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9 Attorneys for Petitioner,
10 TESORO REFINING & MARKETING
11 COMPANY LLC

12
13 **BEFORE THE HEARING BOARD OF**
14 **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

15 In the Matter of
16
17 Tesoro Refining & Marketing Company LLC
18 (Facility ID No. 800436)
19
20 Petitioner,

Case No. 4982-139

21 **DECLARATION RYAN UNMACK IN**
22 **SUPPORT OF PETITION FOR**
23 **INTERIM VARIANCE**

Hearing: January 21, 2026
Time: Consent Calendar

24 I, Ryan Unmack, hereby declare:

25 1. I am an Environmental Specialist for the Tesoro Refining & Marketing Company
26 LLC - Los Angeles Refinery-Wilmington Operations located at 2101 E. Pacific Coast Highway in
27 Wilmington, California ("Los Angeles Refinery-Wilmington"). I have personal knowledge of the
28 facts stated herein and, if called as a witness, could and would testify competently thereto under
oath.

29 2. I am familiar with the contents of the Petition for Interim/Emergency and Short
30 Variance ("Variance") that Tesoro Refining & Marketing Company LLC ("Tesoro") filed on
31 December 26, 2025 and amended on December 30, 2025 to request a regular variance instead of a
32 short variance ("Petition"). Tesoro filed for interim and emergency relief to seek variance
33 coverage until the regular variance hearing that has been scheduled for February 19, 2026.

3. This Declaration is submitted pursuant to District Hearing Board (“Board”) Rule 4 in support of the interim variance request in the Petition for consideration on the Board’s Consent Calendar.

4. Copies of the relevant sections of the June 26, 2025 Permit to Construct (“Permit”)¹ are attached as Attachment 1 to the Petition and are incorporated herein as **Attachment 1.**

5. Tesoro hereby adds the following additional Attachments, appended to this declaration:

Attachment 2	Schematic of equipment
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Attachment 3	Variance conditions proposed by Petitioner
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I. NATURE OF BUSINESS, LOCATION, AND EQUIPMENT

6. Tesoro’s Los Angeles Refinery – Wilmington, a RECLAIM² facility, engages in petroleum refining and production of fuels and other products. It is located at 2101 E. Pacific Coast Highway in Wilmington, California and is subject to a Permit to Construct a new Selective Catalytic Reduction (“SCR”) unit (Device No. C1762) to reduce emissions of nitrogen oxides (“NOx”) from a new boiler known as Boiler No. 12 (Device No. D1760) (jointly “Equipment”). As shown on Attachment 1, the boiler is a RECLAIM device subject to the RECLAIM Regulation XX. Attachment 2 depicts that the boiler uses refinery fuel gas to operate to produce steam for refinery operations. Flue gases from the boiler are routed to the SCR to control NOx emissions.

II. SUMMARY

7. The boiler and SCR are part of an emission reduction project (“Project”) that initially achieved all projected emission reductions in November 2025 but that declined in performance in late December 2025. The Project drastically reduced emissions from an average

¹ Under Rule 202(c), the Permit to Construct operates as a temporary permit to operate at this time. The Permit was issued on November 3, 2023.

² RECLAIM refers to the REgional Clean Air Incentives Market regulation, Regulation XX.

1 of approximately 100 parts per million (“ppm”) NOx per day to 3 ppm NOx per day in November
2 and early December; however, starting on December 22, 2025, the SCR’s performance declined.
3 The SCR is controlling NOx to between 15 to 45 ppm.

4 8. In order to repair the SCR, the Equipment must be shut down for further internal
5 inspection and maintenance, but the refinery cannot shut down the Equipment until it finalizes a
6 maintenance strategy, including installing new catalyst in approximately May 2026 to allow
7 repairs and resume normal operations. Tesoro requires variance relief to allow the Equipment to
8 remain in operation through approximately the end of May 2026 to allow for implementation of
9 its repairs and SCR maintenance strategy.

10 9. This variance request to keep Boiler No. 12 and the SCR running will result in less
11 emissions than the consequences that would follow if Boiler No. 12 shuts down. This variance
12 request will also avoid a shutdown of the entire refinery, which potentially could occur if normal
13 operations are disrupted to a level that requires Tesoro to shut down operations entirely.

14 10. The District is informed of and does not oppose, contingent on adoption and
15 compliance with the proposed conditions in Attachment 3, Tesoro’s plans to keep the Equipment
16 operating until implementation of its repairs and maintenance strategy can be completed by
17 approximately the end of May 2026.

18 **III. ADDITIONAL BACKGROUND ON PROJECT AND PROCESSES**

19 11. We are in the midst of a complex emission reduction Project and want to complete
20 the Project successfully to regain NOx emission control to 2 to 3 ppm per day as it was initially;
21 however, we also need to avoid steam curtailment and fuel gas imbalances from occurring at the
22 refinery because these events would increase emissions more than the emissions associated with
23 this Variance.

