoring, the Board authorized several Advanced Monitoring projects using state-of-the-art technologies to conduct enhanced air toxics monitoring in communities near refineries. As part of this advanced monitoring, the Board authorized staff to execute a contract with UCLA to design, build, and deploy an optical tent air monitoring system. The optical tent system was developed and then installed at the Phillips 66 Wilmington Refinery to demonstrate its ability to detect fugitive emissions of VOCs and other gaseous species from storage tanks. After the MATES V study ended, the optical tent system was adopted by the refinery as part of their fenceline air monitoring system used to satisfy Rule 1180 fenceline monitoring requirements. In October 2021, the Phillips 66 Company agreed to fund operations of the optical tent for two years. South Coast AQMD continued to obtain information on the use of this technology with operational assistance from UCLA. In August 2023, the Phillips 66 Company agreed to fund operations of the optical tent for two additional years and use this system as part of their fenceline monitoring to satisfy Rule 1180 requirements. The continued operation of the optical tent is mutually beneficial to South Coast AQMD and the Phillips 66 Company.

Proposal

This action is to amend the current agreement with the Phillips 66 Company for operation of the optical tent at their refinery in Wilmington for two additional years. Additionally, this action is to recognize revenue up to \$250,000 from the Phillips 66 Company into the General Fund. This action is also to appropriate up to \$250,000 from the General Fund Undesignated (Unassigned) Fund Balance to MAD's FY 2023-24 and 2024-25 Budgets (Org 46), Services & Supplies Major Object. Finally, this action is to use these funds to amend the current contract with the Regents of University of California, on behalf of UCLA to continue to provide quality assurance/quality control and reporting on the operation of the optical tent air monitoring system.

Benefits to South Coast AQMD

Funding for the optical tent system will allow South Coast AQMD to continue to evaluate the effectiveness of the optical tent system and to fulfill the requirements of Rule 1180, and the legislative directives of AB 1647, which will result in benefits to environmental justice communities and others working and residing near refineries.

Resource Impacts

The Phillips 66 Company will fully support the continued operation of the optical tent system at the Phillips 66 Wilmington Refinery for an additional two years.