

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

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PETITIONER: PHILLIPS 66 COMPANY

CASE NO: 4900-116

FACILITY ADDRESS: 1520 East Sepulveda Blvd.

FACILITY ID: 171109

City, State, Zip: Carson, CA 90745

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

Paul Hernandez

Christopher H. Norton

Phillips 66 Company

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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).

On February 7, 2024, a severe storm event was experienced in the Los Angeles basin accompanied by lightning and heavy downpours, and this first storm was followed by a strong second storm cell. The Southern California region received 4.6 inches of rain within the four day period. The severe storm event was sudden and unexpected and resulted in a significant amount of storm water collection in the area and Carson Plant.

The subject equipment in this matter is the Tank 2272 (Device D-408). As part of standard operating practice for a rain event, Petitioner ensures that the roof drains were opened on all applicable external floating roof tanks, including Tank 2272 (Device D-408). This prevents the accumulation of excess water on a tank roof.

At 6:38 AM on February 7, 2024, emergency response personnel at the at the Phillips 66 Los Angeles Refinery - Carson Plant (Carson Plant) responded to an incident. Due to the rain, Petitioner discovered that the floating roof of TK-2272 was partially submerged. The roof was tilted within Tank 2272. Tank 2272 contains recovered oil, a mixture of hydrocarbons. Petitioner immediately began the process of securing the tank and implementing a repair plan. A Rule 430 Breakdown was called in to the District out of an abundance of caution.

Petitioner is working expeditiously to drain and repair Tank 2272. District Rules 463 and 1178 allow for a 72 hour repair period for tank repairs. Because the material in Tank 2272 is recovered oil, there are significant safety considerations for personnel access to the tank and tank roof. Petitioner cannot safely complete the necessary repairs and refloat the roof within the 72 hours allowed by Rules 463 and 1178 and achieve final compliance.

The incident was the result of a sudden and unexpected rainstorm that impacted the Southern California region, and not the product of error or neglect. Petitioner is working to repair the tank but needs more time. Petitioner requests an emergency variance until February 27, 2024, to return Tank 2272 to compliance.

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

The equipment is located at the Phillips 66 Los Angeles Refinery - Carson Plant. The Carson Plant is a major refiner of crude oil for gasoline, diesel fuel, jet fuel, and other petroleum-derived products. The subject equipment is TK-2272 (Device ID D408). This is an External Floating Roof Storage Tank which normally contains Recovered Oil, which is a by-product of the refining process that is recycled back into the process. The roof of this tank is floated on the surface of the liquid underneath with pontoons.

If excessive rainwater accumulates on the roof, the weight of the water may overcome the buoyancy of the pontoons and sink the roof. To prevent that, this tank has a Roof Drain. The Roof Drain is normally opened during rain events and allows rainwater to drain off of the tank roof. The Roof Drain was open on TK-2272. While the root cause of the incident remains under investigation, Petitioner believes that a failure of the roof drain may have allowed excess rainwater to accumulate in the pontoons and tilt the roof into the recovered oil beneath.

Attached as Exhibit 1 to the petition are relevant sections of the Facility Permit.

Attached as Exhibit 2 are illustrative photographs of TK-2272 with the roof.

6. List the equipment and/or activity(s) that are the subject of this petition (see Attachment A, 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)*
STORAGE TANK, EXTERNAL FLOATING ROOF, NO. 2272, 15500 BBL; DIAMETER: 48 FT ; HEIGHT: 48	A/N: 535297	D408	N/A

The facility air permit further identifies and describes this equipment.

Attached as Exhibit 1 to the petition are relevant sections of the Facility Permit.

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 subject equipment consists of TK-2272 (Device ID D408). This equipment is essential to the Carson Plant operations. Tank 2272 contains recovered oil, a mixture of hydrocarbons. Petitioner cannot operate the Carson Plant in compliance with all applicable District rules and permit conditions without the subject equipment in service. The tank must be repaired and returned to service as soon as possible.

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

If yes, how often: The subject equipment has been inspected in accordance with industry standards.

