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Torrance Refining Company LLC

BEFORE THE HEARING BOARD
OF THE
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

In the Matter of

TORRANCE REFINING COMPANY, LLC
(Facility ID No. 181667)

Petitioner,

Case No. 6060-20

**DECLARATION OF VALERIE TSE IN
SUPPORT OF TORRANCE REFINING
COMPANY'S PETITION FOR SHORT
VARIANCE AND ALTERNATIVE
OPERATING CONDITIONS**

Hearing Date: January 11, 2024
Time: Consent Calendar

I, Valerie Tse, hereby declare:

1. I am the Health, Safety and Environmental Manager for Torrance Refining Company, LLC's ("TORC") Torrance, California petroleum refinery, located at 3700 West 190th Street, Torrance, California 90504 (the "Refinery"). I have personal knowledge of the facts stated herein and, if called as a witness, could and would testify competently thereto under oath.
2. I am familiar with the contents of the Petitions for Ex Parte, Emergency and Short Variance ("Variance") and Alternative Operating Condition ("AOC") ("collectively, "Petitions") filed by TORC in Case No. 6060-20 on December 15, 2023. Those Petitions and their supporting Exhibits are incorporated herein by reference.

3. This Declaration is submitted pursuant to District Hearing Board (“Board”) Rule 4 in support of TORC’s Petitions, and for its consideration on the Board’s Consent Calendar.

4. TORC owns and operates the Refinery, which is in the business of petroleum refining. Key processes at the Refinery include cracking of heavy petroleum hydrocarbons in the Refinery’s FCCU, processing and treatment of crude oil feed in the Crude Unit, on-site production of hydrogen utilized in refining, storage and loading of gasoline and other finished petroleum products, and operation of numerous air pollution control systems.

5. As reflected in the Petitions, TORC was forced to seek a Variance and AOC in this matter because an unexpected shutdown of CO Boiler 2F-3 (Device ID No. C164) at the Refinery, following state-mandated maintenance, prevented TORC from timely conducting a source test of the FCCU as required by District Rule 1105.1.

6. District Rule 1105.1(e)(2)(A) requires the operator of any FCCU to conduct annual compliance source testing for PM10 and ammonia emissions. Under District Rule 1105.1(e)(2)(A), such testing must occur between nine and 12 calendar months from the completion of the prior FCCU source test. The Refinery’s last Rule 1105.1 source test for the FCCU occurred on September 14, 2022, confirmed the FCCU’s compliance with all applicable PM and ammonia limits, and required the next FCCU source test under Rule 1105.1 to occur by September 2023.

7. Because only one company in the Los Angeles area is capable of conducting a Rule 1105.1 compliant FCCU source test, Refinery personnel met with that source testing company in April 2023 and scheduled the FCCU source testing for the week of August 28, 2023, which was the earliest available date before the scheduled FCCU turnaround work that was the subject of Case No. 6060-18.

8. On August 30, 2023, as the scheduled source test was beginning, Compressor 4K-1 (Device ID No. D355) in the No. 1 Hydrogen Plant (separately owned and operated by Air Products (“AP”)) unexpectedly shut down (or “tripped”), causing the Unit 25 Hydrotreater (Process 6, Systems 1 and 2) to go into an upset mode and preventing the source test from

continuing. Hydrogen is necessary to run the Unit 25 Hydrotreater, which in turn provides feed to the FCCU, so the loss of hydrogen feed from AP forced the cancellation of the source test.

9. After this occurred, TORC requested the next available date from the testing vendor to reschedule the FCCU source test, and was forced to accept December 13-15, 2023, as the soonest available date from the vendor when the FCCU would be able to build up sufficient feed (84 kbd) to run the test. TORC informed the District inspector about this forced delay of the FCCU source test.

10. In the meantime, on September 19, 2023, in Case No. 6060-18, the Hearing Board granted TORC a Short Variance and Alternative Operating Condition for the Refinery to perform certain necessary periodic and routine maintenance required by California law. This work included routine maintenance of Incinerator 29F-4 (Device ID No. C952), Sulfur Recovery Train A and Tail Gas Train A (Process 12, System 1 and 3) and Sulfur Pit 29R-1A (Device ID No. D668); routine inspection, maintenance and equipment replacement for Flare 65F-3 (Device ID No. C891); and temporary bypass of the Third Stage Separator (TSS) (Device ID No. C1590) and Fourth Stage Separator (FSS) (Device ID No. C2314) during restart of the FCCU following its shutdown for routine equipment replacement and maintenance.

11. The Hearing Board granted two modifications to the 6060-18 Variance to accommodate unexpected delays in transport of a replacement water seal drum to the Refinery, and additional unexpected delays in Air Products' restart of its Unit 24 Hydrogen Plant (separately owned and operated by Air Products, but necessary to FCCU restart) following a fire and related breakdown in Air Products' operations. For convenience, and because the operative facts presented therein apply with equal force here, the contents of TORC's prior Modification and Variance and AOC Petitions in Case No. 6060-18 are incorporated herein by reference.

12. On Monday, December 11, 2023, TORC reported to the Hearing Board the completion of all maintenance work and its return to final compliance in Case No. 6060-18.

