

H.B. Case No.:	<u>2024-02-R</u>
Petitioner:	<u>Pacific Coast Energy Company LP</u>
Permit No.:	<u>PTO 8240-R11</u>
Date Rec'd:	<u>2/15/2024</u>
Time Rec'd:	<u>1725 hours</u>
Filing Fee Paid:	<u>\$1,609.00</u>

PETITION FOR VARIANCE

Type of Variance Requested:			
Emergency	<u> </u>	Interim ¹	<u> X </u>
90-Day	<u> </u>	Regular	<u> X </u>
Length of Variance Requested:	Start Date	<u>February 16, 2024</u>	
	End Date	<u>July 2, 2024</u>	
¹ A 90-Day or Regular Variance must be filed concurrently with an Interim Variance			

1. PETITIONER INFORMATION

A. Please provide the name, address and phone number of the Petitioner.

Name: Pacific Coast Energy Company LP
 Address: 1555 Orcutt Hill Road
Orcutt, CA 93455
 Phone Number: 805-937-2576

B. Please provide the name, address and phone number of the person authorized to receive correspondence regarding this Petition if different from response in 1.A.

Name: Mr. Philip Brown
 Address: 1555 Orcutt Hill Road
Orcutt CA 93455
 Phone Number: 805-937-2576

C. The Petitioner is (please check one):

- 1) An Individual ()
- 2) Partnership (X)
- 3) Corporation ()
- 4) Public Agency ()
- 5) Other Entity (please describe)

2. Location of equipment for which the variance is requested if different from response in 1.A.

Newlove Lease
1555 Orcutt Hill Road

3. List any District permits that are applicable to the equipment subject to this variance request.

PTO 8240-R9

4. Briefly describe the equipment that is the subject of this Petition.

SG 100 62.5 MMBtu Steam Generator

5. FINDINGS REQUIRED FOR THE GRANTING OF A VARIANCE

PLEASE REFER TO THE ATTACHED PAGES

In order for the Hearing Board to grant a variance to a Petitioner authorizing the operation of a source in violation of any rule, regulation or order of the District, the Hearing Board is required to make "findings" in accordance with the requirements specified in California Health and Safety Code §42352, et. seq. and District rules and regulations. The Hearing Board's variance decision will take into consideration information you provide in this Petition. Please ensure your responses are complete and thorough. Please use additional pages as necessary.

A. Please state 1) what District rule, regulation or order you either are or will be in violation of, and 2) the date said violation will or did occur. Include as appropriate the applicable permit conditions for which variance relief is being sought.

- B. Please describe how compliance with the District rule, regulation or order listed in Section A above is beyond your reasonable control. In addition to any other relevant factors, please include in your discussion 1) what actions you have taken to comply or seek a variance, which were
- C. Please describe how you would be impacted if you were required to immediately comply with the District rule, regulation or order the subject of this variance request. In addition to any other relevant factors, please discuss why such impacts would result in 1) an arbitrary or unreasonable taking of property, or 2) the practical closing and elimination of a lawful business.
- D. If you were required to immediately comply with the District rule, regulation or order the subject of this variance request, please describe what impact, if any, that would have on air contaminants.
- E. Please describe what consideration you have given to curtailing operations in lieu of obtaining a variance.
- F. Please describe what steps and measures you will take to reduce excess pollutant emissions the maximum extent feasible during the requested variance period
- G. If requested to do so by the District, please describe how you will monitor or otherwise quantify and report to the District any pollutant emissions associated with the granting of your variance.

**6. SUPPLEMENTAL FINDINGS IF APPLYING FOR AN EMERGENCY VARIANCE
PURSUANT TO RULE 506 (EMERGENCY VARIANCE FOR BREAKDOWNS)**

- A. Please provide the date and time the breakdown was reported to the District

Date: _____ Time: _____

- B. Breakdown number (as provided by the District):

- C. Please provide a description of the “breakdown condition”, including equipment involved and the cause to the extent it is known.
- D. Please describe why the continued operation of your facility in a “breakdown condition” is not likely to cause an immediate threat or hazard to public health or safety and will not interfere with the attainment or maintenance of any primary national ambient air quality standard.
7. Will the operation of the equipment subject to this variance result in violation of District Rule 303, Nuisance?
8. Please state whether or not any civil or criminal case involving the equipment subject to this variance is pending any court.

The undersigned is authorized to submit the above Petition on behalf of the Petitioner and further states under penalty of perjury that the above Petition, including any attachments and the items therein set forth, are true and correct.