Date of last maintenance and/or inspection: The subject equipment was inspected per Rules 463 and 1178 on December 28, 2023. The seals were found to be in compliance without any repairs needed.

Describe the maintenance and/or inspection that were performed: Seal inspections are routinely performed as per Rule 463/1178 requirements. Internal tank inspections are performed every 20 years.

9. List all District rules, and/or permit conditions 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, Example #2).

Rule	Explanation
District Rules 203(b), 2004(f)(1) and 3002(c)(1)	District Rule 203(b) states that permitted equipment "shall not be operated contrary to the conditions specified in the permit to operate." Similarly, RECLAIM Rule 2004(f)(1) and Rule 3002(c)(1) require compliance with all facility permit conditions. The Facility Permit contains both and equipment-specific and administrative conditions on the operation of the subject equipment. Until Tank 2272 is repaired, the Carson Plant will remain out of compliance.
District Rules 463(d)(2), (e)(4), and 1178 (g)(1))	District Rule 463 (d)(2) requires that the roof of an external floating roof tank float on the organic liquid at all times. Rules 463 (e)(4) and 1178 (g)(1) state that any floating roof tank which does not comply with any provision of Rule 463 and 1178 shall be brought back into compliance within 72 hours. Until Tank 2272 is repaired, the Carson Plant will remain out of compliance.
Permit Condition H23.13	Permit Condition H23.13 requires that the subject tank remain in compliance with District rules. The tank is damaged and undergoing repairs. Until Tank 2272 is repaired, the Carson Plant will remain out of compliance.
Permit Condition H23.17	Permit Condition H23.17 requires that the subject tank remain in compliance with District rules. The tank is damaged and undergoing repairs. Until Tank 2272 is repaired, the Carson Plant will remain out of compliance.
Administrative Condition No. 2.	Administrative Condition No. 2 requires that Petitioner maintain the subject equipment in good operating condition. Until Tank 2272 is repaired, the Carson Plant will remain out of compliance.

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

Case No.	Date of Action	Final Compliance Date	Explanation

11. Is 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

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.
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):

Compliance in the matter is beyond the reasonable control of Petitioner. On February 7, 2024, there was an unusual storm event in the Los Angeles basin accompanied by lightning and heavy downpours which was the second storm cell in 4 days. The region received 4.6 inches of rain within the 4 days which caused a significant amount of storm water collection. The roof drains were opened on all applicable external floating roof tanks.

[YOU MAY ATTACH ADDITIONAL PAGES IF NECESSARY]

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On February 7, 2024, emergency response personnel discovered that the floating roof of TK-2272 was partially submerged. This tank contains recovered oil, a mixture of hydrocarbons. It was further seen that the roof was tilted within the tank, instead of floating normally. Petitioner began the process of securing the tank and developing a repair plan. As the material in Tank 2272 is recovered oil, there are safety considerations for personnel access to the tank and tank roof. The tank ladder for roof access is compromised.

Petitioner is working expeditiously to drain and repair Tank 2272. District Rules 463 and 1178 allow for a 72-hour repair period for tank repairs. Because the material in Tank 2272 is recovered oil, there are significant safety considerations for personnel access to the tank and tank roof. Petitioner cannot safely complete the necessary repairs and refloat the roof within the 72 hours allowed by Rules 463 and 1178 and achieve final compliance.

The incident was the result of a sudden and unexpected rainstorm that impacted the southern California region, and not the product of error or neglect. Tank 2272 is an essential storage tank that is required to manage recovered oil inventories. Petitioner is working to repair the tank, but needs more time.

See also Paragraph 4 above.

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)?

At approximately 6:38 AM on February 7, 2024, emergency response personnel responded to Tank 2272. Petitioner verified that the floating roof of TK-2272 was partially submerged.

16. What actions have you taken since that time to achieve compliance?

Petitioner is working to repair the subject equipment. See Paragraphs 4 and 14.

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

If the variance were denied there remains the matter of Tank 2272 requiring repairs. Petitioner would be subject to significant fines and penalties for noncompliance. An emergency variance is needed in this matter.

