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

PETITIONER: CHEVRON PRODUCTS COMPANY CASE NO: 831-406

FACILITY ADDRESS: 324 W. El Segundo Blvd. FACILITY ID: 800030

City, State, Zip: El Segundo, CA 90245

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).

Andre West
Chevron Products Company
324 W. El Segundo Blvd.
El Segundo, CA *Zip* 90245
☎ (310) 615-5508 *Ext.*
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E-mail AndreWest@chevron.com

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E-mail chris.norton@lw.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)

The good cause finding should not be needed here. Public notice for the short variance has been satisfied.

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

Petitioner requires a short variance to clean fouling from the surfaces of furnace tubes in F-201A (Furnace) at the El Segundo Refinery while in operation. Fouling is a byproduct of the combustion process and periodically requires removal to prevent overheating and potential failure. Unless the fouling is removed, the Furnace tubes may be damaged. Also, the Selective Catalytic Reduction (SCR) system that controls NOx from the Furnace may overheat. The Furnace cannot be isolated and the SCR must be bypassed when the fouling is removed to prevent damage. A short variance is needed to perform this necessary maintenance work on the Furnace.

To mitigate emissions, Petitioner will reduce rates, use natural gas and mitigate conditions in the Furnace to maintain NOx levels below the 5 ppm limit. As such, there will be no excess emissions in this matter. The only relief Petitioner requires is from the administrative conditions that require the SCR (control equipment) to be in full service whenever the Furnace (basic equipment) is in service. If Petitioner was forced to shut down the Furnace for cleaning, emissions may result from the shutdown and restart of Refinery units. The work will improve efficiency. The granting of the variance would benefit the environment by eliminating the risk of such emissions.

The subjects of this variance request are F-201A (Process 1, System 14, Device ID# D3695) and SCR (Process 1, System 14, Device ID# C3696), located at the El Segundo Refinery in El Segundo, California.

The Refinery, owned and operated by Chevron Products Company (Chevron or Petitioner), is a major producer of fuel. Processes include refining crude oil and intermediates for gasoline, diesel and jet fuel.

The facility RECLAIM Permit No. 800030, dated March 20, 2025 (Facility Permit), copies of which are attached to this Petition as Exhibit 1, further identifies and describes this equipment. The Refinery is a Title V facility.

A diagram of the F-201A Furnace illustrating the gas flow through the subject equipment is attached to this Petition as Exhibit 2.

A copy of Chevron's Proposed Short Variance Conditions is attached to the Petition as Exhibit 3.

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)*
HEATER, NO. 2 RESID STRIPPER, F-201A, REFINERY/NATURAL GAS, TULSA HEATERS, INC., WITH LOW NOX BURNER, 82.8 MMBTU/HR BURNER, CALLIDUS TECHNOLOGIES, MODEL LE-CSG-10W,.8 TOTAL	623543	D3695	NA
SELECTIVE CATALYTIC REDUCTION, EACH OF TWO MODULES 73" L X 23" W X 37" H, WITH CERAMIC HONEYCOMB CATALYST, 61.5 CU. FT. TOTAL AMMONIA INJECTION, AQUEOUS	623544	C3696	N/A

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 the F-201A Furnace and SCR. Unit F-201A is a balanced draft furnace. It is equipped with an SCR (Selective Catalytic Reduction) unit and an air preheater. The subject equipment is essential to Refinery operations. The Furnace is necessary for the refining process. Without the subject equipment in service, the Refinery cannot meet demand for high quality, CARB 3 compliant gasoline.

A diagram of the F-201A Furnace illustrating the gas flow through the subject equipment is attached to this Petition as Exhibit 2.

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

Date of last maintenance and/or inspection: March 19, 2019.

Describe the maintenance and/or inspection that was performed.

The subject equipment is inspected and maintained in accordance with industry practices. For example, equipment inspections are performed daily at the Refinery of the subject equipment. As a byproduct of combustion, fouling builds up slowly and occasionally requires removal to prevent overheating and failure.

Here, the Petitioner routinely monitors the heat levels in the process. The levels are now rising, and Petitioner has concluded that the fouling on the Furnace tubes needs to be removed. The issue is not the result of operator error or negligence. The fouling needs to be removed to prevent equipment failure and improve efficiency.

