

SOUTH COAST AIR QUALITY
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8 **BEFORE THE HEARING BOARD OF THE**
9 **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**
10

11 **In the Matter of**

Case No. 831-405

12 CHEVRON PRODUCTS COMPANY LLC
13 [Facility ID No. 800030],

**[PROPOSED] FINDINGS AND
DECISION AND ORDER GRANTING A
SHORT VARIANCE AND
ALTERNATIVE OPERATING
CONDITION**

14 Petitioner,

15 v.

16 SOUTH COAST AIR QUALITY
MANAGEMENT DISTRICT.

Hearing Date: April 1, 2025
Time: 9:30 a.m.
Place: SCAQMD
21865 Copley Drive
Diamond Bar, CA 91765

18 Respondent.
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21 The petitions for a Short Variance and Alternative Operating Condition ("Petitions") were
22 heard on the Hearing Board's Consent Calendar on April 1, 2025, pursuant to notice and in
23 accordance with the provision of California Health and Safety Code Section 40823 and District
24 Rule 510. The following members of the Hearing Board were present: Micah Ali, Chair; Robert
25 Pearman, Esq., Vice-Chair; Jerry P. Abraham, MD, MPH, CMQ; Mohan Balagopalan; and Cynthia
26 Verdugo-Peralta. Petitioner Chevron Products Company ("Chevron"), represented by Michael S.
27 McDonough of Pillsbury Winthrop Shaw Pittman, did not appear. Respondent South Coast Air
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1 Quality Management District ("District"), represented by Erika Chavez, Senior Deputy District
2 Counsel, did not appear. The matter was submitted for consideration on the Consent Calendar.
3 The public was given an opportunity to testify. The Declaration of Andrew West was received as
4 evidence, the (Proposed) Findings and Decision and Order of the Hearing Board was received as an
5 exhibit, and the matter was submitted on consent. The Hearing Board finds and decides:

6 1. Petitioner, located at 324 West El Segundo Boulevard, El Segundo, California
7 90245, is in the business of petroleum refining at the El Segundo Refinery ("Refinery"). Key
8 processes at the Refinery include cracking of heavy petroleum hydrocarbons in the Refinery's
9 FCCU, processing and treatment of crude oil feed in the Crude Unit, storage and loading of
10 gasoline and other finished petroleum products, and operation of numerous air pollution control
11 systems.

12 2. The equipment subject to these Petitions are: Caustic Scrubber V-3 (Device ID No.
13 C1738), Caustic Scrubber V-4 (Device ID No. C1739), Storage Tank No. 425 (Device ID No.
14 1313), Storage Tank No. 426 (Device ID No. D1282), and Storage Tank No. 430 (Device ID No.
15 D1283).

17 SUMMARY

18 Due to its need to conduct required periodic maintenance of Caustic Tanks V-3 and V-4,
19 Petitioner will be required to temporarily shut down and disconnect the Caustic Tanks from the
20 Storage Tanks listed above to allow safe worker access to perform the maintenance. Even though a
21 temporary scrubber from Envent will be connected to the Storage Tanks to fully control emissions
22 from the Tanks during the period of the Variance and AOC, the shutdown and disconnection of the
23 Scrubbers from the Storage Tanks will cause Petitioner to violate District Rules 203(b); 2004(f)(1);
24 and 3002(c)(1); Condition C8.8 of its Title V Permit No. 800030 ("Permit"); and Administrative
25 Condition E.4 of the Permit. Petitioner will emit no excess emissions during the variance and AOC
26 period and intends to achieve compliance by completing the periodic maintenance of the Caustic
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1 Scrubbers as expeditiously as possible, and returning the Caustic Scrubbers to steady-state
2 operation as quickly as possible.

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4 **FINDINGS OF FACT**

5 Following are the facts and conclusions supporting the findings set forth in Health and
6 Safety Code Section 42352 necessary to grant the variance as well as the findings set forth in
7 District Rule 518.2 for Alternative Operating Conditions. The Executive Officer did not oppose the
8 granting of the variance.