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

Petitioner has considered curtailment as a means to avoid the need for a variance. Petitioner cannot curtail operations as a means to achieve final compliance due to the permit. A variance is needed in this matter due to the impacts of the sudden storm. The permit conditions and applicable District rules require compliance.

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, 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)
VOC	64	n/a	64

* Column A minus Column B = Column C

Excess Opacity: 0 %

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

Petitioner has prepared excess emissions calculations. AP-42 Chapter 7 calculations were used to estimate emissions.

[YOU MAY ATTACH ADDITIONAL PAGES IF NECESSARY]

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Attached as Exhibit 3 to the petition are Petitioner's excess emission 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.

We will continue to work on the roof and it's uneven stance by the following plans of action. These actions include: (1) slowly remove liquid from below roof to an agreed level; (2) carefully remove liquid from atop roof; (3) slowly refill tank to correct angle of roof seating; and (4) descend onto roof and inspect each pontoon for liquid and/or leaks as well as conduct full seal inspection. Safety is our highest priority.

Attached as Exhibit 4 to the petition are Petitioner's proposed emergency variance conditions.

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.**

The Petitioner shall continue to monitor the level in Tank 2272.

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.

Petitioner is working hard to achieve final compliance in this matter. For example, Beacon Services will conduct a seal inspection and bring the tank roof into full compliance after performing what are likely to be extensive repairs.

24. State the date by which you expect to achieve final compliance.

Petitioner estimates that it will require time to complete the repairs and restore the roof to its original position. Petitioner requests an emergency variance until February 27, 2024, to return Tank 2272 to compliance.

List Increments of Progress here: Increments of Progress will not be required.

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.

Air Quality Inspector Deryck Roberts, office number (310) 233-7011, is familiar with the facility and equipment.

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 February 13, 2024

at

Wilmington, California

Olufanmilola Owolabi

Signature

LOLA OWOLABI

Print Name

ENVIRONMENTAL TEAM LEAD

Title

EXHIBIT 1

FACILITY PERMIT TO OPERATE PHILLIPS 66 COMPANY/LOS ANGELES REFINERY

SECTION D: FACILITY DESCRIPTION AND EQUIPMENT SPECIFIC CONDITIONS

The operator shall comply with the terms and conditions set forth below:

Equipment	ID No.	Connected To	RECLAIM Source Type/ Monitoring Unit	Emissions* And Requirements	Conditions
Process 10: STORAGE TANKS					P13.2
STORAGE TANK, EXTERNAL FLOATING ROOF, NO. 2272, 15500 BBL; DIAMETER: 48 FT ; HEIGHT: 48 FT WITH A/N: 535297 FLOATING ROOF, PONTOON, WELDED SHELL PRIMARY SEAL, CATEGORY A, METALLIC SHOE SECONDARY SEAL, CATEGORY B OR BETTER, WIPER TYPE	D408			HAP: (10) [40CFR 63 Subpart CC, #2, 2-4-2020]	H23.12, H23.13, H23.17, K67.3
STORAGE TANK, EXTERNAL FLOATING ROOF, NO. 2274, WELDED, WITH TWO MIXERS, 255000 BBL; DIAMETER: 195 FT ; HEIGHT: 48 FT WITH A/N: 535298 FLOATING ROOF, PONTOON PRIMARY SEAL, CATEGORY A, MECHANICAL SHOE SECONDARY SEAL, CATEGORY B OR BETTER PER RULE 219(C) (4), WIPER TYPE	D409			HAP: (10) [40CFR 63 Subpart CC, #2, 2-4-2020]	K67.3

* (1) (1A) (1B) Denotes RECLAIM emission factor
 (2) (2A) (2B) Denotes RECLAIM emission rate
 (3) Denotes RECLAIM concentration limit
 (4) Denotes BACT emission limit
 (5) (5A) (5B) Denotes command and control emission limit
 (6) Denotes air toxic control rule limit
 (7) Denotes NSR applicability limit
 (8) (8A) (8B) Denotes 40 CFR limit (e.g. NSPS, NESHAPS, etc.)
 (9) See App B for Emission Limits
 (10) See section J for NESHAP/MACT requirements

** Refer to section F and G of this permit to determine the monitoring, recordkeeping and reporting requirements for this device.

