

**PETITION FOR VARIANCE
BEFORE THE HEARING BOARD OF THE
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

PETITIONER: ALTAIR PARAMOUNT, LLC

CASE NO: 2914-

(Formerly Paramount Petroleum)

FACILITY ID: 187165

FACILITY ADDRESS: 14700-08 Downey Ave.

[location of equipment/site of violation; specify business/corporate address, if different, under Item 2, below]

City, State, Zip: Paramount, CA 90723

1. TYPE OF VARIANCE REQUESTED (more than one box may be checked; see Attachment A, Item 1, before selecting)

☐ INTERIM ☒ SHORT ☒ REGULAR ☐ EMERGENCY ☐ EX PARTE EMERGENCY

2. CONTACT: Name, title, company (if different than Petitioner), address, and phone number of persons authorized to receive notices regarding this Petition (no more than two authorized persons).

Kathryn Gleeson

Maya Lopez Grasse

Director, Environmental Compliance

Alston & Bird LLP

Altair Paramount, LLC

333 S. Hope St.

14700 Downey Ave.

16th Floor

Paramount, CA Zip 90723

Los Angeles, CA Zip 90071

☎ (562) 748-4613 Ext.

☎ (213) 576-2526 Ext.

Fax ()

Fax (213) 576-1100

E-mail KGleeson@worldenergy.net

E-mail: Maya.Grasse@Alston.com

3. RECLAIM Permit ☒ Yes ☐ No Title V Permit ☒ Yes ☐ No

4. **GOOD CAUSE:** Explain why your petition was not filed in sufficient time to issue the required public notice. (Required only for Emergency and Interim Variances; see Attachment A, Item 4)

5. Briefly describe the type of business and processes at your facility.

Petitioner is a renewable fuel producing facility and terminal whose primary business is the manufacture, production and distribution of renewable jet fuel, diesel fuel and gasoline. Petitioner has successfully achieved an initial conversion of parts of its refinery to process renewable fuels, converting vegetable oils and beef tallow to renewable jet and diesel fuel. Petitioner is currently in the process of converting the entire refinery to processing these renewable fuels. These renewable fuel products have a carbon footprint that is only 25 to 30 percent of the carbon footprint of crude oil-based products.

6. List the equipment and/or activity(s) that are the subject of this petition (see Attachment A, Item 6, Example #1). **Attach copies of the Permit(s) to Construct and/or Permit(s) to Operate for the subject equipment. For RECLAIM or Title V facilities, attach *only* the relevant sections of the Facility Permit showing the equipment or process and conditions that are subject to this petition. You must bring the entire Facility Permit to the hearing.**

Equipment/Activity	Application/ Permit No.	RECLAIM Device No.	Date Application/Plan Denied (if relevant)*
Emergency Generator: Internal Combustion Engine, Emergency Power, Diesel Fuel, Isuzu, Model 6WGIX, Turbocharge and aftercooler, 532 BHP	187165	D857	NA

*Attach copy of denial letter

7. Briefly describe the activity or equipment, and why it is necessary to the operation of your business. A schematic or diagram may be attached, in addition to the descriptive text.

The generator supports the steam generation system, which includes boiler water pretreatment, boiler operation, and the control system that runs the boilers.

The steam system is critical during a power outage because during a power outage, equipment shuts down and results in flaring of excess gas for safety. Steam is integral to the flare system to manage the smoke from flaring and is required by permit condition to be available for flaring.

8. Is there a regular maintenance and/or inspection schedule for this equipment? Yes ☒ No ☐

If yes, how often: weekly Date of last maintenance and/or inspection [We will provide on update before the hearing]

Describe the maintenance and/or inspection that was performed.

AltAir follows a best practice of generally running the generator approximately 30 minutes each week to ensure it is in good operating condition and to charge the battery.

9.

List all District rules, and/or permit conditions [indicating the specific section(s) and subsection(s)] from which you are seeking variance relief (if requesting variance from Rule 401 or permit condition, see Attachment A). Briefly explain how you are or will be in violation of each rule or condition (see Attachment A, Item 9, Example #2).