9 **a. The petitioner for a variance and alternative operating condition is, or will be,**
10 **in violation of Section 41701 or of any rule, regulation or order of the District or any federally**
11 **enforceable permit terms and conditions that are based on Section 41701 or of any applicable**
12 **rule or regulation of the District.**

13 1. Because the Caustic Scrubbers will be temporarily disconnected from the Storage
14 Tanks during the proposed variance and AOC period until the periodic maintenance is completed,
15 Petitioner will be in violation of Permit Condition C8.8, which requires the Refinery to maintain a
16 minimum monitored flow rate of 10 gallons per minute. While the Caustic Scrubbers are out of
17 service for maintenance, Chevron cannot comply with the minimum flow rate limit in this condition
18 during the maintenance period, and a variance is needed to complete the proposed maintenance
19 work

20 2. Petitioner also will be in violation of Permit Administrative Condition E.4, which
21 provides that “[t]he operator shall not use equipment identified in this facility permit as being
22 connected to air pollution control equipment unless they are so vented to the identified air pollution
23 control equipment which is in full use and which has been included in this permit.” Even though
24 emissions from the Storage Tanks will be controlled by a temporary scrubber, the disconnection of
25 the Caustic Scrubbers from the Tanks will violate Administrative Condition E.4.

26 3. Finally, Petitioner also will be in violation of District Rules 203(b), 2004(f)(1) and
27 3002(c)(1), which require compliance with the conditions of Petitioner’s Permit, as Petitioner’s
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1 temporary disconnection of the Caustic Scrubbers from the Storage Tanks will cause Petitioner to
2 be out of compliance with the Permit Conditions referenced above.

3 **b(1). Non-compliance with District Rule(s) is due to conditions beyond the reasonable**
4 **control of the petitioner.**

5 1. Petitioner needs to disconnect and perform routine periodic maintenance on the
6 Caustic Scrubbers that is required by state law, and which is necessary to keep this important air
7 pollution control equipment in safe and proper working order. Disconnection and isolation of the
8 Caustic Scrubbers from the Storage Tanks is necessary for the safety of workers performing this
9 maintenance. Therefore, it is beyond Petitioner's reasonable control to comply with the District
10 rules and Permit conditions listed above.

11 **b(2). Requiring compliance would result in either (1) an arbitrary or unreasonable**
12 **taking of property, or (2) the practical closing and elimination of a lawful business.**

13 1. Denial of the Petitions would cause significant harm to Petitioner, in that the planned
14 Caustic Scrubber maintenance is both legally necessary and critically important to ensure reliable
15 and safe operation of this important pollution control equipment. Inability to complete this work
16 would prevent Petitioner from ensuring this continued reliable and safe operation, could result in
17 excess emissions to the environment if timely maintenance of the Caustic Scrubbers is not allowed,
18 and could force Petitioner to shut down the Storage Tanks, which could cause other cascading
19 shutdowns of process units at the Refinery and cause unnecessary excess emissions.

20 **c. The closing or taking would be without a corresponding benefit in reducing air**
21 **contaminants.**

22 1. Because emissions from the Storage Tanks will be connected to a temporary portable
23 scrubber during the entire duration of the planned work, there will be no excess emissions during
24 the variance and AOC period. Denying the Petitions would actually result in greater emissions than
25 if the Petitions are granted because the portable scrubber is expected to control at a greater
26 efficiency than the Caustic Scrubbers while operating during the Variance and AOC period.

27 **d. The applicant for the variance and alternative operating condition has given**
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1 **consideration to curtailing operations of the source in lieu of obtaining a variance.**

2 1. Petitioner has considered curtailment. However, curtailment would not allow
3 Petitioner to avoid the need for a variance because the Caustic Scrubbers must be disconnected and
4 isolated from the Storage Tanks listed above in order to allow safe access for workers to conduct
5 necessary maintenance, and District Rules and Petitioner's Permit conditions do not allow
6 disconnection of the Caustic Scrubber from the Storage Tanks even when those Tanks are being
7 fully controlled by a temporary portable scrubber.