FACILITY PERMIT TO OPERATE PHILLIPS 66 COMPANY/LOS ANGELES REFINERY

SECTION D: FACILITY DESCRIPTION AND EQUIPMENT SPECIFIC CONDITIONS

The operator shall comply with the terms and conditions set forth below:

VOC | District Rule | 1176

[RULE 1176, 9-13-1996]

[Devices subject to this condition : C728, D816]

H23.12 This equipment is subject to the applicable requirements of the following rules or regulations:

Contaminant	Rule	Rule/Subpart
VOC	40CFR61, SUBPART	FF

[40CFR 61 Subpart FF, 12-4-2003]

[Devices subject to this condition : D222, D223, D242, D275, D380, D407, D408, D411, D412, D919]

H23.13 This equipment is subject to the applicable requirements of the following rules or regulations:

Contaminant	Rule	Rule/Subpart
VOC	40CFR60, SUBPART	QQQ

[40CFR 60 Subpart QQQ, 10-17-2000]

[Devices subject to this condition : D336, D337, D338, D339, D349, D382, D400, D401, D408, D411, D412, D414, D415, D773, D887, D949, D950, D951]

H23.15 This equipment is subject to the applicable requirements of the following rules or regulations:

FACILITY PERMIT TO OPERATE PHILLIPS 66 COMPANY/LOS ANGELES REFINERY

SECTION D: FACILITY DESCRIPTION AND EQUIPMENT SPECIFIC CONDITIONS

The operator shall comply with the terms and conditions set forth below:

Contaminant	Rule	Rule/Subpart
VOC	District Rule	463
VOC	40CFR60, SUBPART	Ka
VOC	District Rule	1149

[RULE 1149, 5-2-2008; RULE 463, 11-4-2011; 40CFR 60 Subpart Ka, 12-14-2000]

[Devices subject to this condition : D362]

H23.16 This equipment is subject to the applicable requirements of the following rules or regulations:

Contaminant	Rule	Rule/Subpart
VOC	District Rule	1149
VOC	40CFR60, SUBPART	Ka

[RULE 1149, 5-2-2008; 40CFR 60 Subpart Ka, 12-14-2000]

[Devices subject to this condition : D400, D402, D420]

H23.17 This equipment is subject to the applicable requirements of the following rules or regulations:

Contaminant	Rule	Rule/Subpart
VOC	District Rule	1149
VOC	40CFR60, SUBPART	Kb

FACILITY PERMIT TO OPERATE PHILLIPS 66 COMPANY/LOS ANGELES REFINERY

SECTION D: FACILITY DESCRIPTION AND EQUIPMENT SPECIFIC CONDITIONS

The operator shall comply with the terms and conditions set forth below:

[RULE 1149, 5-2-2008; 40CFR 60 Subpart Kb, 10-15-2003]

[Devices subject to this condition : D380, D381, D401, D407, D408, D411, D412, D413, D992, D998]

H23.19 This equipment is subject to the applicable requirements of the following rules or regulations:

Contaminant	Rule	Rule/Subpart
VOC	District Rule	109

[RULE 109, 5-2-2003]

[Devices subject to this condition : E884]

H23.21 This equipment is subject to the applicable requirements of the following rules or regulations:

Contaminant	Rule	Rule/Subpart
VOC	District Rule	1122

[RULE 1122, 10-1-2004; RULE 1122, 5-1-2009]

[Devices subject to this condition : E913]

H23.22 This equipment is subject to the applicable requirements of the following rules or regulations:

Contaminant	Rule	Rule/Subpart
VOC	District Rule	1173
VOC	40CFR60, SUBPART	GGG

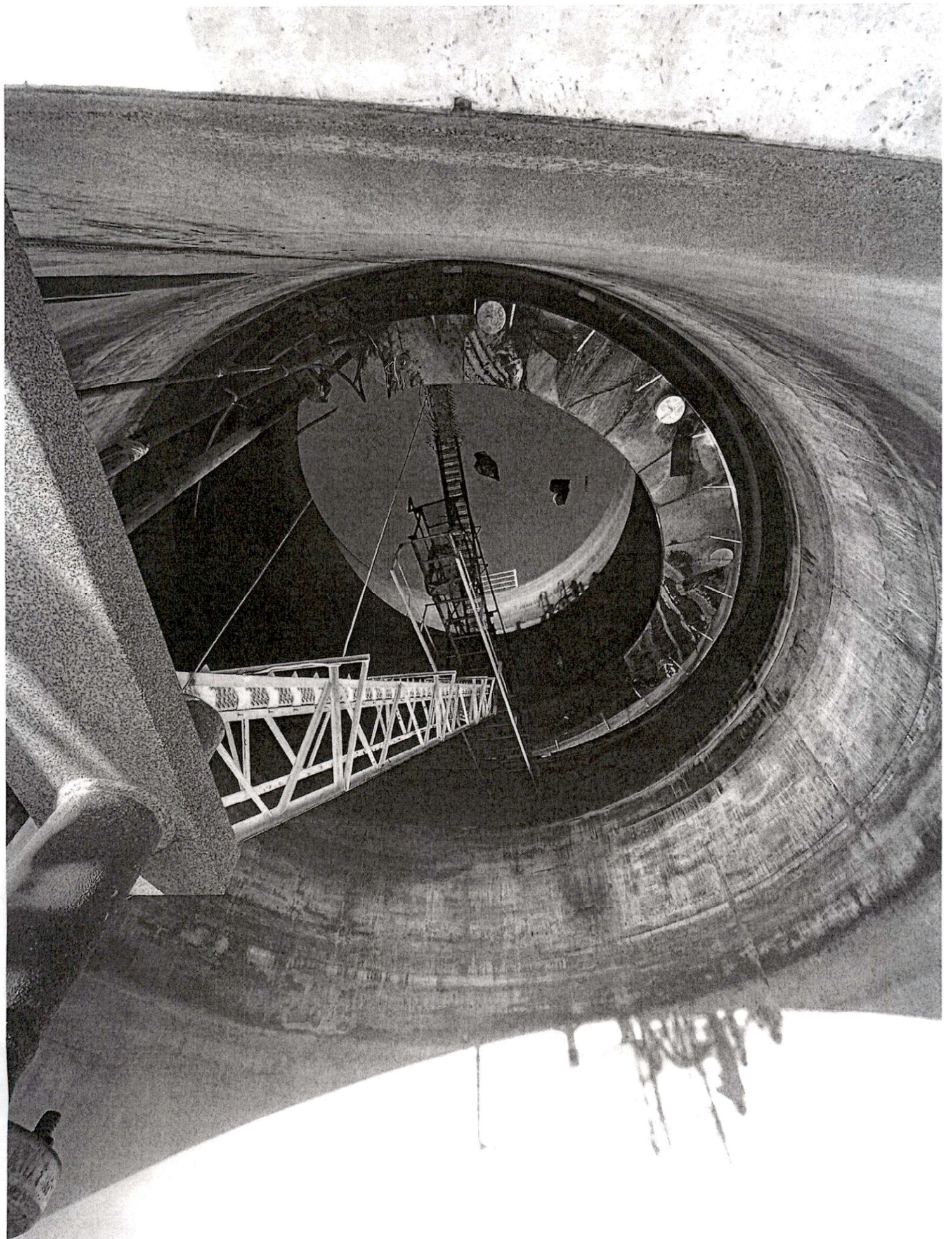
FACILITY PERMIT TO OPERATE PHILLIPS 66 COMPANY/LOS ANGELES REFINERY

SECTION E: ADMINISTRATIVE CONDITIONS

The operating conditions in this section shall apply to all permitted equipment at this facility unless superseded by condition(s) listed elsewhere in this permit.