24 **A. Project Involving RECLAIM and Rule 1109.1 and Triggering BACT**

25 12. The Project is probably the first of its kind within the Southern California air basin
26 to be able to achieve such low NOx emissions. In the past, boilers like Boiler No. 12 could
27
28

1 continue to operate without emission control devices connected to them because the facility, as
2 whole, was required to meet a facility-wide RECLAIM emissions cap. (Rule 2000, 2004(d).)
3 Under RECLAIM, facilities could trade RECLAIM credits if the facility's emissions were below
4 that facility cap. (Rule 2007(e).)

5 13. Now, for the boiler, the RECLAIM cap-and-trade program is being phased out and
6 replaced with Rule 1109.1, which imposes emission limits for boilers not later than July 1, 2029.
7 (Rule 1109.1, Table 6-1, § 4, row 4, column 4.) Thus, we must comply with RECLAIM and the
8 phases of Rule 1109.1 as they become due.

9 14. The refinery has never added an SCR to a boiler at the same time to achieve such
10 low NOx limits. Installing emission controls and new equipment at the same time is complex.
11 The District's webpage related to Rule 1109.1 refers to Rule 1109.1 projects as "complex projects
12 [that] require significant engineering, design, planning, logistics, funding, order/delivery,
13 installation, and commissioning."

14 15. Tesoro is committed to reducing emissions and improving efficiency, while
15 replacing outdated equipment with new technology as early as possible. Our Project exceeds
16 Rule 1109.1 reductions and does so ahead of schedule. Under our Permit, we are providing
17 emission reductions to 2.5 and 3 ppm NOx, which are more stringent than the 5-ppm and other
18 Rule 1109.1 compliance options. We are providing these reductions approximately 3.5 years
19 ahead of the rule deadlines.
20

21 16. Even though we are ahead of schedule under Rule 1109.1 (and achieving more
22 emission reductions than mandated by the rule), our permit is more stringent because we choose
23 to install new equipment not to retrofit existing equipment. Because we installed new equipment,
24 we are subject to BACT (Best Achievable Control Technology)³ whereas Rule 1109.1 is for B-A-
25 R-C-T (Best Available Retrofit Control Technology). Tesoro is expected to establish a new
26 BACT limit for NOx with this boiler-SCR combination.

27 **B. Steam Curtailment and Fuel-Gas Imbalance**

28 ³ BACT applies under RECLAIM, Rule 2005, as reflected on the Permit.

1 17. We filed the variance to seek relief from the BACT limits but also to ensure we do
2 not face steam curtailment and fuel-gas imbalances.

3 18. The operation of the new Equipment is critical to the refinery because the boiler is
4 one of three boilers at the refinery that generates steam for steam-driven refinery units. The
5 refinery needs at least two of these three boilers to be operating at capacity to avoid steam
6 curtailment risks. Currently one of the three boilers is not operating optimally, Boiler No. 11,
7 and, therefore, there is a deficit in that boiler's steam production capabilities. Another boiler, the
8 Auxiliary boiler ("AUX Boiler") recently completed maintenance and startup activities and is
9 able to provide its portion of steam production but not enough to make up for the deficit of steam
10 from Boiler No. 11. As a result, relying on Boiler No. 11 and the AUX Boiler does not provide
11 the refinery with sufficient steam. The need to operate Boiler No. 12, therefore, is heightened at
12 this time.

13 19. The refinery needs steam to sustain normal operations. Steam drives various
14 steam-driven pumps across the refinery in support of process operation and provides heat medium
15 for numerous refinery heat exchangers across the site. A loss of steam would disrupt normal
16 operations and require unplanned shutdowns of affected refinery units, causing flaring and
17 emissions greater than those associated with this Variance request.

18 20. Boiler No. 11 is working at reduced capacity at this time and cannot be too heavily
19 relied upon until approximately May 2026 when Boiler No. 12 will shut down for SCR repairs.
20 Losing either Boiler No. 11 or No. 12 leads to additional shutdown of units and flaring.

21 21. We are taking all steps we reasonably can to avoid any unplanned shutdowns of
22 refinery process units that would occur during steam curtailment. Such shutdowns would affect
23 units including the Benzene Saturation Unit, the Isomerization Unit, and potentially the
24 Alkylation Unit, the Delayed Coking Unit and the Crude Unit. If we experience steam curtailment
25 for an extended period of time, we would also need to shutdown additional refinery units, up to
26 the entire refinery due to loss of intermediates.

27 22. If Boiler No. 12 shuts down, emissions from flaring could reach approximately
28

1 1,100 pounds of sulfur dioxide and 1,300 pounds of volatile organic compounds per day. During
2 the Variance, such emissions would be avoided and NOx emissions at 15 to 45 ppm (at 3%
3 oxygen correction) per day would result in approximately 100 to 300 pounds of NOx.

