

**PETITION FOR VARIANCE
BEFORE THE HEARING BOARD OF THE
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

PETITIONER: CHEVRON PRODUCTS COMPANY CASE NO: 831-401

FACILITY ADDRESS: 324 W. El Segundo Blvd. FACILITY ID: 800030

City, State, Zip: El Segundo, CA 90245

1. TYPE OF VARIANCE REQUESTED (more than one box may be checked; see Attachment A before selecting)

INTERIM SHORT REGULAR EMERGENCY EX PARTE EMERGENCY

2. CONTACT: Name, title, company (if different than Petitioner), address, and phone number of persons authorized to receive notices regarding this Petition (no more than two authorized persons).

Andre West

Christopher H. Norton, Esq.

Chevron Products Company

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3. RECLAIM Permit Yes No Title V Permit Yes No

4. **GOOD CAUSE:** Explain why your petition was not filed in sufficient time to issue the required public notice. (Required only for Emergency and Interim Variances; see Attachment A)

Chevron Products Company (Chevron or Petitioner) respectfully petitions the Hearing Board for emergency and short variance coverage to allow Chevron to repair the caustic solution flow meter in the C-2180 Caustic Scrubber at the Chevron refinery in El Segundo, California (Refinery). Chevron has maintained the scrubber and flow meter in accordance with industry standards. The need for emergency repair and variance coverage is both unexpected and unforeseeable, and not the product of either operator error or neglect, as maintenance was performed on the C-2180 Caustic Scrubber on March 11, 2024, and the equipment appeared to be performing properly as of that time.

Nonetheless, on March 27, 2024, the Caustic Scrubber experienced an unanticipated failure of the flow meter that measures the flow of caustic solution into the scrubber. Chevron became aware of being out of compliance with applicable District rules and permit conditions when the C-2180 Caustic Scrubber alarm was triggered on March 27, 2024. The alarm indicated that the flow meter was not able to continuously monitor caustic solution flow as specified in the Title V permit (Condition C8.16). Petitioner reported a breakdown to the SCAQMD hotline at 1-800-CUT-SMOG within one hour that evening.

Initially, Chevron believed that the breakdown was the result of a plugged tubing line to the flow meter and could be promptly repaired within the timeframes permitted by District Rules 430 and 218, as applicable. Upon further investigation after these initial repairs failed to resolve the matter, Chevron concluded on the evening of March 28, 2024 that the root cause of the equipment breakdown was a plugged or broken root valve to the flow meter.

Chevron notified the District of its intent to file for an emergency variance promptly after it became clear that Chevron would be unable to complete required repairs within the required timeframe.

Permit Condition No. C8.16 requires that the Caustic Scrubber maintain a minimum of 200 gpm of circulation while the unit is in standby mode and also that Petitioner operate a flow meter at all times to verify flow of caustic solution to the scrubber. Until the flow meter is repaired, Chevron will not be able to continuously monitor flow, although caustic circulation will still occur while the unit is in standby mode until the Caustic Scrubber is shut down for the required repairs to the caustic flow meter. There will be no circulation of caustic while repairs are being performed. As such, the Refinery cannot operate the C-2180 Caustic Scrubber in compliance with all applicable rules and permit conditions while the repair is being performed. Because the loss of the caustic flow meter was an unanticipated equipment breakdown and repairs were unable to be completed within the time period allowed under District rules, the petition could not be filed in time for the hearing to be announced to the public, but it is being filed promptly following the incident.

Chevron does not anticipate any excess emissions in this matter. The C-2180 Caustic Scrubber can be operated normally, albeit without the flow meter operating, until Chevron takes the Caustic Scrubber offline to perform the flow meter repair. During this period prior to the flow meter repair, Chevron will modulate caustic solution flow by comparing the pump speed to the column level in the Caustic Scrubber. As such, no excess emissions are anticipated during this period.

During the approximately seven day period when Chevron takes the Caustic Scrubber offline to perform the flow meter repair, Chevron will at the same time shut down the equipment venting to the Caustic Scrubber. As such, there will be no excess emissions during this period.