13. This should have cleared the way for TORC to conduct the planned Rule 1105.1 source test on the scheduled December 13-15 dates. However, on Thursday, December 7, 2023,

while TORC was completing the maintenance work described in Case No. 6060-18, the CO Boiler suddenly shut down due to unexpected mechanical issues with the Boiler's outlet guillotines that restricted gas flow from the Boiler. CO Boiler 2F-3 uses flue gas heat to produce steam that is used throughout the refinery for turbines and other Refinery processes, and needs to be running at full capacity to supply the wet gas compressors necessary for the FCCU to reach the 84 kbd feed rate required by the Refinery permit for a valid source test. The CO Boiler and related equipment recently went through extensive Turnaround maintenance in October 2023, and TORC would not have reasonably expected any operational issues with the equipment.

14. Following the unexpected December 7 shutdown of the CO Boiler, TORC repaired the CO Boiler ducting and brought in representatives in from the boiler manufacturer to troubleshoot and determine if the CO Boiler could be restarted in time for the source test to finish by December 15. While TORC and the manufacturer were able to address the concerns and return the CO Boiler to full operation as of the evening of December 15, 2023, unfortunately, the time required for troubleshooting prevented TORC from finishing the Rule 1105.1 FCCU source test by the December 15 end of the vendor's availability window.

15. On December 13, 2023, the source test vendor informed TORC that the next available window it will have to conduct the source test will be February 13-14, 2024. As a result, TORC was forced to file the Petitions to seek Ex Parte Emergency Variance and AOC relief for an extension of time until March 1, 2024 to complete the CO Boiler source test.

16. The timing of these events, which were unanticipated and beyond TORC's reasonable control, prevented TORC from filing the Petitions in time to give regular public notice, forcing it to request relief both on an expedited emergency basis (for up to 30 days) and as part of a noticed short variance petition (for time beyond this maximum 30 days of emergency relief).

17. As TORC noted in the Petitions, no excess emissions have occurred or are anticipated during the Variance and AOC periods; the request is simply for additional time to complete the Rule 1105.1 source test and does not involve any violation of an emission standard

or limit. While the FCCU continues operating during the Variance and AOC period, its emissions will continue to be controlled in compliance with the permit and District rules by the 2C-25 Third Stage Separator Cyclone (Device No. C1590) (“TSS”); 2C-26-CY Fourth Stage Separator Cyclone (Device ID No.C2314) (“FSS”); 2D-1 electrostatic precipitator (“ESP”) (Device ID No. C166); 2D-2 ESP (Device ID No. C165); 2D-17 ESP (Device ID No. C2283); 2D-18 ESP (Device ID No. C2284); and the selective catalytic reduction (“SCR”) System (Device ID No. C1772). TORC also will continue its usual monitoring of emissions using its permitted CEMS and other monitoring devices.

18. On December 19, 2023, the Chair of the Hearing Board granted the requested Ex Parte Emergency portion of the Variance and AOC, and the Board set a January 11, 2024, hearing date for the Short Variance and AOC. A copy of the Notice reflecting that is attached hereto as Exhibit 3.

19. Since the issuance of the Ex Parte Emergency Variance and AOC in this matter, the Refinery worked with the Boiler manufacturer to troubleshoot and address the CO Boiler issues, and has since addressed the concerns and returned the CO Boiler to full operation as of the evening of December 15, 2023. However, this unfortunately did not give the Refinery or the source test vendor enough time to complete the source test as originally scheduled.

20. TORC intends to achieve compliance by continuing to take all actions necessary to ensure that the 2F-3 CO Boiler and the FCCU remain in full operation and are ready for the rescheduled February source testing.

21. Denial of the Petitions would cause irreparable harm to TORC and to California’s citizens, with no corresponding benefit in emissions reduction. If a Short Variance and AOC are not granted to continue TORC’s extension to conduct the FCCU source test during the vendor’s first available February window, TORC’s only alternative to try and maintain strict compliance would be to shut down the FCCU, which is the key unit responsible for production of refined petroleum products from the Refinery. If the FCCU is shut down, TORC would have no choice but to shut down the remainder of the Refinery, which relies on the operation of the FCCU.

Such a Refinery shutdown would cause the loss of business and goodwill, likely cause breach of the Refinery's contracts, and upset the local and regional petroleum supply market. Denial of the requested Variance and AOC relief also would prevent TORC from conducting the source testing required by Rule 1105.1 and its permit, which is critical to confirming PM and ammonia emissions from the FCCU.

22. None of these impacts of denying the Short Variance and AOC would result in any avoidance of excess emissions to the air; indeed, forced shutdown of the FCCU likely would cause excess emissions in the form of flaring, but no excess emissions at all are expected if the variance is granted and the FCCU can continue in its usual emission-controlled operation until the source test can be conducted.

23. Operation under the requested relief in the Modification Petitions is not expected to result in a violation of Health and Safety Code 41700 or any other applicable emissions limits.

24. Using the agreed conditions of the Ex Parte Emergency Variance and AOC as a model, TORC and the District have agreed to a set of proposed Short Variance and AOC conditions, attached hereto as Exhibit 4.

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

Executed this 9 day of January 2024, in the County of Los Angeles, State of California.



Valerie Tse