4 23. Continued operation of the new boiler and new SCR is also critical to the refinery
5 because the boiler uses refinery fuel gas. Any significant discrepancy between the amount of
6 refinery fuel gas produced and consumed within a refinery can lead to a refinery fuel gas
7 imbalance, which can also lead to unplanned shutdowns of affected refinery units, causing flaring
8 and emissions greater than those associated with this Variance request. With limited options and
9 availability, excess fuel gas would be routed to the flare and result in flaring emissions.

10 24. We are also exploring alternatives to the regular variance. There is a possibility of
11 obtaining rental boilers during the regular variance period.

12 IV. FACTS AND ANALYSIS RELEVANT TO FINDINGS

13 A. Violation Of District Rules

14 25. The inability to operate the Equipment in a manner that achieves the NOx limits in
15 the Permit places Tesoro in violation of District Rules 203(b), 2004(f)(1) and 3002(c)(1). These
16 rules require that a facility permit holder comply at all times with all permit conditions applicable
17 to its facility.

18 26. Tesoro is unable to comply with the following conditions:

- 19 a. *Permit Condition No. A99.23 (applicable to Boiler No. 12)* – This condition
20 and the equipment description of the boiler provides a 2.5-ppmv NOx limit
21 over 30 days, except during boiler commissioning, startup, and shutdown
22 periods. On December 24, 2025, we determined that on December 25 we
23 would not be able to comply with this condition based on the SCR's
24 performance.
- 25 b. *Permit Condition No. A99.22 (applicable to Boiler No. 12)* – This condition
26 and the equipment description of the boiler provides a 3-ppmv NOx limit daily,
27 except during boiler commissioning, startup, and shutdown periods. We were
28 unable to comply with this limit on December 25, 2025 when our startup
period ended.
- c. *Administrative Condition Nos. E.3, E.7, E.8, and K.8* – The first sentence of
Administrative Condition E.3 provides that our Permit “does not authorize the
emissions of contaminants in excess of those allowed by Division 26 of the

1 Health and Safety Code of California or the Rules and Regulations of the
2 AQMD.” The first sentence of Administrative Condition E.7 provides that the
3 facilities “shall maintain and operate all equipment to ensure compliance with
4 all emission limits as specified in this facility permit.” Administrative
5 Condition No. E.8 requires equipment operating under the RECLAIM program
6 to comply with all applicable rules. Finally, Administrative Condition No. K.8
7 requires that equipment comply with applicable rules and regulations. The
8 boiler is not able to operate within Permit limits and, therefore, the operations
9 are not in compliance with District Rules 203(b), 2004(f)(1), and 3002(c)(1),
10 which mandate compliance with permit limits.

11
12 d. *Administrative Condition No. E.4* – Condition E.4 prohibits the operation of
13 equipment unless the associated air pollution control equipment is in “full
14 use.” The SCR is not in full use.

15 27. While Boiler No. 12 has exceeded the Permit limit, there is no increase in
16 emissions for the facility because the facility is well below its RECLAIM NOx allocation. When
17 any excess NOx occurs from a RECLAIM source – like Boiler No. 12 – they are reconciled
18 quarterly under RECLAIM. (Rule 2004(b)(1).) We cannot exit RECLAIM (Rule 2001(g)) and
19 are not yet a Former RECLAIM facility under Rule 1109.1; therefore, we are still within
20 RECLAIM emission cap. The excess emissions from operation above the Permit BACT limit do
21 not increase emissions to the environment from the facility because the RTCs cover all such
22 excess NOx emissions.

23 **B. Good Cause**

24 28. Good cause exists to grant Tesoro’s interim variance request. There was not been
25 sufficient time to schedule a noticed hearing for the regular variance request given that the events
26 giving rise to the Variance occurred only a few days before the Petition was filed. We filed our
27 Petition immediately following the Christmas holiday on December 26, 2025 and obtained a
28 hearing on January 15, 2026; however, we sought to continue the hearing to January 21, 2026 due
to vacation schedules and witness availability.

29 29. Tesoro amended its Petition on December 30, 2025 to request a regular variance,
30 instead of a short variance due to the timelines associated with the compliance plan for the SCR.

31 30. Tesoro has been diligently trying to resolve the decline in performance of the SCR:

- a. Dec. 20 through Dec. 21 – During this weekend, the boiler and SCR were shut down and undergoing internal inspection and maintenance that included filling gaps in the catalyst beds.
- b. Dec. 22 – We began starting up the boiler and immediately had issues with plugging on the ammonia scrubber, which we resolved. We observed elevated NOx levels.
- c. Dec. 23 – We continued to troubleshoot to address the emission control by adjusting temperature and ammonia levels to enhance NOx control but nothing succeeded. We began to address the ammonia vaporizer temperature to make sure ammonia was being vaporized correctly and at the right temperature; however, this did not drive NOx down.
- d. Dec. 25 and 26 – On Christmas day, the SCR’s decline in performance resulted in a violation of the 30-day average NOx limit; therefore, we called in a breakdown. We called in an intent to file an emergency variance and did so the day after the holiday.