Chevron proposes to conduct daily inspections of the C-2180 Caustic Scrubber during the variance period. Once the root valve has been replaced and necessary instrumentation restored, Chevron will place the C-2180 Caustic Scrubber back into service to achieve final compliance.

If the variance were denied, Chevron's ability to produce fuel products at the Chevron El Segundo Refinery would be significantly diminished. The subject equipment is critical to Refinery operations. Chevron may be forced to shut down multiple Refinery units if the request for variance coverage in this matter were denied. Such a shutdown would significantly impact the Refinery and the production of jet, gasoline and diesel fuel. The shutdown of the Refinery would also result in a financial penalty to Chevron of up to \$750,000 per day in lost production and sales. These impacts would be unreasonable in light of the absence of emissions impact from the granting of the variance.

Shutting down and restarting the Refinery units would result in flaring and air emissions. In comparison, Petitioner does not anticipate excess emissions if the variance were granted. As such, the granting of the variance in this matter would avoid the shutdown and startup of Refinery units to the benefit of the environment.

The relevant sections of the facility RECLAIM Permit No. 800030, dated January 16, 2024 ("Facility Permit"), copies of which are attached to this Petition as Exhibit 1, further identifies and describes this equipment.

Photographs of the C-2180 caustic scrubber caustic flow meter root valve further identifies and describes this equipment and are attached to the Petition as Exhibit 2.

5. Briefly describe the type of business and processes at your facility.

The Refinery is a major producer of fuel products. Refinery processes include refining of crude oil and intermediates for gasoline, jet, and diesel fuel.

The subject equipment is located at the Refinery and includes the C-2180 Caustic Scrubber and related process units.

The 6H2S unit (6H2S Unit) is a fuel gas treating plant. The 6H2S circulates Diethanolamine (DEA) and caustic to remove hydrogen sulfide (H2S) and mercaptan sulfurs from the Coker Tail Gas Unit (Coker TGU), Low Sulfur Fuel Oil Flue Gas Recirculation (LSFO FGR) unit, and the Liquid Propane Distribution (LPD) compressed sour gas streams. The result is "sweet" fuel gas which is low in total sulfur.

In an event of an upset in the 6H2S Unit, the C-2180 Caustic Scrubber is designed to handle approximately 226 mscfh of acid gas for 30 minutes. The C-2180 Caustic Scrubber has a two compartment design to minimize utilization of caustic during nonemergency events. As described below, the Caustic Scrubber utilizes both a small 2,440 gallon normal circulation compartment, and a large 16,500 gallon emergency compartment.

6. List the equipment and/or activity(s) that are the subject of this petition (see Attachment A, Example #1). **Attach copies of the Permit(s) to Construct and/or Permit(s) to Operate for the subject equipment. For RECLAIM or Title V facilities, attach *only* the relevant sections of the Facility Permit showing the equipment or process and conditions that are subject to this petition. You must bring the entire Facility Permit to the hearing.**

| Equipment/Activity | Application/Permit No. | RECLAIM Device No. | Date Application/Plan Denied (if relevant)* |
|--|------------------------|--------------------|---|
| SCRUBBER, CAUSTIC, C-2180, EMERGENCY RELIEF GAS TO LSFO FLARE HEADER, WITH 2440 GALLON AND 16,600 GALLON CAUSTIC COMPARTMENTS, T/T, HEIGHT: 63 FT 10 IN; DIAMETER: 12 FT | A/N: 453108 | N/A | N/A |

*Attach copy of denial letter

7. Briefly describe the activity or equipment, and why it is necessary to the operation of your business. A schematic or diagram may be attached, in addition to the descriptive text.

The 6H2S Unit relief system consists of the C-2180 Caustic Scrubber and the P-2186/A caustic circulation pumps. This relief system is designed to allow for a safe emergency shutdown of the 6H2S Unit.

H2S production at the Refinery can be routed to the C-2180 Caustic Scrubber during a 6H2S emergency event.