Rule	Explanation
202(c) 203(b) 2004(f)(1) 3002(c)(1)	These rules require that all equipment be maintained and operated in compliance with rules and permit conditions applicable to the facility. These rules apply facility-wide or device-by-device; running the generator in excess of hours allowed by permit conditions would violate these rules.
1470(c)(2)(C)(i)	Sets forth annual limits on hours that the generator can run for testing purposes. Having used its 200-hour limit, AltAir would
	exceed these limits if it conducted the necessary further testing.
Permit 187165, conditions: C1.40 C1.41 C1.42	These permit conditions incorporate the rule requirements setting forth limits on annual operating time (200 hours); annual maintenance and testing time (50 hours); and monthly maintenance and testing (4.2 hours). Running the generator in excess of hours allowed by those conditions, whether to do the necessary testing and maintenance or in an emergency situation, would violation those conditions.

10. Are the equipment or activities subject to this request currently under variance coverage? Yes ☐ No ☒

Case No.	Date of Action	Final Compliance Date	Explanation

11. Are any other equipment or activities at this location currently (or within the last six months) under variance coverage? Yes ☐ No ☒

Case No.	Date of Action	Final Compliance Date	Explanation
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12. Were you issued any Notice(s) of Violation or Notice(s) to Comply concerning this equipment or activity within the past year? Yes ☒ No ☐

If yes, you must attach a copy of each notice.

Please see Attachment B

13. Have you received any complaints from the public regarding the operation of the subject equipment or activity within the last six months? Yes ☐ No ☒

If yes, you should be prepared to present details at the hearing.

14. Explain why it is beyond your reasonable control to comply with the rule(s) and/or permit condition(s). Provide specific event(s) and date(s) of occurrence(s), if applicable.

AltAir is requesting a short variance (in addition to a regular variance) in order to allow it to test and run its generator at the soonest possible time, and also to ensure that there is potential coverage in the event that an emergency occurs before a regular variance hearing could be held. AltAir's understanding is that a failure to test the generator, which is done simply by running it for 30 minutes weekly, can result in problems with the generator that may only be discovered when the generator is used for an actual emergency. Therefore, it is important that AltAir be able to resume testing and running the generator. Additionally, AltAir is seeking a regular variance in order to allow it to operate the emergency generator, both for testing and in an emergency event, for the rest of the calendar year.

The emergency generator that provides power to the renewable refinery's steam generation system exceeded its annual 200-hour limit due to an unexpected power outage that occurred during pre-planned refinery turnaround in mid-April, 2023. The generator had been running during the turnaround in order to provide a critical safety function: During a turnaround, refinery equipment is shut down, and flaring of excess gas must occur. Steam is an integral part of safe flaring because it helps to manage the smoke (AltAir's permit also requires steam to be available for flaring events).

At the time AltAir commenced the turnaround on April 2, 2023, the generator had accumulated approximately 5.4 testing/maintenance hours and 31.5 operating hours for a total of approximately 37 hours of the annual 200-hour limit.

While the turnaround was pre-planned, the power outage was not, and the power outage resulted in having to run the generator for longer than the turnaround would have taken – and longer than the permit conditions allow. Unfortunately, AltAir Environmental Department staff did not realize that the emergency generator exceeded the annual operating time limit of 200 hours until it reviewed and compiled the engine operation logs on 5/8/2023.

Upon review and investigation, the excess engine usage was due to emergency usages from 4/8/2023 to 4/21/2023. AltAir had been conducting work at an electrical substation during the pre-planned refinery turnaround activities. When re-energizing the high voltage system, a ground fault failure occurred and damaged the underground high voltage power line. A new underground high voltage power line was procured from the utility and installed to restore power to the substation.

During the power isolation from the construction and installation of the underground high voltage powerline, the emergency generator was used to provide power to the boiler to supply steam to the storage tanks and emergency flare. The utility power supply was restored on 4/21/2023.

Given the high priority safety issue, the workers at this site were focused on addressing immediate safety concerns associated with the high voltage power line, and did not monitor the emergency generator's running hours during this time. As explained further below, AltAir is putting in place measures to prevent that from recurring in a similar situation.

15. When and how did you first become aware that you would not be in compliance with the rule(s) and/or permit condition(s)? Provide specific event(s) and date(s) of occurrence(s).

Please see No. 14 above. AltAir became aware that it had exceeded its 200-hour limit on May 8, 2023. AltAir considered other options in lieu of filing this variance petition, as discussed below. However, being able to test and, if necessary in an emergency, run the emergency generator for the rest of the year is of critical importance to AltAir, and so it is filing this variance petition.

16. List date(s) and action(s) you have taken since that time to achieve compliance.

AltAir has not run its generator for testing and maintenance purposes since discovering that it has exceeded the 200-hour limit. However, we note that failing to regularly test the generator could result in later malfunctions (Although the generator remains out of compliance if used, AltAir did call in a deviation to 1-800-CUT-SMOG on May 9, 2023, notification no. 745362.)