31. As reflected above, Tesoro did not observe elevated NOx prior to December 22, 2025 and, therefore, did not know that the SCR would experience a decline in performance. Thus, good cause exists to grant Tesoro’s interim variance because the issues associated with the Equipment arose only four days prior to filing the Petition. There was not time for a noticed variance hearing.

C. Beyond Reasonable Control

1. Compliance with all applicable District Rules is not within Tesoro’s reasonable control.

32. Compliance with District rules is not within Tesoro’s reasonable control. The refinery has only two compliance options:

- a) *Shut down Boiler No. 12 and rely on the AUX boiler and Boiler No. 11. This option is infeasible. The refinery needs two boilers operating at capacity to avoid steam curtailment risks and fuel-gas imbalances. Boiler No. 11 is not able to run at capacity. As a result, operation of Boiler No. 11 and the AUX Boiler do not provide sufficient steam.*
- b) *Shut down Boiler No. 12 in approximately May 2026 to install new catalyst and implement the SCR maintenance strategy needed to resume normal operations.*

1 This is the only feasible option because operation of Boiler No. 12 is needed to
2 avoid steam curtailment risks and to avoid fuel-gas imbalances, which would lead
3 to unplanned shutdowns.

4 33. Tesoro has plans to achieve compliance expeditiously. We already have begun
5 expediting activities by ordering replacement catalyst on December 30, 2025 and paying extra for
6 expedited delivery within approximately four months (as compared to 12 to 18 months). We are
7 exploring the use of alternative boilers and have submitted permit applications for them.

8 34. We expect that the maintenance on the SCR for Boiler No. 12 will be conducted in
9 May 2026, which provides us adequate time to allow for implementation of repairs and the SCR
10 maintenance strategy.

11 35. Operation under the variance is not expected to result in a violation of Health and
12 Safety Code 41700 or any other applicable emissions limits.

13 2. Requiring Compliance Would Result in the Practical Closing of a Lawful
14 Business

15 36. If the refinery were not allowed to conduct the maintenance activities as planned,
16 the only remaining compliance option would be to shut down the Equipment and all associated
17 units that depend on steam from Boiler No. 12, resulting in unplanned shutdowns which would
18 result in losses in excess of \$1.1 million per day. A shutdown would pose a risk of adversely
19 impacting Petitioner's ability to produce fuel. Such an unplanned shutdown will result in in
20 substantially greater excess emissions than would be created if Petitioner undertakes and
21 completes maintenance in approximately May 2026. Emissions from keeping the refinery in its
22 current steady state mode, but with elevated NOx emissions from Boiler No. 12, would be less
23 than if we were to shut down the boiler and cause refinery upsets.

24 **D. No Corresponding Benefit in Reducing Air Contaminants**

25 37. Denial of the Petition would cause irreparable harm to Tesoro with no
26 corresponding benefit in emissions reduction, in that (a) the Equipment is generating less NOx
27 emissions than the prior boilers, (b) denial of the Petition would treat Tesoro punitively while it is
28

1 planning to implement a strategy to complete implementation of an emission control Project that
2 has, and will continue to have, emission reduction benefits 3.5 years in advance of applicable
3 regulatory deadlines, and (c) without variance relief, Tesoro instead would be required to shut
4 down the Equipment causing a closing and taking of Tesoro's lawful business operations.

5 **E. Curtailment**

6 38. Tesoro cannot curtail operations of the Equipment because the boiler is needed for
7 steam and fuel gas balance to keep the refinery operating normally and to avoid increased
8 emissions at the refinery.

9 **F. Emission Reduction and Monitoring**

10 39. As soon as the Equipment was installed, Tesoro's Project reduced emissions from
11 100 ppm NOx per day to 3 ppm NOx per day. During the Variance period, Tesoro will reduce
12 emissions to the maximum extent feasible by keeping the SCR in operation at all times and
13 achieving NOx reduction of approximately 15 to 45 ppm per day, which, although above Permit
14 limits, is drastically below the NOx emissions that occurred prior to the Project.

15 40. During the Variance period, Tesoro will conduct daily monitoring and implement
16 the variance conditions attached hereto as Attachment 4.

17
18 I declare under penalty of perjury under the laws of the State of California that the
19 foregoing is true and correct.