A short variance is needed in this matter for maintenance of the Furnace and to prevent damage to the SCR. The SCR must be bypassed when the fouling is removed to prevent damage. The work and removal of the fouling will improve Furnace heat exchange efficiency, lead to lower overall emissions, and will benefit the environment.

See also Paragraph 14.

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. In addition, Rule 3002(c)(1) requires compliance with all Title V permit conditions. The Refinery is a Title V facility. The Facility Permit includes equipment specific and administrative conditions concerning the operation of the subject equipment. A variance is needed to perform the required maintenance work at the Furnace.
Administrative Condition No. 2 (Section E)	Administrative Condition No 2. States that the operator shall maintain all equipment that ensures proper operation of the equipment. Because the SCR will be temporarily taken out of service when the fouling is removed, Petitioner cannot comply with this condition. A variance is needed to perform the maintenance work at the Furnace.
Administrative Condition No. 4 (Section E)	Administrative Condition No. 4 states 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. Because the SCR will be temporarily taken out of service when the fouling is removed, Petitioner cannot comply with this condition. A variance is needed to perform the maintenance work at the Furnace.
Administrative Condition No. 5 (Section E)	Administrative Condition No. 5 states the operator shall not use any equipment having an air pollution control device(s) incorporated within the equipment unless the air pollution control device is in full operation. Because the SCR will be temporarily taken out of service when the fouling is removed, Petitioner cannot comply with this condition. A variance is needed to perform the maintenance work at the Furnace.

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
831-405	April 7, 2025	June 9, 2025	Maintenance on Title V permitted caustic scrubbers V-3 and V-4 and related equipment at the Vent Gas Pad. The scrubbers were taken offline for the maintenance activities which was not allowed per the Title V permit. The work was completed, and the caustic scrubbers were returned to service.

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 this matter is beyond Petitioner's reasonable control. Petitioner needs to remove fouling from the surfaces of Furnace tubes at the Refinery while in operation. Unless the fouling is removed, the Furnace may be damaged. Also, the SCR system that controls NOx from the Furnace may overheat. The Furnace cannot be isolated, and the SCR must be bypassed when the fouling is removed to prevent damage. The subject equipment is essential to Refinery operations. Without the subject equipment in service, the Refinery would not be able meet demand for CARB 3 compliant gasoline.

To mitigate against any excess emissions, Petitioner plans to reduce F-201A to minimum rates and bypass the SCR to perform cleaning of Furnace tubes in F-201A. Petitioner can maintain NOx levels below the 5 ppm limit. As such, there will be no excess emissions in this matter. Alternative options have been considered. However, the SCR must be bypassed to prevent damage when the fouling is removed from the Furnace tubes. The Furnace cannot be isolated. If Petitioner was forced to shut down F-201A, the shutdown and subsequent restart will result in higher NOx emissions than operating F-201A at minimum rates.

The SCR has experienced higher temperature readings at the inlet. The SCR receives flue gas from F-201A. Higher SCR inlet temperatures are the result of fouling on the exterior of F-201A Furnace tubes. Fouling of the Furnace tubes prevents sufficient heat transfer on the tubes resulting in higher flue gas temperatures being routed from F-201A to the SCR. Continued operation of F-201A and the SCR at current higher temperatures may exceed the SCR design limits with damage to the SCR catalyst. Damage to the SCR would eventually result in an exceedance of the permitted NOx limit of 5 ppm in the Facility Permit. A variance is needed in this matter.

To prevent damage to F-201A SCR, exterior cleaning of the F-201A tubes must be performed and the SCR must be bypassed to prevent removed foulant from traveling downstream impacting SCR catalyst. Petitioner expects that the cleaning of F-201A tubes can be completed in approximately 3 weeks. Petitioner is working diligently to plan and execute cleaning operations to reduce SCR temperature back to normal operating conditions.

Petitioner anticipates completion of Furnace tube cleaning will improve F-201A Furnace efficiency resulting to the firing down of the furnace and subsequently produce less emissions. As such, the granting of the short variance should lead to long-term gains in efficiency and reductions in overall Refinery emissions.

