

1 **BEFORE THE HEARING BOARD OF THE**  
2 **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

In the Matter of

**San Diego Gas & Electric Company**  
[Facility ID No. 004242]

**Petitioner**

Amended Petition for Interim & Regular  
Variance

**Case No. 3607-13**

**DECLARATION OF ANNIE HO IN  
SUPPORT OF AMENDED PETITION  
FOR INTERIM AND REGULAR  
VARIANCE**

Hearing Date: April 26, 2022  
Time: Consent Calendar (9:00 am)  
Place: Hearing Board  
South Coast Air Quality  
Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

3 I, Annie Ho, declare as follows:

4 1. I am of sufficient age and am competent to testify in this proceeding. I make this  
5 declaration based upon personal knowledge and am competent to testify to the facts set forth herein.

6 2. I am an Environmental Field Services – Team Lead for Southern California Gas  
7 Company (“SoCalGas”). SoCalGas is a corporate affiliate of San Diego Gas & Electric Company  
8 (“Petitioner”). I am based at SoCalGas's Pico Rivera Base which is located at 8101 Rosemead Blvd.,  
9 Pico Rivera, California 90660. I have been in this position for ten months. My responsibilities  
10 include managing and conducting environmental compliance activities for SoCalGas and for  
11 Petitioner, including the Facility (as defined below). Prior to this position, I was the Principal Air  
12 Quality Specialist for SoCalGas’s Playa Del Rey and Montebello facilities.

13 3. Petitioner is a public utility that distributes electricity and natural gas to business and  
14 residential customers within its service area, which includes all of San Diego County, parts of  
15 Orange County and Imperial County. Petitioner owns and operates the Moreno Compressor Station  
16 (District Facility ID No. 004242) located at 14601 Virginia St., Moreno Valley, California 92555

1 (the “Facility”). The Facility plays a critical role in the transmission of natural gas to Petitioner’s  
2 customers, using ten (10) compressors, driven either by natural-gas-fired internal combustion  
3 engines or turbines. The Facility is a cycle 2 RECLAIM (defined below) and Title V facility.

4 4. The subject of this variance request is a 3200-horsepower internal combustion engine,  
5 lean-burn, non-emergency, natural-gas-fired Cooper Bessemer, model 8V-275C2, with insulated  
6 exhaust duct, eight cylinders, with aftercooler and turbocharger, and with RECLAIM Device No.  
7 D10 (the “Equipment”).

8 5. The South Coast Air Quality Management District (the “District”) is a political  
9 subdivision of the State of California created by the legislature to exercise responsibility for  
10 comprehensive air pollution control within Orange County and designated portions of Los Angeles,  
11 Riverside, and San Bernardino Counties.

12 6. In 1993, the District’s Governing Board adopted the RECLAIM (Regional Clean Air  
13 Incentives Market) program which is a market-based program designed to reduce total NOx and SOx  
14 emissions in the South Coast Air Basin without using a command-and-control regulatory system.  
15 Although RECLAIM facilities achieved a significant decline in total emissions, there was criticism  
16 that these facilities did not reduce emissions to the levels contemplated by Health & Safety Code  
17 Section 40406 regarding best available retrofit control technology or BARCT.

18 7. Consequently, in 2017, the Governing Board adopted the 2016 Air Quality  
19 Management Plan which included a provision directing the District’s staff, among other things, to  
20 transition the RECLAIM program back to a command-and-control regulatory structure (a.k.a.  
21 “RECLAIM Sunset”). Concurrently, the California legislature adopted Assembly Bill (AB) 617  
22 which ordered air districts to retire their market-based systems and adopt an expedited schedule for  
23 the implementation of BARCT levels.

1           8.       Therefore, pursuant to AB 617 and the RECLAIM Sunset, the Facility must transition  
2 away from RECLAIM and comply with emission levels set forth in District Rule 1110.2. To meet  
3 these emission limits, Petitioner determined that the Equipment must be retrofitted by (1) replacing  
4 its oxidation catalyst, (2) connecting it to a new selective catalytic reduction (“SCR”) system, and  
5 (3) installing an aqueous ammonia storage tank. The continuous emission monitoring system  
6 (“CEMS”) monitoring emissions from the Equipment would also need to be modified. The above are  
7 collectively referred to as the “Retrofit Project.”<sup>1</sup>

8           9.       On June 6, 2021, the District issued a Title V Minor Permit Revision (A/N 619556)  
9 (“Permit to Construct” or “PTC”) to Petitioner, to initiate the Retrofit Project. In accordance with  
10 District Rule 1100, Petitioner must complete the Retrofit Project and the modified Equipment must  
11 meet the BARCT limits within 24 months after the issuance of the PTC, or June 6, 2023.