DATE: February 12, 2024 SIGNATURE: *Marianne Strange*
 TITLE: Authorized Agent
 PRINT NAME: Marianne Strange

Variance Filing Fees: All variance Petitions must be accompanied by the requisite filing fee at the time of filing or include a letter from the Petitioner on company letterhead authorizing the District to debit the filing fee from the company’s reimbursable account. You may also pay your filing fees by credit card using the attached form. Current variance filing fees may be found under Rule 210, schedule F, Sections 12a and 12b at <http://www.sbcapcd.org/fees.htm>

Credit Card Payment: The Variance Filing Fee may be paid with a credit card. Please use APCD Form -01C to pay via credit card. The form may be downloaded at: <http://www.sbcapcd.org/eng/dl/dl01.htm>

PCEC
Findings for
Interim and Regular Variance Petition

SG 100

5. FINDINGS REQUIRED FOR THE GRANTING OF A VARIANCE

A. Please state 1) what District rule, regulation or order you either are or will be in violation of, and 2) the date said violation will or did occur. Include as appropriate the applicable permit conditions for which variance relief is being sought.

PTO 8240-R9 Permit condition C.6.(a) which requires SG 100 to conduct annual source testing using February as the anniversary date.

B. Please describe how compliance with the District rule, regulation or order listed in Section A above is beyond your reasonable control. In addition to any other relevant factors, please include in your discussion 1) what actions you have taken to comply or seek a variance, which were timely and reasonable under the circumstances.

SG 100 was successfully source tested on February 16, 2023, meeting all emission limits. Shortly after the source test, Pacific Coast Energy Company (PCEC) started experiencing operational problems keeping SG 100 operating. Ultimately after repair attempts by Advanced Combustion, SG 100 went down and did not start-up. In March of 2023, Advanced Combustion removed the panel to confirm the cause of the problem; the Honeywell Expanded Annunciator had failed. The Honeywell component of the PLC caused the panel to fail, and SG 100 could not operate.

The new Allen Bradley Control Logix and necessary accessory items were back ordered, coming available in February 2024. Delivery is expected before the end of March. In February 2024 PCEC received the IO Modules, PLC Processor and the necessary valving to support the new panel.

Advanced Combustion will begin the work as soon as the new Allen Bradley Control Panel is delivered. Source testing has been scheduled for May 7th.

When it became apparent that the panel on backorder would not arrive in time to source test by the anniversary date, PCEC contacted the District. On January 3, 2024 PCEC requested guidance to remain in compliance with the source test anniversary date, whether a permit modification or a variance would be required. On January 31st PCEC received direction from the District that an Interim and Regular variance would be required. The District requested the variance petition be submitted by February 16th, PCEC has met that deadline.

C. Please describe how you would be impacted if you were required to immediately comply with the District rule, regulation or order the subject of this variance request. In addition to any other relevant factors, please discuss why such impacts would result in 1) an arbitrary or unreasonable taking of property, or 2) the practical closing and elimination of a lawful business.

Due to the fact this is a permit condition in a Title V permit, PCEC would be in the same position of requesting a variance. If PCEC were to immediately comply, they would have to de-permit SG 100 and render it inoperable. A new permit would be required to operate SG 100 install the PLC and start it up. The costs of getting a new permit for SG 100 would include:

PCEC
Findings for
Interim and Regular Variance Petition

1. Application preparation \$2,000.00
2. Permit application fee (current Rule 210 Schedule) \$491.00
3. Emission Reduction Credits \$500,000.00
4. Permit fees (current Rule 210 Schedule) \$8,622.00

- D. If you were required to immediately comply with the District rule, regulation or order the subject of this variance request, please describe what impact, if any, that would have on air contaminants.

If PCEC has already shut in SG 100, there would be no impacts on air quality considering there are no excess emissions by requesting later date for source testing. During normal operations SG 100 is used in the event that either SG 300 and 400 are undergoing routine maintenance.

- E. Please describe what consideration you have given to curtailing operations in lieu of obtaining a variance.

SG 100 is curtailed. PCEC has been operating SG 300 & 400 since March last year. Even if PCEC shut in all steam operations, a variance would have to be requested to be allowed to miss a source test anniversary date.

- F. Please describe what steps and measures you will take to reduce excess pollutant emissions the maximum extent feasible during the requested variance period.

There are no excess emissions. When SG 100 was shut down, it was in compliance with the emission limits. When the new PLC is installed a NOx Box will be used to ensure that SG 100 is operating within all the permitted parameters. PCEC will return to the annual test date of February in 2025.

- G. If requested to do so by the District, please describe how you will monitor or otherwise quantify and report to the District any pollutant emissions associated with the granting of your variance.

1. There are no excess emissions, but, SG 100 is monitored by the SCADA system to verify that it will not operate until the new PLC is installed.