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HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

MARY ROMAIDIS
CLERK
HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

BEFORE THE HEARING BOARD
OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA

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In the Matter of the Application of)
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CHEVRON USA, RICHMOND) No. 3478
REFINERY)
)
For a Variance from Regulation 8, Rule 5,) ORDER GRANTING
Section 305.5) EMERGENCY VARIANCE
)
_____)

The above entitled matter, being an Application for Variance from the provisions of Regulation 8, Rule 5, Section 305.5, having been filed on November 2, 2004, at 4:15 p.m., and having been considered by the Hearing Board:

THE HEARING BOARD STATES as the reasons for its decision and FINDS as to those matters in which findings are required:

1. Applicant filed this Application for Variance under the Emergency Variance procedures, Hearing Board Rules, Section 2.5. Pursuant to Health and Safety Code Sections 42359 and 42359.5, the Hearing Board determined that this Application properly could be ruled upon without notice and hearing. Prior to making this determination, and in accordance with Hearing Board Rules Section 2.5.d.2, the Hearing Board requested and received a response to this Application from the Air Pollution Control Officer. That response recommended that the

ARB

1 Emergency Variance be granted. The Air Pollution Control Officer's recommendation is based on
2 the District's inspection of Tank 1645 on September 26, 2004, and the Applicant's own
3 inspection program; that the failure of the tank seal was unforeseeable and that the emissions over
4 the short duration of the variance period will be de minimus.

5 2. Applicant operates a petroleum refinery located at 841 Chevron Way,
6 Richmond, California 94802.

7 3. On November 2, 2004 at 1:15 p.m., the Applicant's tank inspector, Mike
8 Gipner, discovered a one-gallon sized puddle of product near the outer edge of the floating roof
9 Tank 1645. The floating roof utilizes a panel-type design and contains a number of mechanical
10 joints. It appeared that a nearby mechanical joint failed and allowed the product to seep onto the
11 roof. The roof is being closely inspected to determine the cause of the failure and to identify any
12 other potential problem areas. As a result, Applicant was unable to comply with the applicable
13 Regulation 8, Rule 5, Section 305.5. Applicant's personnel cannot safely approach the site until
14 the tank is emptied and cleaned out. The repair work is expected to take approximately seven
15 days. The Applicant took immediate steps by submitting an Application for Emergency Variance.

16 Tank 1645 is an internal floating roof tank in aviation gasoline service and it is
17 essential to the refinery operations since it supplies aviation gasoline to the Applicant's loading
18 racks. The facility supplies approximately 70% of aviation gasoline used on the West Coast and is
19 the dominant supplier to the airports of Northern California. The airports are supplied by trucks
20 that are loaded at the refinery. All aviation gasoline passes through Tank 1645.

21 4. The floating roof is visually inspected semi-annually in accordance with
22 Regulation 8, Rule 5. Additionally, the District staff periodically inspects the tank. The roof was
23 inspected and overhauled in 1995. It was last taken out of service in July 2002, at which time the
24 roof was also inspected and new seals were installed. With the 1995 overhaul, it was anticipated
25 that the roof would last to approximately year 2010. The Applicant observed no indications of
26 potential failure during routine inspections.

1 5. In order to mitigate excess emissions, the Applicant is taking immediate steps to
2 take the tank out of service so that the floating roof can be repaired or replaced. A contract
3 degasser is expected to be onsite by Friday, November 5, 2004 when the tank will be taken out of
4 service as soon as the piping is installed to bypass the tank. The Applicant and District staff
5 determined that the actual emissions would be de minimus during the short duration of the variance
6 period. Applicant's technical personnel considered the feasibility of remotely applying foam or
7 sealant but no suitable products were identified. Any remote applications would also run the risk
8 of further damaging the roof and making the emission situation worse. The options are limited
9 because personnel cannot safely approach the site of the leak until the tank is emptied and cleaned
10 out.

11 6. Robert Moran, Environmental Specialist, Chevron USA, Richmond Refinery,
12 estimated that the repair work is expected to take approximately seven days. A contract degasser
13 is expected to be onsite by Friday, November 5, 2004, when the tank will be taken out of service a
14 soon as piping is installed to bypass it. The roof will be closely inspected to determine the cause
15 of the failure and to identify any other potential problem areas.

16 7. This Variance will not cause injury, detriment, nuisance, or annoyance to any
17 considerable number of persons or to the public, or endanger the comfort, repose, health or safety
18 of any such persons or the public, or cause or have a natural tendency to cause injury or damage to
19 business or property.

20 8. Applicant did not consider curtailing operations in lieu of obtaining a variance,
21 because the emissions would continue until the tank is taken out of service and cleaned. The
22 Applicant is proceeding with the modifications required to bypass the tank and the Emergency
23 Variance is being requested to cover the period until operations can be terminated.

24 9. During the period the variance is in effect the excess emissions will be
25 de minimus. The District has not requested Applicant to monitor or quantify actual emissions.

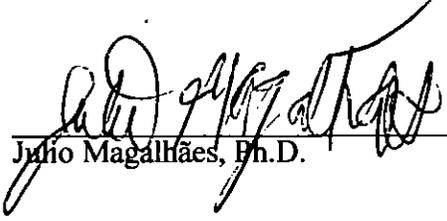
26 10. The Hearing Board determined that the Applicant has demonstrated Good

1 Cause for the following reasons: (A) that the District's Enforcement staff has been working with
2 the Applicant from the time the failure was discovered and that the staff recommended that the
3 Applicant file for an Emergency Variance; (B) that based on the District's inspection of Tank
4 1645 on September 26, 2004 and the Applicant's own inspection program, the failure of the tank
5 seam was unforeseeable; (C) that the Applicant is taking immediate steps to correct the problem;
6 and (D) that the District staff recommended to the Hearing Board that the Emergency Variance be
7 granted.

8 THEREFORE, THE HEARING BOARD ORDERS:

9 A Variance from Regulation 8, Rule 5, Section 305.5 be and is hereby granted from
10 November 2, 2004 to and including November 9, 2004.

11 DATED: November 5, 2004.

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Julio Magalhães, Ph.D.