20 Executed this 13th day of January 2026, in the County of Los Angeles, State of California.

21
22 *Ryan Unmack*

23
24 _____
25 Ryan Unmack, Environmental Specialist

Attachment 1
Petitioner's Permit Excerpts (Case No. 4982-139)

FACILITY PERMIT TO OPERATE TESORO REFINING AND MARKETING CO, LLC

SECTION H: PERMIT TO CONSTRUCT AND TEMPORARY PERMIT TO OPERATE

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 18: STEAM GENERATION					
BOILER, BO-12, WITH LOW NOX BURNER, NATURAL GAS, PROCESS GAS, REFINERY GAS, BABCOCK AND WILCOX, MODEL EDFM180-165, (PROCESS GAS FROM FUME SCRUBBER OF P21/S2), 520.4 MMBTU/HR WITH A/N: 635310 Permit to Construct Issued: 10/26/23	D1760	D449 D450 C1762	NOX: MAJOR SOURCE**; SOX: MAJOR SOURCE**	CO: 27 PPMV (30 DAY AVG) (4) [RULE 1703(a)(2) - PSD-BACT, 10-7-1988]; CO: 35 PPMV AT 24 HRS. (4) [RULE 1703(a)(2) - PSD-BACT, 10-7-1988]; CO: 400 PPMV (5) [RULE 1109.1, 11-5-2021]; CO: 2000 PPMV (5A) [RULE 407, 4-2-1982]; HAP: (10) [40CFR 63 Subpart DDDD, 10-6-2022]; NOX: 0.2 LBS/MMBTU (8) [40CFR 60 Subpart Db, 2-27-2014]; NOX: 2.5 PPMV (30 DAY AVG) (4) [RULE 2005, 12-4-2015]; NOX: 3 PPMV AT 24 HRS. (4) [RULE 2005, 12-4-2015]; NOX: 5 PPMV (5) [RULE 1109.1, 11-5-2021]; NOX: 13 LBS/MMSCF NATURAL GAS (WITH SCR) (1) [RULE 2012, 2-5-2016]; NOX: 16.1 LBS/MMSCF REFINERY GAS (WITH SCR) (1) [RULE 2012, 2-5-2016]; NOX: 130 LBS/MMSCF NATURAL GAS (WITHOUT SCR) (1) [RULE 2012, 5-6-2005; RULE 2012, 11-3-2023]; NOX: 161 LBS/MMSCF REFINERY GAS (WITHOUT SCR) (1) [RULE 2012, 2-5-2016]; PM: 0.01 GRAINS/SCF (5A) [RULE 476, 10-8-1976]; PM:	A63.14, A99.20, A99.21, A99.22, A99.23, A99.24, A99.25, A195.24, A195.25, A195.26, A195.27, A195.28, A195.29, B61.12, C1.66, D29.21, D82.7, D82.8, D90.22, H23.48, H23.49, H23.50, I297.1, I297.2, K40.4, K67.20

- * (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 TESORO REFINING AND MARKETING CO, LLC

SECTION H: PERMIT TO CONSTRUCT AND TEMPORARY PERMIT TO OPERATE

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 18:STEAM GENERATION					
BURNER, NATURAL GAS, PROCESS GAS, REFINERY GAS, JOHN ZINK, MODEL ECOJET, WITH LOW NOX BURNER, 2 TOTAL; 520.4 MMBTU/HR				0.1 GRAINS/SCF (5) [RULE 409, 8-7-1981]; PM: 11 LBS/HR (5B) [RULE 476, 10-8-1976]; SOX: 0.6 LBS/MMSCF NATURAL GAS (1) [RULE 2011, 2-5-2016]; SOX: 6.76 LBS/MMSCF REFINERY GAS (1) [RULE 2011, 2-5-2016]	
SELECTIVE CATALYTIC REDUCTION, FIXED BED REACTOR, VANADIUM-TITANIUM-TUNGSTEN CATALYST, UMICORE, MODEL DNX, OR APPROVED EQUIVALENT CATALYST, 681.5 CU.FT.; WIDTH: 14 FT ; HEIGHT: 15 FT 6 IN; LENGTH: 3 FT 2 IN WITH A/N: 635312 Permit to Construct Issued: 10/26/23 AMMONIA INJECTION	C1762	D1760 S1764		NH3: 5 PPMV (4) [RULE 1303(a)(1)-BACT, 5-10-1996; RULE 1303(a)(1)-BACT, 12-6-2002]	A195.30, D12.20, D12.21, D12.22, D29.22, D82.9, E73.9, E519.3
STACK, VENTING SCR NO. 2, HEIGHT: 120 FT ; DIAMETER: 7 FT 5.5 IN A/N: 635312 Permit to Construct Issued: 10/26/23	S1764	C1762			

- * (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 TESORO REFINING AND MARKETING CO, LLC

SECTION H: PERMIT TO CONSTRUCT AND TEMPORARY PERMIT TO OPERATE

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

[Devices subject to this condition : D1755, D1760]

A99.21 The 6.76 LBS/MMSCF SOX emission limit(s) shall only apply during the interim reporting period to report RECLAIM emissions. The interim emissions factors are 6.76 lbs SOx/MMscf refinery gas and 0.60 lbs SOx/MMscf natural gas. The interim reporting period shall not exceed 12 months from the initial startup date.