12           10.      On February 10, 2022, Petitioner received from the District the Initial Approval (S/T  
13 File: RC22000) for the modified CEMS for the Equipment (the “Initial Approval”). This means that,  
14 pursuant to District Rule 1110.2(e)(3)(C)(i), Table VII, Petitioner must complete the modified  
15 CEMS installation and commence CEMS operation, calibration, and reporting for the Equipment,  
16 within 180 days of the date of the Initial Approval, or August 9, 2022.

17           11.      On Friday, February 25, 2022, in a meeting with the contractor it hired for the  
18 Retrofit Project, Petitioner learned for the first time that the sequencing of the various steps in the  
19 Retrofit Project will require that the Equipment be disconnected from its exhaust stack for a period  
20 of up to six (6) months. Since the CEMS’s sample probe is embedded in the exhaust stack, this  
21 would mean that the CEMS will be disconnected from the Equipment for more than 96 hours – in  
22 violation of its Facility permit and certain District rules. Petitioner also learned that the Retrofit

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<sup>1</sup> The Retrofit Project is described in more detail in the Declaration of Mr. Steve Diuco.

1 Project needed to start immediately, if Petitioner were to meet the August 9, 2022, CEMS  
2 compliance deadline.

3 12. On Friday, March 4, 2022, Petitioner filed a petition with this Hearing Board, seeking  
4 interim and regular variance relief (the “Petition”) from certain District Rules and permit conditions  
5 which it will be violating when it starts the Retrofit Project in accordance with the PTC. More  
6 specifically, these rules and conditions are:

- 7 • District Rule 1110.2(e)(3)(C)(i), Table VII: Requires Petitioner to complete  
8 installation of a CEMS and commence CEMS operation, calibration, and  
9 reporting within 180 days of initial approval
- 10 • District Rule 2012(c)(2)(A): Requires Petitioner to keep the Equipment  
11 continuously connected to an operating CEMS
- 12 • District Rule 2012(g)(1): Requires Petitioner to always comply with all  
13 requirements specified in subdivisions (c), (d), (e), (f), (g), (h), and (i) for  
14 monitoring, reporting and recordkeeping
- 15 • District Rule 2012(i): Requires Petitioner to maintain all data required to be  
16 gathered, computed or reported pursuant to Rule 2012 and Appendix A for  
17 three years after each APEP report is submitted to the District except that all  
18 data gathered or computed for intervals of less than 15 minutes shall be  
19 maintained for a minimum of 48 hours
- 20 • District Rule 2012, Appendix A, Chapter 2, section A.1.: Requires Petitioner  
21 to install, calibrate, maintain, and operate an approved CEMS

- 1 • Permit to Operate Section D, Permit Condition D82.1: Requires Petitioner to
- 2 install and maintain a CEMS to continuously measure NOx concentration
- 3 from the Equipment
- 4 • Permit to Operate Section F, Permit Condition I.A.1: Requires Petitioner to
- 5 install, maintain, and operate a CEMS to continuously measure NOx
- 6 concentration from the Equipment
- 7 • Permit to Operate Section G, Permit Condition I.1: Requires Petitioner to
- 8 maintain all monitoring data required to be measured or reported pursuant to
- 9 District Rule 2012
- 10 • District Rule 203(b): Requires Petitioner to operate the Equipment in
- 11 accordance with the conditions set forth in the permit to operate
- 12 • District Rule 2004(f)(1): Requires Petitioner to operate the Equipment in
- 13 accordance with the conditions set forth in the RECLAIM permit
- 14 • District Rule 3002(c)(1): Requires Petitioner to operate the Equipment in
- 15 accordance with the conditions set forth in the Title V permit

16 In short, by having the CEMS disconnected from the Equipment for a period of six months,  
17 Petitioner would be violating the permit conditions listed above, as well as District Rules 203(b),  
18 2004(f)(1), 2012, 2012 Appendix A, and 3002(c)(1). Further, if Petitioner is unable to meet the  
19 CEMS August 9, 2022, deadline, then it would also be violating District Rule 1110.2(e)(3)(C)(i),  
20 Table VII.