8 **e. During the period the variance and alternative operating condition are in effect,**
9 **the applicant will reduce excess emissions to the maximum extent feasible.**

10 1. Because the Storage Tanks will be connected to a temporary portable scrubber
11 during the entire duration of the planned work, there will be no excess emissions during the
12 variance and AOC period.

13 **f. During the period the variance and alternative operating condition are in effect,**
14 **the applicant will monitor or otherwise quantify emission levels from the source, if requested**
15 **to do so by the district, and report these emission levels to the district pursuant to a schedule**
16 **established by the district.**

17 1. Petitioner will monitor for emissions during the variance and AOC period. Records
18 of these inspections shall be made available to the District upon request.

19 **g. The alternative operating condition will not result in noncompliance with the**
20 **requirement of any NSPS or NESHAP or other standard promulgated by the U.S. EPA under**
21 **sections 111 or 112 of the Clean Air Act, or any District Rule that substitutes for such**
22 **requirement promulgated by the U.S. EPA under Title IV or VI of the Clean Air Act, or any**
23 **requirement contained in a permit issued by the U.S. EPA or the requirement to apply for or**
24 **obtain an operating permit under Rule 3002 -Requirements for an authority to construct.**

25 1. Petitioner will not be in violation of any NSPS or NESHAP or other standard
26 promulgated under Section 111 or 112 or Title IV or VI of the Clean Air Act for the equipment. In
27 relevant part, the refinery is subject to 40 CFR 60, Subparts A and J, and 40 CFR 63, Subparts CC
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1 and UUU. Petitioner intends to connect a temporary portable scrubber to the Storage Tanks to
2 entirely control their emissions while the Caustic Scrubbers are disconnected for maintenance. The
3 AOC will not result in any excess emissions, but will allow Petitioner to properly maintain
4 equipment designed to reduce Refinery emissions. Therefore, Petitioner will remain in compliance
5 with the relevant federal and District requirements cited above.

6 **h. Any emissions [calculated pursuant to subparagraph (h)(3)(B) of Rule 518.2]**
7 **resulting from the alternative operating condition will not, in conjunction with emissions**
8 **[calculated pursuant to subparagraph (h)(3)(B) of Rule 518.2] resulting from all other**
9 **alternative operating conditions established by the Hearing Board and in effect at the time,**
10 **exceed the amount of alternative operating condition credits held in the Alternative Operating**
11 **Condition Credit Bank.**

12 1. The AOC bank has not been established and there are no credits in the bank.
13 Petitioner does not anticipate any excess emissions during the period of the AOC.

14 **i. Operation under the alternative operating conditions will not result in the**
15 **source discharging such quantities of air contaminants or other material which cause injury,**
16 **detriment, nuisance, or annoyance to any considerable number of persons or to the public, or**
17 **which endanger the comfort, repose, health, or safety of any such persons or to the public, or**
18 **which cause, or have a natural tendency to cause, injury or damage to business or property.**

19 1. Petitioner does not anticipate that the planned periodic maintenance of the Caustic
20 Scrubbers proposed under the AOC will cause any injury, detriment, nuisance, or annoyance to any
21 persons or the public. Petitioner expects no excess emissions during the AOC period, and its work
22 is intended to allow the Refinery to properly maintain important air pollution control equipment and
23 allow continued compliance with District Rules. No opacity or odorous substances are anticipated
24 to be released in any quantity sufficient to be detectable to the public.

25 **j. The excess emissions resulting from operations pursuant to the alternative**
26 **operating condition would not, by themselves, cause an exceedance of a National Ambient Air**
27 **Quality Standard.**

1 1. Petitioner expects no excess emissions during the AOC period, and therefore does
2 not expect to cause an exceedance of any NAAQS during the variance/AOC period.

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5 **CONCLUSION AND ORDER**

6 THEREFORE, good cause appearing, the Hearing Board orders as follows:

7 A. Petitioner is granted a short variance and alternative operating condition (AOC) from
8 District Rules 203(b), 2004(f)(1), and 3002(c)(1); and Condition C8.8 and Administrative Condition
9 E.4 of its Title V Permit No. 181667 ("Permit"); for Caustic Scrubber V-3 (Device ID No. C1738),
10 Caustic Scrubber V-4 (Device ID No. C1739), Storage Tank No. 425 (Device ID No. 1313),
11 Storage Tank No. 426 (Device ID No. D1282), and Storage Tank No. 430 (Device ID No. D1283);
12 for the period commencing April 7, 2025 and continuing through June 9, 2025.

