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6 **BEFORE THE HEARING BOARD OF THE**
7 **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

8 **In The Matter Of**

9 EQUILON ENTERPRISES LLC dba SHELL
10 OIL PRODUCTS US
11 [Facility ID No. 800372]

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Petitioner.

Case No. 4982-137

**[PROPOSED] FINDINGS AND
DECISION FOR AN ORDER
GRANTING A SHORT VARIANCE**

Hearing Date: March 18, 2025
Time: 9:30 am
Place: Hearing Board
South Coast Air Quality
Management District
21865 Copley Drive
Diamond Bar, CA 91765

[PROPOSED] FINDINGS AND DECISION OF THE HEARING BOARD

This petition for a short variance was heard on the Hearing Board's Consent Calendar on March 18, 2025 pursuant to notice and in accordance with the provisions of California Health and Safety Code Section 40825. The following members of the Hearing Board were present: Micah Ali, Chair; Robert Pearman, Esq., Vice-Chair; Jerry P. Abraham, M.D. MPH CMQ; Mohan Balagopalan; and Cynthia Verdugo-Peralta. Petitioner, represented by Jacob P. Duginski, Attorney at Law, did not appear. Respondent South Coast Air Quality Management District (South Coast AQMD), represented by Ryan Mansell, Sr. Deputy District Counsel, did not appear. The joint Stipulation to Place Matter on Consent Calendar, the Declaration of Christopher Sherman, and the [Proposed] Findings and Decision for an Order Granting a Short Variance were received as evidence, and the case submitted. The public was given the opportunity to testify. The Hearing Board finds and decides as follows:

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3 **Nature of Business and Location of Facility**

4 1. Petitioner operates the Carson Terminal, which is located at 20945 S. Wilmington
5 Avenue, Carson, California 90810, South Coast AQMD Facility ID No. 800372. The Carson
6 Terminal is a bulk storage and loading terminal. The facility receives bulk petroleum and chemical
7 products by pipeline and rail, stores these products onsite in bulk storage tanks, and transfers
8 products offsite via pipeline and tank truck. No petroleum product manufacturing occurs onsite.

9 **Equipment that is the Subject of the Variance Petition**

10 2. This case involves the use of a portable thermal oxidizer to control emissions while
11 an afterburner which is usually used for this purpose undergoes necessary maintenance. Tanks
12 7011 and 7012 (D330 and D763) at the Carson Terminal are vapor tanks that receive vapors from
13 organic liquid loading and storage operations, including loading operations from the
14 neighboring facility, Univar. Vapors from these processes are routed to a John Zink afterburner
15 control device (C764). The facility's Title V/RECLAIM permit, Condition E336.3 and the
16 "Connected To" column of D330 & D763 require that all vent gases from Tanks 7011 and/or 7012
17 (D330 and D763) to be routed to the existing, permitted afterburner (C764). The afterburner will be
18 taken out of service during maintenance and emissions will be controlled by a portable thermal
19 oxidizer with a Various Locations Permit issued by South Coast AQMD.
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22 **SUMMARY**

23 3. During the period over which Petitioner will be taking the afterburner (C764) out of
24 service for maintenance activities, Petitioner will be in violation of District Rules 203(b), 2004(f)(1),
25 and 3002(c)(1). Petitioner intends to continue to control emissions during this period using a
26 portable thermal oxidizer operating pursuant to a Various Locations Permit issued by South Coast
27 AQMD. Petitioner will resume compliance when the afterburner is able to be placed back into
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1 service.

2 4. Following are the facts and conclusions supporting the findings set forth in Health
3 and Safety Code Section 42352 necessary to grant the variance. South Coast AQMD did not oppose
4 the granting of the variance.

5 **FINDINGS OF FACT AND CONCLUSIONS**

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7 **H&S Code, § 42352(a)(1). The Petitioner is, or will be, in violation of 41701 or of any rule,**
8 **regulation, or order of the District.**

9 5. Petitioner will be in violation of District Rules 203(b), 2004(f)(1), and 3002(c)(1)
10 because it will be in violation of Condition E336.3 and the “Connected To” column of Section D of
11 its Title V/Reclaim Permit. These conditions require that all vent gases from tanks D330 and D763
12 be vented to afterburner C764. Afterburner C764 will be taken out of service for maintenance, and
13 vent gases from tanks 7011 and/or 7012 (D330 and D763) will be routed to a permitted portable
14 thermal oxidizer.