The C-2180 Caustic Scrubber is divided into two compartments: a small 2440 gallon normal circulation compartment and a large 16500 gallon emergency compartment.

The 2440 gallon small compartment is for normal operation. During normal operation, 250 gpm of caustic solution is continuously circulated to the top of the ten trays in the Caustic Scrubber. Any 6H2S plant vents and pressure relief valve leakage sent to C-2180 is scrubbed of H2S and CO2 by this stream. The small compartment can be allowed to drop to 5% caustic strength. The spent caustic can be pumped out to disposal and refilled with 20° Baume of fresh caustic without disrupting the capacity for handling an emergency situation.

The large compartment of the Caustic Scrubber is only used for emergency operation. During an emergency, when the pressure at the PC-263/262 pressure controller increases to 25 psig, the caustic circulation is ramped up to 1200 gpm. XV-583 (flow from small compartment) is closed and XV-582 (flow from large compartment) is opened. When PC-263/262 reaches 30 psig, XV-581 is opened, which allows acid gas to flow into the C-2180 Caustic Scrubber. The large compartment containing 20° Baume of fresh caustic and will safely handle the maximum H2S production (226 MSCFH) for about 30 minutes. The caustic in the large compartment can be allowed to drop to 12% in caustic strength to ensure there is enough capacity during an emergency. Because this caustic is not being circulated during the normal cycle, the caustic strength should theoretically be unspent.

8. Is there a regular maintenance and/or inspection schedule for this equipment? Yes No

If yes, how often: Regularly and as needed. Date of last maintenance and/or inspection: 3/11/2024

Describe the maintenance and/or inspection that was performed.

9. List all District rules, and/or permit conditions from which you are seeking variance relief (if requesting variance from Rule 401 or permit condition, see Attachment A). Briefly explain how you are or will be in violation of each rule or condition (see Attachment A, Example #2).

| Rule | Explanation |
|---|---|
| District Rules 203(b), 2004(f)(1) and 3002(c)(1) | District Rule 203(b) states that permitted equipment "shall not be operated contrary to the conditions specified in the permit to operate." Similarly, RECLAIM Rule 2004(f)(1) requires compliance with all facility permit conditions. In addition, Rule 3002(c)(1) requires compliance with Title V permit conditions. The Facility Permit includes equipment specific and administrative conditions for the C-2180 Caustic Scrubber. The Refinery will not be able to operate the C-2180 Caustic Scrubber in compliance with all applicable rules and permit conditions while the repair is being performed. |
| Permit Condition C8.16 (C-2180) | Facility Permit Condition No. C8.16 requires that the C-2180 Caustic Scrubber maintain a minimum of 200 gpm of circulation while the unit is in standby mode and that flow metering be performed at all times. The caustic flow meter that would show if this minimum is not maintained has malfunctioned and needs to be repaired. Additionally, the Caustic Scrubber will need to be shut down while the repair is being performed; however, there will be no circulation of caustic while the repairs are being performed. |
| Administrative Conditions No. 2 and No. 4 (Section E) | The Facility Permit includes Administrative Condition No. 2, which requires that the operator maintain all equipment and ensure proper operation of the equipment. Furthermore, Administrative Condition No. 4 requires that the equipment listed in the Facility Permit not operate unless vented to the identified air pollution control equipment which is in full use. The Refinery will not be able to operate the C-2180 Caustic Scrubber in compliance with all applicable rules and permit conditions while the repair is being performed. |

10. Are the equipment or activities subject to this request currently under variance coverage? Yes No

| Case No. | Date of Action | Final Compliance Date | Explanation |
|----------|----------------|-----------------------|-------------|
| | | | |

11. Are any other equipment or activities at this location currently (or within the last six months) under variance coverage? Yes No

| Case No. | Date of Action | Final Compliance Date | Explanation |
|----------|----------------|-----------------------|-------------|
| | | | |

12. Were you issued any Notice(s) of Violation or Notice(s) to Comply concerning this equipment or activity within the past year? Yes No If yes, you must attach a copy of each notice.
13. Have you received any complaints from the public regarding the operation of the subject equipment or activity within the last six months? Yes No If yes, you should be prepared to present details at the hearing.
14. Explain why it is beyond your reasonable control to comply with the rule(s) and/or permit condition(s):

Compliance is beyond Chevron's reasonable control as the caustic flow meter in the C-2180 Caustic Scrubber unexpectedly malfunctioned, despite appearing to be operating normally during a maintenance event two weeks prior, and needs to be repaired or replaced.