13 B. The variance is subject to the following conditions:

14 1. Petitioner shall inform South Coast Air Quality Management District (South
15 Coast AQMD) Compliance personnel (hdang@aqmd.gov) and the Clerk of the Board
16 (ClerkofBoard@aqmd.gov) at least twenty-four (24) hours prior to the temporary shutdown
17 of the Hot Tanks vapor disposal system and one (1) hour prior to the temporary shutdown by
18 calling 1-800-CUT-SMOG.

19 2. Petitioner shall complete the maintenance work to the Caustic Scrubbers
20 (Device ID Nos. C1738 and C1739) within 63 calendar days from the date of the first
21 notification given pursuant to Condition No. 1.

22 3. Petitioner shall temporarily install a portable scrubber, model no. ESCRUB
23 200-SS, that is owned by Envent Corporation and operated under South Coast AQMD
24 permit to operate No. G67228, to control the emissions from the three subject Hot Tanks
25 listed in Process 16, System 1 of the facility permit (Device ID Nos. D1282, D1283, and
26 D1313). Petitioner shall ensure that the portable scrubber is operated according to the terms
27 and conditions of the permit to operate at all times when the Hot Tanks vapor disposal
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1 system is out of service.

2 4. If the portable scrubber operated by Envent Corporation should fail for any
3 reason, Petitioner shall report a breakdown pursuant to Rule 430, and within 24 hours of
4 failure, temporarily install and use an equivalent South Coast AQMD permitted portable
5 scrubber to control the emissions from the three subject Hot Tanks. Petitioner shall send an
6 e-mail to AQ inspector Huy Dang, hdang@aqmd.gov, providing the breakdown report and
7 the alternate portable scrubber permit number.

8 5. Petitioner shall not exceed a flow rate of 1,000 scfm through the permitted
9 portable scrubber during the variance period.

10 6. Scrubber shall maintain a flow rate of caustic solution not less than 10
11 gallons per minute.

12 7. Petitioner shall have the emissions of hydrogen sulfide (H₂S) from the
13 permitted portable scrubber monitored once per shift by the vendor using Colorimetric
14 Detector Tubes.

15 8. Petitioner shall monitor at least once every 90 minutes for H₂S at the
16 permitted portable scrubber stack using the four gas monitoring system during the variance
17 period.

18 9. Petitioner shall have the emissions of volatile organic compounds (VOCs)
19 from the permitted portable scrubber monitored once per shift by the vendor during the
20 variance period.

21 10. Petitioner shall make its monitoring records available to South Coast AQMD
22 Compliance personnel upon request.

23 11. Petitioner shall notify South Coast AQMD's Clerk of the Board by email
24 (ClerkofBoard@aqmd.gov) within five (5) days of achieving final compliance.

25 12. Petitioner shall pay all applicable fees to the Clerk of the Board within fifteen
26 (15) days upon notification in writing that the fees are due or this variance shall be
27 invalidated pursuant to Rule 303 – Hearing Board Fees, subdivision (k).
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1 C. The AOC is subject to the following conditions:

2 1. Petitioner shall inform South Coast Air Quality Management District (South
3 Coast AQMD) Compliance personnel (hdang@aqmd.gov) and the Clerk of the Board
4 (ClerkofBoard@aqmd.gov) at least twenty-four (24) hours prior to the temporary shutdown
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14 (15) days upon notification in writing that the fees are due or this variance shall be
15 invalidated pursuant to Rule 303 – Hearing Board Fees, subdivision (k).

16 13. In the event U.S. EPA objects to this AOC within the 45-day review period
17 or in response to a timely citizen petition, this AOC shall be ineffective to protect Petitioner
18 from U.S. EPA or citizen enforcement under the federal Clean Air Act for any federally
19 enforceable requirement.

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22 FOR THE BOARD: _____

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26 DATE SIGNED: _____

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