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16 **H&S Code, § 42352(a)(2). Non-compliance is due to conditions beyond the reasonable**
17 **control of the Petitioner.**

18 6. Based on recommendations from the afterburner’s Original Equipment Manufacturer
19 (OEM), John Zink, components of the afterburner are nearing the end of their design life and require
20 replacement and/or modification in order to keep the unit operating safely and reliably. To perform
21 this work, the afterburner must be shut down to allow for the safe retrofit of internal parts of the unit.
22 The afterburner is used to control vapors and comply with the applicable VOC emission limits.
23 Petitioner will rent a portable thermal oxidizer that operates under a Various Locations Permit issued
24 by the South Coast AQMD, which will operate in place of Petitioner’s afterburner. As listed above,
25 use of the portable thermal oxidizer will violate Condition E336.3 and the “Connected To” column
26 for the respective vapor tanks and afterburner. However, use of the portable thermal oxidizer will
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1 not result in excess emissions or the exceedance of applicable emission limits.

2 **H&S Code, § 42352(a)(2). Requiring compliance would result in either (A) an arbitrary or**
3 **unreasonable taking of property, or (B) the practical closing and elimination of a lawful**
4 **business.**

5 7. Denial of the variance petition would require Petitioner to cease multiple facility
6 operations. This includes delivery of chemicals into storage tanks and loading of diesel, renewable
7 diesel, and biodiesel into tank trucks. In addition, the vapor tanks (D330 and D763) and the
8 afterburner (C764) receive and process vapors from the neighboring facility's, Univar's, operations.
9 Petitioner is contracted to process vapors from Univar's operations and failure to do so risks violating
10 contract terms between the two entities.
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12 **H&S Code, § 42352(a)(3). The closing or taking would be without a corresponding benefit in**
13 **reducing air contaminants.**
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15 8. Ceasing the above-described operations would result in a significant loss of chemical
16 and fuel supplies to the area and significant economic losses without any corresponding benefit in
17 reducing air contaminants, as use of a portable thermal oxidizer in lieu of the afterburner is expected
18 to result in no excess emissions.

19 **H&S Code, § 42352(a)(4). The Petitioner has given consideration to curtailing operations of**
20 **the source in lieu of obtaining a variance.**
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22 9. Shutting the facility down to allow for maintenance of the afterburner or otherwise
23 curtailing operations would not mitigate all emissions, as storage tanks will continue to vent
24 breathing losses passively to vapor holding tanks 7011 (D330) and/or 7012 (D763). If a temporary
25 portable thermal oxidizer is not used, the vapor holding tanks will eventually overpressure and vent
26 to the atmosphere, causing excess emissions. Granting of this variance will allow Petitioner to
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1 continue to control vapors within permitted limits, therefore ensuring the safety of workers onsite
2 and the general public, all while continuing operations.

3 **H&S Code, § 42352(a)(5). During the period the variance is in effect, the Petitioner will**
4 **reduce excess emissions to the maximum extent feasible.**

5 10. Usage of a portable thermal oxidizer ensures no excess emissions will be released
6 because the portable thermal oxidizer will achieve greater than the afterburner's required 99% control
7 efficiency. The portable thermal oxidizer, which operates under a Various Locations Permit issued
8 by the South Coast AQMD, is expected to meet the emission limits and control efficiency
9 requirements of Petitioner's Title V permit.
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11 **H&S Code, § 42352(a)(6). During the period the variance is in effect, the Petitioner will**
12 **monitor or otherwise quantify emission levels from the source, if requested to do so by the**
13 **District, and report these emission levels to the District pursuant to a schedule established by**
14 **the District.**
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16 11. The portable thermal oxidizer operates under a Various Locations Permit issued by
17 South Coast AQMD. This permit contains monitoring and recordkeeping requirements, and the
18 contractor will monitor per the terms and conditions of the Various Locations Permit. The contractor
19 that operates the portable thermal oxidizer will provide a report to Petitioner after completion of the
20 project that details the results of the required monitoring. Petitioner will make these reports available
21 to Respondent.
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23 **Rule 4. Operation under the order is not expected to result in a violation of Health and Safety**
24 **Code Section 41700.**

25 12. Use of the portable thermal oxidizer during the maintenance of the afterburner is not
26 expected to create a nuisance in violation of Health and Safety Code Section 41700 as the portable
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1 thermal oxidizer is expected to control emissions at least as effectively as the currently-permitted
2 afterburner.