[RULE 2011, 2-5-2016]

[Devices subject to this condition : D1755, D1760]

A99.22 The 3 PPM NOX emission limit(s) shall not apply during boiler commissioning, startup, and shutdown periods. Startup or shutdown time shall not exceed 48 hours per startup or shutdown and the number of scheduled startups shall not exceed 2 per calendar year. The commissioning period shall not exceed 224 operating hours from the date of initial startup. The operator shall provide the South Coast AQMD written notification of the initial startup date. Written records of commissioning and startups shall be maintained and made available to the SCAQMD.

[RULE 2005, 12-4-2015]

[Devices subject to this condition : D1755, D1760]

A99.23 The 2.5 PPM NOX emission limit(s) shall not apply during boiler commissioning, startup, and shutdown periods. Startup or shutdown time shall not exceed 48 hours per startup or shutdown and the number of scheduled startups shall not exceed 2 per calendar year. The commissioning period shall not exceed 224 operating hours from the date of initial startup. The operator shall provide the South Coast AQMD written notification of the initial startup date. Written records of commissioning and startups shall be maintained and made available to the SCAQMD.

[RULE 2005, 12-4-2015]

[Devices subject to this condition : D1755, D1760]



FACILITY PERMIT TO OPERATE TESORO REFINING AND MARKETING CO, LLC

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 TESORO REFINING AND MARKETING CO, LLC

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 shall 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 NO_x 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]



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SECTION E: ADMINISTRATIVE CONDITIONS

- e. For the purpose of determining compliance with Rule 407, carbon monoxide (CO) shall be measured on a dry basis and be averaged over 15 consecutive minutes, and sulfur compounds which would exist as liquid or gas at standard conditions shall be calculated as sulfur dioxide (SO₂) and be averaged over 15 consecutive minutes; [407]
- f. For the purpose of determining compliance with Rule 409, combustion contaminant emission measurements shall be corrected to 12 percent of carbon dioxide (CO₂) at standard conditions and averaged over 15 consecutive minutes. [409]
- g. For the purpose of determining compliance with Rule 475, combustion contaminant emission measurements shall be corrected to 3 percent of oxygen (O₂) at standard conditions and averaged over 15 consecutive minutes or any other averaging time specified by the Executive Officer. [475]
- 8. All equipment operating under the RECLAIM program shall comply concurrently with all SCAQMD Rules and Regulations, except those listed in Table 1 of Rule 2001 for NO_x RECLAIM sources and Table 2 of Rule 2001 for SO_x RECLAIM sources. Those provisions listed in Tables 1 or 2 shall not apply to NO_x or SO_x emissions after the date the facility has demonstrated compliance with all monitoring and reporting requirements of Rules 2011 or 2012, as applicable. Provisions of the listed SCAQMD rules in Tables 1 or 2 which have initial implementation dates in 1994 shall not apply to a RECLAIM NO_x or SO_x source, respectively. [2001]
- 9. The operator shall, when a source test is required by SCAQMD, provide a source test protocol to SCAQMD no later than 60 days before the proposed test date. The test shall not commence until the protocol is approved by SCAQMD. The test protocol shall contain the following information: [204, 304]
 - a. Brief description of the equipment tested.



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SECTION K: TITLE V Administration