On March 27, 2024, the Caustic Scrubber experienced a caustic flow meter malfunction. Initially, Chevron believed that the breakdown was the result of a plugged tubing line to the meter. Upon further investigation, Chevron found that the root cause of the equipment breakdown was a plugged or broken root valve to the flow meter of the Caustic Scrubber.

Permit Condition No. C8.16 requires that the Caustic Scrubber maintain a minimum of 200 gpm of circulation while the unit is in standby mode. There will be no circulation of caustic solution while repairs are being performed. As such, the Refinery cannot operate the C-2180 Caustic Scrubber in compliance with all applicable rules and permit conditions while the repair is being performed.

Permit Condition No. C8.16 requires that Petitioner operate a flow meter at all times to verify flow of the caustic solution. However, the flow meter is currently nonoperational. As such, the Refinery will not be able to operate the C-2180 Caustic Scrubber in compliance with all applicable rules and permit conditions while the repair is being performed.

Chevron has maintained the subject equipment in accordance with industry standards. The incident is both unexpected and was unforeseeable.

15. When and how did you first become aware that you would not be in compliance with the rule(s) and/or permit condition(s)?

Chevron became aware of being out of compliance with applicable District rules and permit conditions when the C-2180 Caustic Scrubber alarm came in on March 27, 2024. The alarm indicated that it was not able to continuously monitor the 200 gpm limit as specified in the Title V permit. A breakdown was called in to the SCAQMD hotline at 1-800-CUT-SMOG that evening within one hour of the breakdown.

16. What actions have you taken since that time to achieve compliance?

Chevron has moved forward with plans for the repair of the caustic flow circulation meter (21FT180). Chevron engineering staff is actively working on procuring material for repairs of the root valve and associated instrumentation. Chevron is managing the project and arranging for workers.

17. What would be the harm to your business during and/or after the period of the variance if the variance were not granted?

Economic losses: Economic losses to the refinery are estimated as in excess of \$750,000 per day

Number of employees laid off (if any): N/A

Provide detailed information regarding economic losses, if any (anticipated business closure, breach of contracts, hardship on customers, layoffs, and/or similar impacts).

Without the subject equipment, Chevron's ability to produce fuel products at the Chevron El Segundo Refinery would be significantly diminished. The subject equipment is critical to Refinery operations. Chevron may be forced to shut down the 6H2S Unit and other Refinery units if the request for petition in this matter was denied. This would significantly impact the Refinery and the production of jet, gasoline and diesel fuel.

If the Hearing Board denies this petition, Chevron may be forced to shut down and then restart certain Refinery process units while the repairs are performed. The shutdown of the Refinery would result in a financial penalty to Chevron of up to \$750,000 per day in lost production and sales. In addition, the shut down and restart of the Refinery units would result in flaring and air emissions.

In comparison, Petitioner does not anticipate excess emissions in this matter. As such, the granting of the variance in this matter would avoid the shutdown and startup of Refinery units to the benefit of the environment.

18. Can you curtail or terminate operations in lieu of, or in addition to, obtaining a variance? Please explain.

Chevron has considered the option of curtailing or terminating operations in lieu of obtaining a variance. However, Chevron cannot curtail or terminate operations is expected lead to excess emissions and potentially the need for flaring.

19. Estimate excess emissions, if any, on a daily basis, including, if applicable, excess opacity (the percentage of total opacity above 20% during the variance period). If the variance will result in no excess emissions, skip to No. 20.

| Pollutant | (A) | (B) | (C)* |
|-----------|--|---------------------------------------|--|
| | Total Estimated Excess Emissions (lbs/day) | Reduction Due to Mitigation (lbs/day) | Net Emissions After Mitigation (lbs/day) |
| | N/A | N/A | N/A |

* Column A minus Column B = Column C

Excess Opacity: N/A %

20. Show calculations used to estimate quantities in No. 19, **or** explain why there will be no excess emissions.

Chevron does not anticipate any excess emissions in this matter.