1. The permit shall remain effective unless this permit is suspended, revoked, modified, reissued, denied, or it is expired for nonpayment of permit processing or annual operating fees. [201, 203, 209, 301]
 - a. The permit must be renewed annually by paying annual operating fees, and the permit shall expire if annual operating fees are not paid pursuant to requirements of Rule 301(d). [301(d)]
 - b. The Permit to Construct listed in Section H shall expire one year from the Permit to Construct issuance date, unless a Permit to Construct extension has been granted by the Executive Officer or unless the equipment has been constructed and the operator has notified the Executive Officer prior to the operation of the equipment, in which case the Permit to Construct serves as a temporary Permit to Operate. [202, 205]
 - c. The Title V permit shall expire as specified under Section K of the Title V permit. The permit expiration date of the Title V facility permit does not supercede the requirements of Rule 205. [205, 3004]
- ②. The operator shall maintain all equipment in such a manner that ensures proper operation of the equipment. [204]
3. This permit does not authorize the emissions of air contaminants in excess of those allowed by Division 26 of the Health and Safety Code of the State of California or the Rules and Regulations of the SCAQMD. This permit cannot be considered as permission to violate existing laws, ordinances, regulations, or statutes of other governmental agencies. [204]
4. The operator shall not use equipment identified in this facility permit as being connected to air pollution control equipment unless they are so vented to the identified air pollution control equipment which is in full use and which has been included in this permit. [204]