17. What would be the harm to your business during **and/or after** the period of the variance if the variance were not granted?

Economic losses: \$ TBD

Number of employees laid off (if any): _____

Provide detailed information regarding economic losses, if any, (anticipated business closure, breach of contracts, hardship on customers, layoffs, and/or similar impacts).

It is not an option for AltAir not to have an emergency generator for its steam generation system – to do so would result in a chain reaction of future violations should there be an unexpected equipment or power failure or even routine maintenance required that would result in flaring, because the generator is needed to ensure there is sufficient steam for permitted flaring events.

18. Can you curtail or terminate operations in lieu of, or in addition to, obtaining a variance? Please explain.

AltAir cannot simply not operate the refinery for lack of an emergency generator. Nor can it curtail operations. Any operations at the refinery necessarily involve a risk that an unexpected power or equipment failure could occur, necessitating the safety outlet of flaring. If that occurred, steam from the boilers that are powered by the generator in an emergency would still be necessary, and the generator would still need to run, resulting in a violation absent a variance. Likewise, AltAir cannot simply refrain from testing and maintaining its generator, ideally on a weekly basis, because failure to continue testing and maintenance could result in a faulty generator at a time when it is most needed – in an emergency. Therefore, AltAir cannot curtail or terminate operations in lieu of this variance.

19. Estimate excess emissions, if any, on a daily basis, including, if applicable, excess opacity (the percentage of total opacity above 20% during the variance period). If the variance will result in no excess emissions, insert "N/A" here and skip to No. 20.

Pollutant	(A)	(B)	(C)*
	Total Estimated Excess Emissions (lbs/day)	Reduction Due to Mitigation (lbs/day)	Net Emissions After Mitigation (lbs/day)
NOx	54		
CO	20		
VOC	28		
SOx	<1		
PM	4		

* Column A minus Column B = Column C

Excess Opacity: _____ %

20. Show calculations used to estimate quantities in No. 19, **or** explain why there will be no excess emissions.

The above estimates are the minimum excess emissions based on 4 hours of testing and maintenance per month, for seven months of the variance period. Any running hours for emergency events above that amount would be in addition to those minimum estimates. Please see Attachment C to this petition for the calculations.

21. Explain how you plan to reduce (mitigate) excess emissions during the variance period to the maximum extent feasible, or why reductions are not feasible.

The generator will only run during emergency events or during regularly scheduled maintenance and repairs during the variance period.

22. How do you plan to monitor or quantify emission levels from the equipment or activity(s) during the variance period, and to make such records available to the District? **Any proposed monitoring does not relieve RECLAIM facilities from applicable missing data requirements.**

AltAir has an hour-meter on the generator that calculates the number of hours it runs. AltAir will plan to calculate the excess emissions based on the number of running hours during the variance period.

23. How do you intend to achieve compliance with the rule(s) and/or permit condition(s)? Include a detailed description of any equipment to be installed, modifications or process changes to be made, permit conditions to be amended, etc., dates by which the actions will be completed, and an estimate of total costs.

AltAir is developing a system for monitoring and tracking the real-time time generator usage so that there is appropriate communication within the company to ensure that if the generator usage is approaching 175 hours, then appropriate measures can be taken, including seeking a timely variance prior to exceeding the allowable hours.

24. State the date you are requesting the variance to begin: Upon the hearing date; and the date by which you expect to achieve final compliance: January 1, 2024.

If the regular variance is to extend beyond one year, you **must** include a **Schedule of Increments of Progress**, specifying dates or time increments for steps needed to achieve compliance. See District Rule 102 for definition of Increments of Progress (see Attachment A, Item 24, Example #3).

List Increments of Progress here:
N/A

25. List the names of any District personnel with whom facility representatives have had contact concerning this variance petition or any related Notice of Violation or Notice to Comply.


800-CUT-SMOG on May 9, 2023, notification no. 745362. Ext. _____
John Lockwood Ext. 2396
Calvin Ny Ext. _____

If the petition was completed by someone other than the petitioner, please provide their name and title below.

<u>Maya Lopez Grasse</u>	<u>Alston & Bird LLP</u>	<u>Counsel</u>
Name	Company	Title

The undersigned, under penalty of perjury, states that the above petition, including attachments and the items therein set forth, is true and correct.