A diagram of the F-201A Furnace illustrating the gas flow through the subject equipment is attached to this Petition as Exhibit 2.

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)?

The subject equipment is currently in compliance. However, the SCR will need to be bypassed for maintenance. The SCR for F-201A must be taken out of service for maintenance to prevent fouling and an upset condition.

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

Currently, F-201A is in compliance with applicable District rules and permit conditions. The SCR which services the Furnace needs to be taken out of service for maintenance resulting in a period of noncompliance.

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: Economic loss to the refinery are estimated as in excess of $1,000,000 per day

Number of employees laid off (if any): N/A

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

The F-201A SCR is an integral component of the Refinery. The subject equipment removes NOx from the flue gas of F-201A using ammonia (NH3). Without the SCR, F-201A may not be operated in compliance with the Facility Permit. A sudden and unforeseen shutdown of the F-201A may result in the shutdown of other key Refinery process units.

The shutdown of the Refinery would result in an immediate financial penalty to Chevron in excess of $1,000,000 per day in lost production and sales. Furthermore, a permanent shutdown would result in the loss of large numbers of permanent jobs and would greatly depreciate the capital invested in the Refinery. A permanent shutdown of the Refinery may also have a significant impact on regional petroleum markets.

With mitigation, there will be no excess emissions in this matter. Petitioner will maintain the NOx emissions in compliance with the 5 ppm limit. If Petitioner was forced to shut down the Furnace for cleaning, emissions may result from the shutdown and restart of Refinery units. The granting of the variance request would benefit the environment by eliminating the risk of any such emissions.

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

Petitioner has considered curtailing or shutting down F-201A operations in lieu of obtaining a variance. In this matter, rates will be minimized to maintain compliance with the 5 ppm NOx limit at the Furnace. However, a short variance is required in this matter due to the administrative conditions in the Facility Permit that require the SCR to be in full service whenever the Furnace is in operation.

The SCR will be temporarily taken out of service when the fouling is removed at the Furnace such that a variance is needed to perform the maintenance work. Even though Petitioner can maintain compliance with the 5 ppm limit at the Furnace, a short variance is needed from the administrative conditions to remove the fouling on the tubes.

Petitioner has also examined the option of shutting down the Furnace to remove the fouling. However, the Furnace cannot be isolated. Other Refinery units may also need to be shut down and restarted with the Furnace. Petitioner has determined that shutting down F-201A would result in higher economic losses and would also have a higher impact to the environment in terms of NOx. If F-201A is shutdown, cleaned, and started back up, the NOx emissions from the Furnace would be much greater. There are no excess emissions in this matter.

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) Total Estimated Excess Emissions (lbs/day)	(B) Reduction Due to Mitigation (lbs/day)	(C)* Net Emissions After Mitigation (lbs/day)
NOx	26	26	0

* Column A minus Column B = Column C

Excess Opacity: N/A %

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

Petitioner expects no excess NOx emissions during F-201A maintenance. Petitioner will stay below the permitted 5 ppm limit for NOx due to mitigation. Mitigation measures are proposed in the variance conditions.

A copy of Chevron's Proposed Short Variance Conditions is attached to the Petition as Exhibit 3.

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.

Petitioner does not anticipate excess NOx emissions during the variance period based on reduced production levels. The NOx levels will be controlled to comply with the 5 ppm limit. To mitigate excess emissions, Petitioner will use natural gas in the F-201A Furnace and fire duty will be reduced to minimum rates. The 2 Crude Unit will be limited to minimum feed rates and held steady to control and reduce NOx emissions from the Furnace.

See Chevron's Proposed Short Variance Conditions is attached to the Petition as Exhibit 3.

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.**

Yes. Petitioner will quantify emission levels from the equipment during the variance period using RECLAIM CEMS. The process data will be made available to the District upon request.

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 plans to achieve compliance with the applicable provisions of District Rules and Regulations by working to minimize the maintenance period and returning the subject equipment back into service. Final compliance will be achieved when the flue gas is routed back to the F-201A SCR.

24. State the date you are requesting the variance to begin: August 25, 2025.
and the date by which you expect to achieve final compliance: September 15, 2025.

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, Example #3).

List Increments of Progress here: Not Applicable

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.

