FILED
MAY 13 2025
HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

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

In the Matter of the Application of Valero Refining Company - California For Emergency Variance from Air District Regulation 2, Rule 1, Section 320; Regulation 2, Rule 1, Section 307; Regulation 2, Rule 6, Section 307; Regulation 6, Rule 1, Section 301 through Regulation 6, Rule 1, Section 303	Docket No.: 3761 ORDER DENYING EMERGENCY VARIANCE

The above-entitled matter, being an Application for Emergency Variance (EV) from the provisions of Air District Permit Conditions Regulation 2, Rule 1, Section 320; Regulation 2, Rule 1, Section 307; Regulation 2, Rule 6, Section 307; and Regulation 6, Rule 1, Section 301 through Regulation 6, Rule 1, Section 303 was filed on May 6, 2025, after initial contact on May 6, 2025, at 1:21 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:

A. Applicant filed an application under the Hearing Board Rules, Section 7.11(a), and 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 7.11(c), the Hearing Board requested and received a response to this Application from the Executive Officer/Air Pollution Control Officer for the Bay Area Air Quality Management District (Air District). The Air District staff response recommended the Application for EV be denied.

B. Applicant operates the Valero Refining Company-California (the “Facility”) located in Benicia, California. The Facility is an oil refinery, processing crude oils and other

feedstocks into petroleum products, primary transportation fuels.

C. On May 5, 2025, a portion of the Facility's stack (P-36) of the Fluid Catalytic Cracking Unit ("FCCU") furnace, source (S-25) F-701, fell from elevation, impacting process equipment and causing a loss of containment and resulting in a fire near a furnace inside the FCCU complex. The Applicant is seeking relief from Air District Permit Conditions and Regulations prohibiting the operation of the FCCU independent of controls.

D. Applicant requested an emergency variance period of May 5, 2025 to June 4, 2025. Excess emissions were NOT estimated by the Applicant because investigation of the cause is ongoing, and repair and startup activities are unknown. Applicant stated it would "make every effort to provide estimates of excess emissions that exceed rule and permit conditions once known."

E. The Applicant is currently unable to provide the cause of the Facility's stack (P-36) collapse resulting in the loss of containment and fire. Therefore, Air District staff is unable to determine if this event was foreseeable.

F. The Applicant does not meet the good cause standard for issuance of an EV under either the Hearing Board Rules or the applicable provisions of the Health and Safety Code. There is no clear evidence that non-compliance was unforeseeable. There is no clear evidence that violations are beyond the Applicant's reasonable control. Several violation notices were issued prior to the filing for the EV and are not eligible for variance relief pursuant to Rule 7.11(a) and/or Health and Safety Code Section 41700.

THEREFORE, THE HEARING BOARD ORDERS:

The Application for Emergency Variance from Air District Permit Regulation 6-1-302 and Condition #24198.17, Condition #24245.19, Condition #20820 Parts 63 & 68, Condition #20820 Parts 63, 66, 67, & 68, Condition #25342 Part 2, and Condition #26960, is hereby denied.

Barbara Toole O'Neil, MS, QEP, Ch.E
Hearing Board Vice Chair
Bay Area Air Quality Management District

5/13/25
Date

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MAY 13 2025
HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

STATE OF CALIFORNIA)
) ss.
City and County of San Francisco)

I, Marcy Hiratzka, do hereby certify under penalty of perjury as follows:

That I am a citizen of the United States, over the age of eighteen years and not a party to the above-entitled action; that I served a true copy of the attached **Order Denying Emergency Variance** on:

Julie Cress, Esq., Partner
Baker Botts L.L.P.
101 California Street, Suite 3600
San Francisco, CA 94111
Julie.cress@bakerbotts.com

by depositing same via email on May 13, 2025, and on:

Somerset Perry, Esq., Assistant Counsel
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA, 94105
sperry@baaqmd.gov

via email on May 13, 2025

DATED: May 13, 2025

Marcy Hiratzka
Clerk of the Boards