Executed on May 25, 2023, at Tehachapi, California

<u></u>	<u>Maya Lopez Grasse</u>
Signature	Print Name

Title: Counsel

ATTACHMENT A

C1.40 The operator shall limit the operating time to no more than 200 hour(s) in any one year.

To comply with this condition, the operator shall install and maintain a(n) non-resettable elapsed time meter to accurately indicate the elapsed operating time of the engine.

The operator shall maintain records in a manner approved by the District, to demonstrate compliance with this condition.

C1.41 The operator shall limit the maintenance and testing to no more than 50 hour(s) in any one year.

The operator shall maintain records in a manner approved by the District, to demonstrate compliance with this condition.

[RULE 1303(a)(1)-BACT, 5-10-1996; RULE 1303(a)(1)-BACT, 12-6-2002; RULE 1470, 5-4-2012]

[Devices subject to this condition : D857]

C1.42 The operator shall limit the maintenance and testing to no more than 4.2 hour(s) in any one month.

The operator shall maintain records in a manner approved by the District, to demonstrate compliance with this condition.

[RULE 1303(a)(1)-BACT, 5-10-1996; RULE 1303(a)(1)-BACT, 12-6-2002]

[Devices subject to this condition : D857]

ATTACHMENT B



South Coast Air Quality Management District
21865 COPLEY DRIVE, DIAMOND BAR, CA 91765-4178

P 67847

NOTICE OF VIOLATION

DATE OF VIOLATION		
Month:	Day:	Year:
12	03	21

Facility Name: <i>Air Air Paramount, L.L.C.</i>	Facility ID#: <i>187165</i>	Sector: <i>CP</i>
Location Address: <i>14700-08 Downey Ave</i>	City: <i>PARAMOUNT</i>	Zip: <i>90723</i>
Mailing Address: <i>14700 Downey Ave</i>	City: <i>PARAMOUNT</i>	Zip: <i>90723</i>

YOU ARE HEREBY NOTIFIED THAT YOU HAVE BEEN CITED FOR ONE OR MORE VIOLATIONS OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) RULES, STATE LAW OR FEDERAL LAW. IF PROVEN, SUCH VIOLATION(S) MAY RESULT IN THE IMPOSITION OF CIVIL OR CRIMINAL PENALTIES.

EACH DAY A VIOLATION OCCURS MAY BE HANDLED AS A SEPARATE OFFENSE REGARDLESS OF WHETHER OR NOT ADDITIONAL NOTICES OF VIOLATION ARE ISSUED.

DESCRIPTION OF VIOLATIONS

#	Authority*	Code Section or Rule No.	SCAQMD Permit to Operate or CARB Registration No.	Condition No. (If Applicable)	Description of Violation
1	<input checked="" type="checkbox"/> SCAQMD <input type="checkbox"/> CH&SC <input type="checkbox"/> CCR <input type="checkbox"/> CFR	3002 (c)(1)		01.41	OPERATED CONTRARY TO TITLE V PERMIT WHEN DB57 WAS OPERATED > 50 HOURS ANNUALLY FOR MAINTENANCE AND TESTING.
2	<input type="checkbox"/> SCAQMD <input type="checkbox"/> CH&SC <input type="checkbox"/> CCR <input type="checkbox"/> CFR			01.42	OPERATED CONTRARY TO TITLE V PERMIT WHEN DB57 WAS OPERATED > 4.2 HOURS MONTHLY FOR MAINTENANCE AND TESTING.
3	<input type="checkbox"/> SCAQMD <input type="checkbox"/> CH&SC <input type="checkbox"/> CCR <input type="checkbox"/> CFR				
4	<input type="checkbox"/> SCAQMD <input type="checkbox"/> CH&SC <input type="checkbox"/> CCR <input type="checkbox"/> CFR				
5	<input type="checkbox"/> SCAQMD <input type="checkbox"/> CH&SC <input type="checkbox"/> CCR <input type="checkbox"/> CFR				

Served To: <i>KATHRYN GLEESON</i>	Phone: <i>562-748-4613</i>	Served By: <i>JOHN LOCKWOOD</i>	Date Notice Served: <i>08-11-22</i>
Title: <i>DIRECTOR, ENVIRONMENTAL SERVICES</i>	Email: <i>KGLEESON@WORLDENERGY.NET</i>	Phone No: <input type="checkbox"/> 909-396- <input checked="" type="checkbox"/> 310-233-7001	Email: <i>JLOCKWOOD @ aqmd.gov</i>