Reopening for Cause

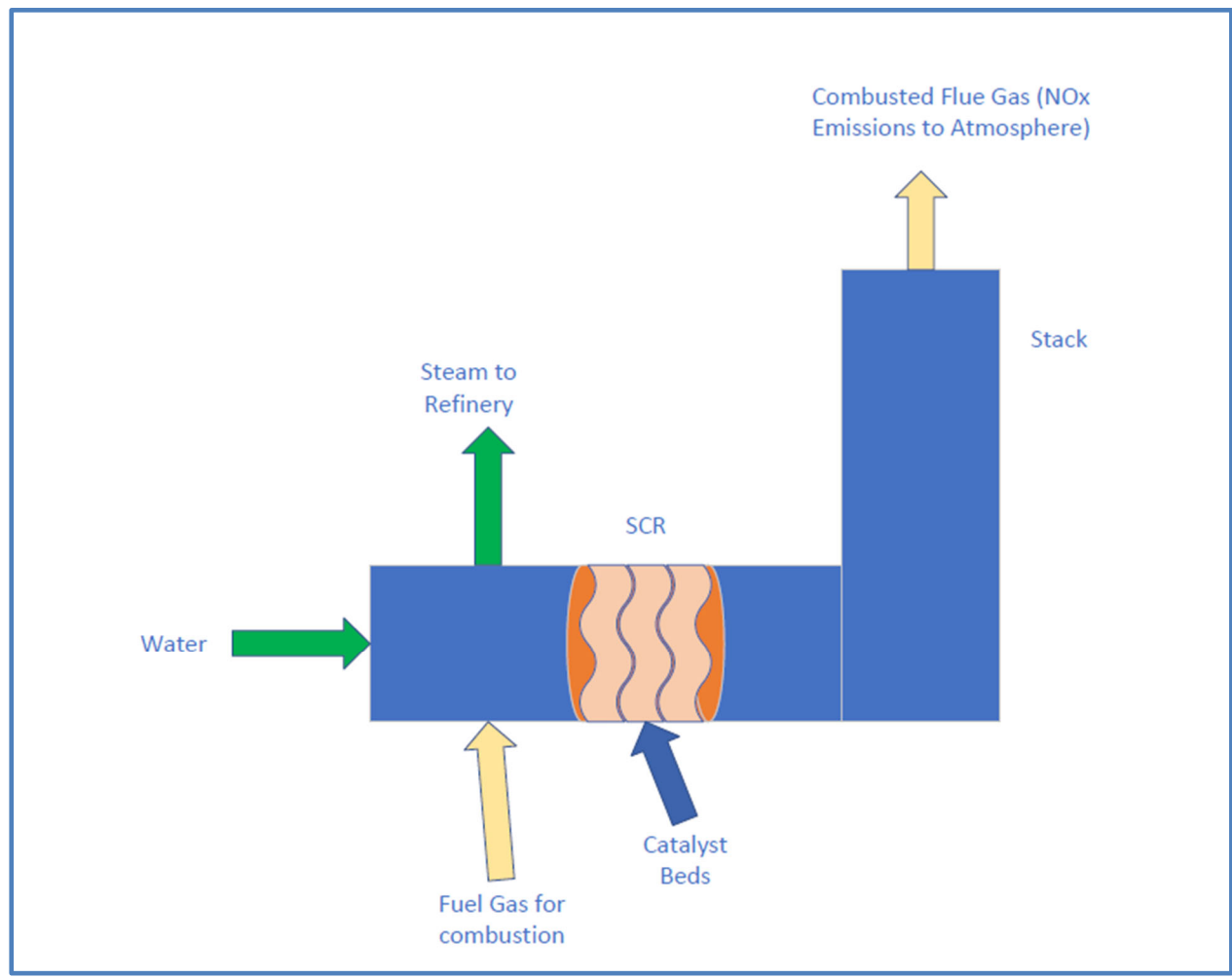
7. The Executive Officer will reopen and revise this permit if any of the following circumstances occur:
- (A) Additional regulatory requirements become applicable with a remaining permit term of three or more years. Reopening is not required if the effective date of the requirement is later than the expiration date of this permit, unless the permit or any of its terms and conditions has been extended pursuant to paragraph (f)(4) of Rule 3004.
 - (B) The Executive Officer or EPA Administrator determines that this permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of this permit.
 - (C) The Executive Officer or EPA Administrator determines that the permit must be revised or revoked to assure compliance with the applicable requirements. [3005(g)(1)]

COMPLIANCE PROVISIONS

8. The operator shall comply with all regulatory requirements, and all permit terms and conditions, except:
- (A) As provided for by the emergency provisions of condition no. 17 or condition no. 18, or
 - (B) As provided by an alternative operating condition granted pursuant to a federally approved (SIP-approved) Rule 518.2.

Any non-compliance with any federally enforceable permit condition constitutes a violation of the Federal Clean Air Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or revision; or denial of a permit renewal application. Non-compliance may also be grounds for civil or criminal penalties under the California State Health and Safety Code. [3004(a)(7)(A)]

Attachment 2
Petitioner's Schematic of Equipment (Case No. 4982-139)



Attachment 3
Petitioner's Proposed Variance Conditions Case No. 4982-139

For the next 30 days, Petitioner proposes to reduce excess emissions to the maximum extent practicable by adhering to the following during the interim variance period until the date of the hearing on the regular variance:

1. Petitioner shall report a Variance Notification to South Coast AQMD upon the start of the interim variance period by calling 1-800-CUT-SMOG (Attention Inspector Oscar Nieto Mora). The interim variance period shall end on April 21, 2026, or on the date if and when a short or regular variance is granted, whichever occurs first.
2. Petitioner shall phase in maintenance activities for the SCR (Device No. C1762) that serves Boiler No. 12 (Device No. D1760) by shutting down Boiler No. 12 and SCR (Device No. C1762) for SCR maintenance once all required equipment and catalyst arrive and are ready to operate.
3. During the interim variance period, Petitioner shall, on a daily basis, monitor the SCR (Device No. C1762) and Boiler No. 12 (Device No. D1760) when the units are in operation and shall record one set of readings per day with regard to SCR inlet and outlet temperature and pressure. For the first two weeks of the variance period, Petitioner shall electronically mail to Inspector Oscar Nieto Mora (omora@aqmd.gov) every Wednesday by 5 p.m. the temperature and pressure of the SCR for the past week. Thereafter, during the interim variance period, so long as the temperature and pressure remain stable and continuous within the average of the first two weeks, Petitioner shall continue to record one set of readings per day with regard to SCR inlet and outlet temperature and pressure and shall electronically notify Inspector Oscar Nieto Mora (omora@aqmd.gov) if the temperature changes by more than 10% from the average of the first two weeks and/or if pressure increases above 2 inches H₂O.
4. During the interim variance period, Petitioner shall, on a daily basis, monitor NO_x, NH₃, CO, and O₂ emissions from the SCR (Device No. C1762) and Boiler No. 12 (Device No. D1760) when the units are in operation. Petitioner shall electronically mail to Inspector Oscar Nieto Mora (omora@aqmd.gov) every Wednesday by 5 p.m. the NO_x, NH₃, CO, and O₂ emissions from the previous week of operation. Emissions shall be reported in the following form for NO_x and CO: ppm 24-hour average, ppm 30-day average, and daily mass emissions. Emissions shall be reported in the following form for NH₃: ppm 1-hour average.
5. The Petitioner shall demonstrate compliance with the Facility BCAP NO_x Emission Target or facility-wide NO_x mass emissions, during Phase I, of 1037 tons per year, as limited under the SCAQMD Rule 1109.1 Compliance Plan. The demonstration shall be based on a rolling 365-day daily average. Petitioner shall electronically mail to Inspector Oscar Nieto Mora (omora@aqmd.gov) every Wednesday by 5 p.m. the total emissions from all the affected facilities to show compliance with the BCAP Emissions Target.

6. Petitioner shall, as soon as practicable, finalize a maintenance strategy for the SCR (Device No. C1762) which shall include consideration of a catalyst replacement and other measures Petitioner's inspection determines to be necessary.
7. Petitioner shall commence planning and preparation to ensure that Petitioner submits to South Coast AQMD, attention Inspector Oscar Nieto Mora (omora@aqmd.gov) a report on the cause of the malfunction in the SCR (Device No. 1762) by January 24, 2026. The Rule 430 Breakdown written report can also meet this requirement. Petitioner shall, in the same manner, submit a report on the maintenance strategy to bring the unit back to normal operation, by February 18, 2026. Such maintenance strategy shall consider availability of resources known at the time of the report and allow flexibility for modifications or amendments during the regular variance period.
8. Petitioner shall notify the District at 1-800-CUT-SMOG (Attention Inspector Oscar Nieto Mora) and by e-mail to Inspector Oscar Nieto Mora (omora@aqmd.gov) at least 24 hours prior to shutting down the SCR (Device No. C1762) to inspect and repair the SCR.
9. Prior to the start of the variance period, the facility shall hold sufficient RECLAIM Trading Credits ("RTCs") to offset expected excess emissions increases of NOx of approximately 100 pounds of NOx per day for the interim variance period. The RTCs held to satisfy this condition may not be transferred during this variance period. Within 30 days of achieving final compliance, Petitioner shall calculate actual excess emissions during the interim variance period and provide additional RTCs if the calculated NOx emissions are determined to exceed emissions 100 pounds of NOx per day.
10. During maintenance activities, Petitioner shall work as quickly as possible, including on weekends and during daylight and evening hours, to conduct work that enables Petitioner to repair the SCR (Device No. C1762).
11. In the event that Boiler No. 12 (Device No. D1760) experiences a trip or malfunction during the interim variance period that requires shutdown of the device and affected refinery equipment, Petitioner shall (i) notify Inspector Oscar Nieto Mora (omora@aqmd.gov) within one hour; (ii) report a breakdown pursuant to Rule 430 and Rule 2004; and (iii) upon re-start of Boiler No. 12 (Device No. D1760) reduce NOx emissions in other combustion devices in the refinery.
12. Petitioner shall provide records (*i.e.*, Outlet NOx, NH₃, CO, O₂) SCR stack temperature; SCR differential pressure; boiler firing rate) electronically to Inspector Oscar Nieto Mora (omora@aqmd.gov) showing stable operation of the SCR following maintenance and/or replacement of catalyst.
13. If compliance is achieved during the interim variance period, Petitioner shall notify the Clerk of the Hearing Board (clerkofboard@aqmd.gov) in writing, and notify Inspector Oscar Nieto Mora via email(omora@aqmd.gov) or by calling 1-800-CUT-SMOG (Attention: Oscar Nieto Mora) to report a Variance Notification of compliance within two (2) hours of achieving final compliance.
14. Petitioner shall pay all applicable fees to the Clerk of the Hearing Board or the variance shall be invalidated pursuant to Rule 303(k), except for excess emissions

fees, which shall be paid within fifteen (15) days of notification in writing that the fees are due, unless otherwise ordered by the Hearing Board.