EXHIBIT 2



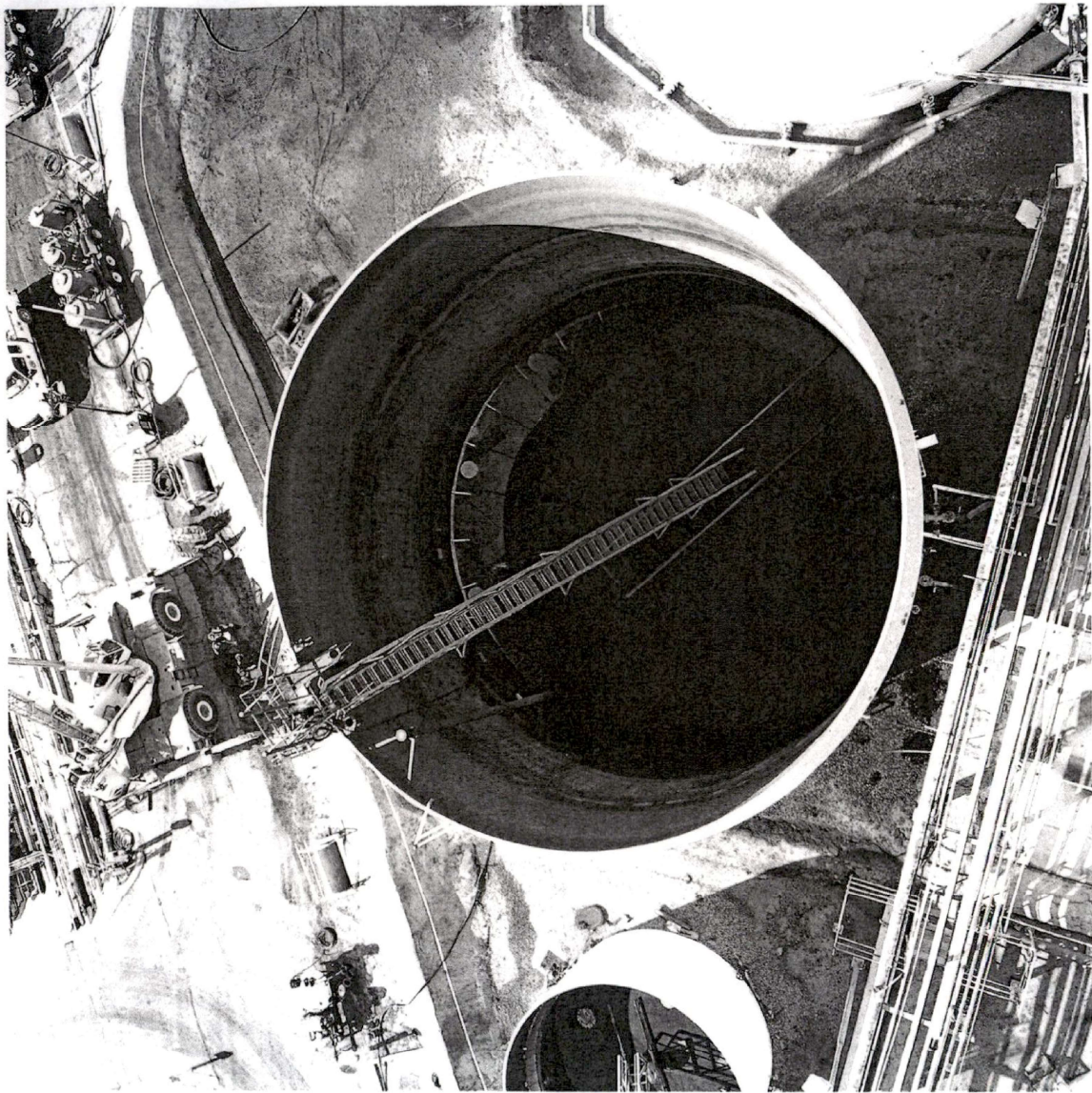


EXHIBIT 3

Phillips 66 Carson Plant
Variance #4900-116, Exhibit #3

Calculation of Emissions from Tank 2272

Tank 2272 has a submerged roof.
Emissions of VOC are calculated as if a Fixed Roof tank without control.
This is only the Standing Loss, which is VOC emitted without liquid level change.

Method: AP-42 Chapter 7, Eq. 1-4:
"For Fixed Roof Tanks Standing Loss without control."

$$L_S = 365 K_E \left(\frac{\pi}{4} D^2 \right) H_{TO} K_S W_T$$

L_s = standing loss, lb/yr (or day)
K_e = vapor space expansion factor, per day, see Equation 1-5, 1-12, or 1-13
D = diameter, ft, see Equation 1-14 for horizontal tanks
Tank 2272 Diameter (ft.): **48**
H_{VO} = vapor space outage, ft, see Equation 1-16
K_s = vented vapor saturation factor, dimensionless, see Equation 1-21
W_v = stock vapor density, lb/ft³, see Equation 1-22
365 = constant, the number of daily events in a year, (days/year)

Per Equation 1-12:
K_e = 0.0018 * dT used 20 deg R for dT
K_e is 0.036
Vapor Pressure = 1.0 psia (test result)
H_{vo}: Tank is 48 ft tall, 11 ft outage, or 29 ft. vapor space
K_s 0.866776
W_v is MW * P_v / R * T
MW of recovered oil is 220 lb/lb mol
W_v 0.039426

L_s: 645.6 10 day period
Or: **64.6** Pounds per day

EXHIBIT 4

Exhibit No. 4

[Proposed] Emergency Variance Conditions

Phillips 66 Company

Case No. 4900-116

1. Petitioner shall perform a perimeter surveillance of the Carson Plant each shift during the variance period.
2. Petitioner shall sample Tank 2272 for Total Vapor Pressure daily, and shall provide the results to the District upon request.
3. Petitioner shall notify the District, via 1-800-CUT-SMOG (Attn: Deryck Roberts), within 60 minutes of receiving any odor complaints from the public during the variance period.
4. Petitioner shall notify the District, via 1-800-CUT-SMOG (Attn: Deryck Roberts), within 24 hours of any seal inspection of Tank 2272 in order to afford the District an opportunity to witness the inspection.
5. Petitioner shall notify the District, via 1-800-CUT-SMOG (Attn: Deryck Roberts), no more than 24 hours after Tank 2272 is determined to be in compliance with Rules 463 and 1178.
6. Petitioner shall notify the Clerk of the Board and the Prosecutor's Office in writing when final compliance has been achieved in this matter.