*Key to Authority Abbreviations:

SCAQMD - South Coast Air Quality Management District
CCR - California Code of Regulations

CH&SC - California Health and Safety Code
CFR - Code of Federal Regulations

Method of Service:

☒ In Person

☐ Certified Mail

VIOLATOR'S COPY



South Coast Air Quality Management District
21865 COPLEY DRIVE, DIAMOND BAR, CA 91765-4178

P 78208

NOTICE OF VIOLATION

DATE OF VIOLATION		
Month: 04	Day: 14	Year: 23-23

Facility Name: Alt Air Paramount, LLC	Facility ID#: 187165	Sector: CP
Location Address: 14700 - 08 Downey Ave	City: Paramount	Zip: 90723
Mailing Address: 14700 Downey Ave	City: Paramount	Zip: 90723

YOU ARE HEREBY NOTIFIED THAT YOU HAVE BEEN CITED FOR ONE OR MORE VIOLATIONS OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) RULES, STATE LAW OR FEDERAL LAW. IF PROVEN, SUCH VIOLATION(S) MAY RESULT IN THE IMPOSITION OF CIVIL OR CRIMINAL PENALTIES.

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DESCRIPTION OF VIOLATIONS

#	Authority*	Code Section or Rule No.	SCAQMD Permit to Operate or CARB Registration No.	Condition No. (If Applicable)	Description of Violation
1	<input checked="" type="checkbox"/> SCAQMD <input type="checkbox"/> CH&SC <input type="checkbox"/> CCR <input type="checkbox"/> CFR	3002 (c)(1)	Title V	C1.40	Failure to limit internal combustion engine (emergency generator) usage to 200 hours per year.
2	<input type="checkbox"/> SCAQMD <input type="checkbox"/> CH&SC <input type="checkbox"/> CCR <input type="checkbox"/> CFR				
3	<input type="checkbox"/> SCAQMD <input type="checkbox"/> CH&SC <input type="checkbox"/> CCR <input type="checkbox"/> CFR				
4	<input type="checkbox"/> SCAQMD <input type="checkbox"/> CH&SC <input type="checkbox"/> CCR <input type="checkbox"/> CFR				
5	<input type="checkbox"/> SCAQMD <input type="checkbox"/> CH&SC <input type="checkbox"/> CCR <input type="checkbox"/> CFR				

Served To: Kathryn Glesser	Phone: 562-248-4613	Served By: Calvin Ny	Date Notice Served: 05/23/23
Title: Director Enviro Services	Email: K.Glesser@aqmd.net	Phone No: <input type="checkbox"/> 909-396- <input checked="" type="checkbox"/> 310-233-7010	Email: cny@aqmd.gov

*Key to Authority Abbreviations:

SCAQMD - South Coast Air Quality Management District
CCR - California Code of Regulations

CH&SC - California Health and Safety Code
CFR - Code of Federal Regulations

Method of Service:

☒ In Person

☐ Certified Mail

ATTACHMENT C

AltAir Paramount IC Engine Emissions Calculation

Hours = 7 months x 4 hours						
Device	Rating	Fuel Consumption (lb/hp-hr)	Hours	Total Fuels (lbs)	Total Fuels (Mgal)	
D857	532	0.342	28.0	5094.432	0.727776	

Reference:

Fuel consumption data from manufacturer
Average density of diesel fuel is assumed to be 7 lb/gal

[Isuzu 6WG1X Sheet HR.pdf \(isuzuengines.com\)](#)

CARB Certificate Emissions Factors:

EPA Tier 3		NOx + NMHC	CO	PM
	Tier EF (g/bhp-hr)	2.461	0.597	0.112
	Emissions (lbs)	80.81	19.59	3.67

CARB Certificate:

<https://ww2.arb.ca.gov/sites/default/files/classic/msprog/offroad/cert/eo/2007/ofci/u-r-006-0265.pdf>

Excess Emissions:

Emission Factor: (g/bhp-hr or lb/Mgal) Reference: Emissions (lbs)	NOx¹	CO	PM	VOC	SOx
	2.461	0.597	0.112	37.5	0.21
	CARB Certificate	CARB Certificate	CARB Certificate	AQMD Default	AQMD Default
	53.53	19.61	3.68	27.29	0.15

Note:

1. CARB cartificate emission factor is tested for total NOx and VOC. The net NOx emissions subtract out the estimated VOC emissons using AQMD default.