District Inspector: Huy Dang Ext.

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 August 7, 2025 at El Segundo, California

SPoon
Signature

Stefanie Poon
Print Name

Environmental Compliance Specialist
Title

[YOU MAY ATTACH ADDITIONAL PAGES IF NECESSARY]
US-DOCS\162192488.3

EXHIBIT 1

FACILITY PERMIT TO OPERATE
CHEVRON PRODUCTS CO.

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 1: CRUDE DISTILLATION					P13.1
FUGITIVE EMISSIONS, MISCELLANEOUS A/N: 530644	D4385				H23.47
System 14: NO. 2 RESID STRIPPER HEATER					
HEATER, NO. 2 RESID STRIPPER, F-201A, REFINERY/NATURAL GAS, TULSA HEATERS, INC., WITH LOW NOX BURNER, 82.8 MMBTU/HR WITH A/N: 623543 BURNER, CALLIDUS TECHNOLOGIES, MODEL LE-CSG-10W, 8 TOTAL	D3695	C3696	NOX: MAJOR SOURCE**; SOX: MAJOR SOURCE**	**CO**: 25 PPMV (4) **[RULE 1303(a)(1)-BACT, 5-10-1996]**; **CO**: 2000 PPMV (5) **[RULE 407, 4-2-1982]**; **HAP**: (10) **[40CFR 63 Subpart DDDDD, 10-6-2022]**; **NOX**: 5 PPMV (4) **[RULE 2005, 12-4-2015;** *RULE 2005, 11-5-2021*]; **PM**: (9) **[RULE 404, 2-7-1986]**; **PM**: 0.1 GRAINS/SCF (5) **[RULE 409, 8-7-1981]**	A63.29, A99.1, A99.2, A99.19, A195.1, A195.27, B61.3, B61.15, C1.31, C1.163, D29.7, D82.4, D90.49, E54.15, H23.2, H23.50
SELECTIVE CATALYTIC REDUCTION, EACH OF TWO MODULES 73" L X 23" W X 37" H, WITH CERAMIC HONEYCOMB CATALYST, 61.5 CU. FT. TOTAL WITH A/N: 623544 AMMONIA INJECTION, AQUEOUS	C3696	D3695 S3698		**NH3**: 9 PPMV (4) **[RULE 1303(a)(1)-BACT, 5-10-1996]**	A99.6, A195.2, D12.3, D12.11, D28.8, E71.5
STACK, HEIGHT: 117 FT ; DIAMETER: 5 FT 1 IN A/N: 623544	S3698	C3696			
System 15: NO. 4 VACUUM DISTILLATION UNIT					S13.2, S15.9, S15.10, S56.1

* (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
CHEVRON PRODUCTS CO.

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]

FACILITY PERMIT TO OPERATE
CHEVRON PRODUCTS CO.

SECTION E: ADMINISTRATIVE CONDITIONS

5. The operator shall not use any equipment having air pollution control device(s) incorporated within the equipment unless the air pollution control device is in full operation.[204]

6. The operator shall maintain records to demonstrate compliance with rules or permit conditions that limit equipment operating parameters, or the type or quantity of material processed. These records shall be made available to SCAQMD personnel upon request and be maintained for at least: [204]

   a. Three years for a facility not subject to Title V; or

   b. Five years for a facility subject to Title V.

7. The operator shall maintain and operate all equipment to ensure compliance with all emission limits as specified in this facility permit. Compliance with emission limits shall be determined according to the following specifications, unless otherwise specified by SCAQMD rules or permit conditions: [204]

   a. For internal combustion engines and gas turbines, measured concentrations shal be corrected to 15 percent stack-gas oxygen content on a dry basis and be averaged over a period of 15 consecutive minutes; [1110.2, 1134, 204]

   b. For other combustion devices, measured concentrations shall be corrected to 3 percent stack-gas oxygen content on a dry basis and be averaged over a period of 15 consecutive minutes; [1146, 1146.1, 204]

   c. For a large NOx source, compliance with a RECLAIM concentration limit shall be measured over a continuous 60 minutes for that source; [2012]

   d. For non-combustion sources, compliance with emission limits shall be determined and averaged over a period of 60 minutes. [204]