21 13. Disconnecting the Equipment from its CEMS for a period of up to six months is due  
22 to circumstances beyond Petitioner's reasonable control. This is because the only way for the  
23 Facility to comply with the more stringent BARCT limits imposed pursuant to both the RECLAIM

1 Sunset and by AB 617, is to modify the Equipment in accordance with the PTC. And as discussed  
2 above and in the Declaration of Mr. Steve Diuco, modifying the Equipment to comply with these  
3 limits requires the Equipment to be disconnected from its CEMS.

4 14. On March 10, 2022, this Hearing Board heard and granted Petitioner interim variance  
5 relief from these District Rules and permit conditions, with the sole exception of District Rule  
6 1110.2(e)(3)(C)(i), Table VII, which Petitioner would still be in compliance with by the time of its  
7 regular variance hearing which is April 26, 2022.

8 15. After the March 10 hearing, Petitioner learned that it will be able to complete the  
9 modified CEMS installation and commence CEMS operation, calibration, and reporting for the  
10 Equipment before the 180-day deadline of August 9, 2022. This is discussed in greater detail in the  
11 Declaration of Mr. Steve Diuco. Consequently, Petitioner hereby moves to amend its Petition and  
12 delete Rule 1110.2(e)(3)(C)(i), Table VII from the list of rules from which it is seeking a variance.

13 16. Also discussed in greater detail in the Declaration of Mr. Steve Diuco, Petitioner will  
14 not need a year-long variance before it is able to reconnect the modified Equipment to its modified  
15 CEMS. Instead, Petitioner believes that it can reconnect the Equipment and its CEMS and achieve  
16 full compliance with the District rules and permit conditions by September 30, 2022. Therefore,  
17 Petitioner hereby also moves to amend its Petition and adjust its proposed compliance deadline from  
18 March 9, 2023, to September 30, 2022.

19 17. If the variance were not granted and Petitioner were forced to comply with the above  
20 District rules and permit conditions, then it will be unable to perform the retrofit, putting it on the  
21 path of violating District Rules 1100 and 1110.2 which require Petitioner's compliance with BARCT  
22 levels by June 6, 2023 – two years after the issuance of its PTC. Such a violation will result in  
23 significant monetary fines and reputational damage. Further, by not being able to modify the

1 Equipment to comply with BARCT levels, Petitioner will be unable to operate its most efficient and  
2 reliable compressor, potentially causing natural gas shortages to Petitioner's residential and business  
3 customers, including hospitals, schools, restaurants, factories, and power plants. Without reliable  
4 natural gas supply which would affect reliable electric generation, even more residential and  
5 business customers would suffer, resulting in the closing of many lawful businesses.

6 18. If the variance were not granted, there will be no corresponding benefit to air quality,  
7 as Petitioner will be forced to operate its least efficient and least reliable compressors. Indeed, the  
8 whole point of the variance is to allow the Equipment to be modified so that it will emit less.

9 19. Petitioner has considered curtailing operation of the Equipment in lieu of obtaining a  
10 variance but has determined that to be infeasible. Curtailing operation of the Equipment without it  
11 undergoing the modification needed to meet more stringent BARCT emission limits would be non-  
12 sensical. In fact, the Equipment will not be in operation as the Retrofit Project is conducted.

13 20. There will be no need to mitigate excess emissions, because the Equipment will not  
14 be in operation and there will be no emissions – much less excess emissions.

15 21. Although there will be no emissions during the variance period, Petitioner is prepared  
16 to monitor and record fuel flow to the Equipment and provide such data to the District upon request,  
17 to prove that there were no emissions during the variance period.

18 22. If the variance request is granted, Petitioner will comply with the conditions set forth  
19 in the Order as required by the Hearing Board. Further, operation under the Order is not expected to  
20 result in a violation of Health & Safety Code Section 41700.

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1 I declare under penalty of perjury under the laws of the State of California that the foregoing  
2 is true and correct.

3 Executed this 18<sup>th</sup> day of April 2022, in Pico Rivera, California.

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Annie Ho