3 **ORDER**

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

5 A. Petitioner is granted a short variance from South Coast AQMD Rule 203(b), 2004(f)(1), and
6 3002(c)(1) to allow for the use of a portable thermal oxidizer in place of Petitioner's afterburner
7 (C764) beginning March 24, 2025 and concluding on or before June 22, 2025.

8 B. The variance granted herein is subject to the following conditions:

9 1. While the Afterburner H-7015 (device ID C764) is taken out of service for
10 maintenance, the petitioner shall operate a Portable Thermal Oxidizer such that emissions from
11 Vapor Tanks T-7011 (device ID D330) and T-7012 (device ID D763), which normally went to
12 Afterburner H-7015, will continue to be controlled.

13 2. During the variance period, Petitioner shall only use the approved Portable Thermal
14 Oxidizer with the valid various locations Permit to Operate (G51966) as the replacement for
15 Afterburner H-7015.

16 3. Petitioner shall operate the Portable Thermal Oxidizer to achieve a minimum overall
17 control efficiency of 99% for VOC, and emissions from the Portable Thermal Oxidizer shall not
18 exceed 0.08 lbs of VOC per 1,000 gallons of organic liquid transferred.

19 4. Petitioner shall conduct a performance test using an approved source test protocol,
20 within one (1) week after the Portable Thermal Oxidizer is put into service under this variance to
21 determine the control efficiency of the Portable Thermal Oxidizer and demonstrate compliance with
22 the Rule 462 limit of 0.08 lbs VOCs per 1,000 gallons of organic liquid transferred.

23 5. Petitioner shall report the performance test results in writing to the South Coast
24 AQMD, attention Supervising AQ Inspector Joseph Liaw (jliaw1@aqmd.gov) and to
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1 sourcetesting@aqmd.gov, within forty-five (45) days of completing the test to demonstrate
2 compliance with the 99% VOC control efficiency requirement and the Rule 462 limit of 0.08 lbs
3 VOC per 1,000 gallons of organic liquid transferred. Petitioner shall request expedited review of the
4 test results and pay any associated fees.

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6 6. Petitioner shall, in the event the performance test fails to establish compliance with
7 the 99% VOC control efficiency requirement and the Rule 462 limit of 0.08 lbs VOC per 1,000
8 gallons of organic liquid transferred, cease use of the Portable Thermal Oxidizer immediately or shall
9 file a request for a status hearing with the Hearing Board to modify the variance within three (3)
10 business days.

11 7. Petitioner shall make a *Variance Notification* to the South Coast AQMD at least
12 seventy-two (72) hours prior to the start of the variance period by calling 1-800-CUT-SMOG
13 (Attention Supervising AQ Inspector Joseph Liaw). The variance period will last for 90 days starting
14 on March 24, 2025.

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16 8. Petitioner shall make a *Variance Notification* to the South Coast AQMD at least four
17 (4) hours prior to shutting down Afterburner H-7015 during the variance period by calling 1-800-
18 CUT-SMOG (Attention Supervising AQ Inspector Joseph Liaw).

19 9. Petitioner shall notify the Clerk of the Hearing Board (clerkofboard@aqmd.gov) in
20 writing, and Supervising AQ Inspector Joseph Liaw by email (jliaw1@aqmd.gov) or by calling 1-
21 800-CUT-SMOG (Attention Supervising AQ Inspector Joseph Liaw) to report a *Variance*
22 *Notification* within two (2) hours of achieving final compliance after the completion of maintenance
23 and inspection work approved under this variance, when Afterburner H-7015 is back online and when
24 all affected devices are back in compliance with their permits.

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26 10. Petitioner shall pay all applicable fees to the Clerk of the Hearing Board, or the
27 variance shall be invalidated pursuant to Rule 303(k), except for excess emissions fees if applicable,
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1 which shall be paid within fifteen (15) days of notification in writing that the fees are due, unless
2 otherwise ordered by the Hearing Board.

3 11. Should the source test review indicate issues and/or non-compliance with the emission
4 standards, after the test result was submitted and the variance period has ended, Petitioner shall pay
5 the appropriate excess emission fees within 30 days upon notification of the non-compliance by
6 Compliance staff.
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8 BOARD MEMBER: _____

9 DATED: _____
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