EXHIBIT 2

Exhibit 2

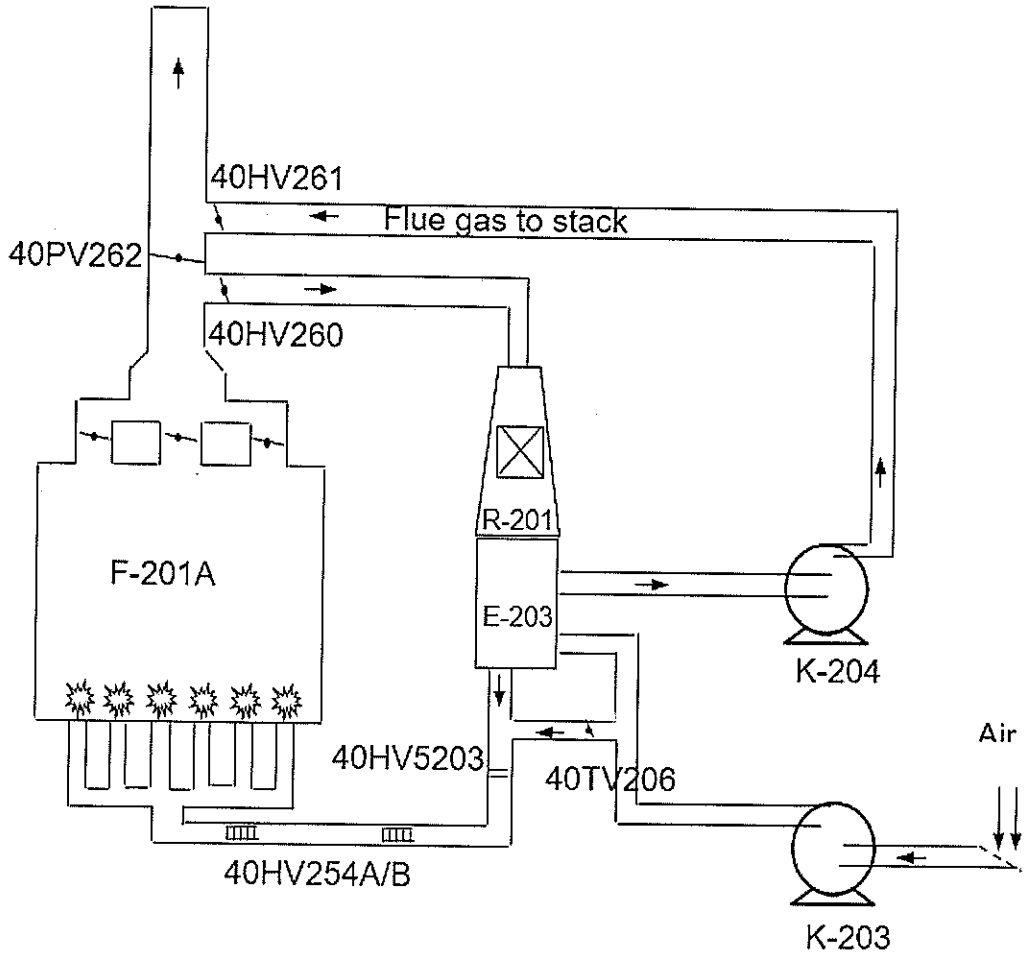

Figure 5-1. F-201A Furnace

EXHIBIT 3

CHEVRON PRODUCTS COMPANY
CASE NO. 831-406
PROPOSED SHORT VARIANCE CONDITIONS
August 2025

1. Petitioner shall complete the repairs for F-201A as soon as possible and by no later than September 15, 2025.

2. Petitioner shall monitor the NOx emissions from F-201A using the plant RECLAIM CEMS analyzers.

3. Petitioner shall reduce feed to minimum rates at the 2 Crude Unit during the period the SCR is bypassed.

4. Petitioner shall reduce F-201A fire duty to minimum rates during the period the SCR is bypassed.

5. F-201A will run on natural gas during the period the SCR is bypassed.

6. Petitioner shall notify the Clerk of the Hearing Board and the District by email (hdang@aqmd.gov) within 24 hours of achieving final compliance in this matter.