The C-2180 Caustic Scrubber can be operated normally, albeit without the flow meter operating, until Chevron takes the Caustic Scrubber offline to perform the flow meter repair. During this period prior to the flow meter repair, Chevron will modulate caustic solution flow by comparing the pump speed to the column level in the Caustic Scrubber. As such, no excess emissions are anticipated during this period.

During the approximately seven day period when Chevron takes the Caustic Scrubber offline to perform the flow meter repair, Chevron will at the same time shut down the equipment venting to the Caustic Scrubber. As such, there will be no excess emissions during this period.

Chevron will also monitor control variables - such as flow, temperature inlet pressure and valve outputs for the C-2180 Caustic Scrubber - to ensure that there is no flow going through the column while the work is performed. In The 6H2S Unit will need to be shut down to perform work.

21. Explain how you plan to reduce (mitigate) excess emissions during the variance period to the maximum extent feasible, or why reductions are not feasible.

Chevron does not expect excess emissions in this matter. See Paragraph 20 above.

See also Chevron's Proposed Variance Conditions attached to the Petition as Exhibit 3.

22. How do you plan to monitor or quantify emission levels from the equipment or activity(s) during the variance period, and to make such records available to the District? **Any proposed monitoring does not relieve RECLAIM facilities from applicable missing data requirements.**

The Refinery is equipped with Continuous Emissions Monitoring Systems (CEMS) to continuously monitor, record and report to the District air emissions from the Refinery. The emissions monitoring data will be provided to the District upon request.

During the duration of the flow meter repair, Chevron will monitor flow, temperature inlet pressure and valve outputs for the C-2180 Caustic Scrubber to ensure that there is no flow going through the column while the work is performed.

23. How do you intend to achieve compliance with the rule(s) and/or permit condition(s)? Include a detailed description of any equipment to be installed, modifications or process changes to be made, permit conditions to be amended, etc., dates by which the actions will be completed, and an estimate of total costs.

Chevron plans to replace the root valve for the caustic flow meter of the Caustic Scrubber. The Caustic Scrubber needs the root valve and associated instrumentation for the flow meter to operate properly. The repair work is expected to take up to 7 days following notice to the Hearing Board and the District.

Once the root valve and associated instrumentation has been repaired and replaced in the C-2180 Caustic Scrubber, Chevron will place the subject Caustic Scrubber back into service. At such time, Chevron expects to achieve final compliance in this matter.

Chevron will employ personnel as necessary to help restore the subject equipment to compliant operation as soon as possible.

See also Exhibit 3, Petitioner's Proposed Variance Conditions.

24. State the date by which you expect to achieve final compliance: 4/24/2024

If the regular variance is to extend beyond one year, you **must** include a **Schedule of Increments of Progress**, specifying dates or time increments for steps needed to achieve compliance. See District Rule 102 for definition of Increments of Progress (see Attachment A, Example #3).

List Increments of Progress here: Not Applicable

Final compliance should be achieved when the valve and associated instrumentation has been repaired and replaced and the Caustic Scrubber is placed back in service with the flow meter operating in accordance with the condition C8.16 in the Title V permit.

Chevron estimates that it will require about 7 days to complete the flow meter repair work.

25. List the names of any District personnel with whom facility representatives have had contact concerning this variance petition or any related Notice of Violation or Notice to Comply.


District Inspector Jentry Kear _____ Ext. 7015 _____

The undersigned, under penalty of perjury, states that the above petition, including attachments and the items therein set forth, is true and correct.

Executed on March 29, 2024

at El Segundo, California

DocuSigned by:



Signature

Andre West _____
Print Name

Environmental Compliance Specialist _____
Title

EXHIBIT 1

FACILITY PERMIT TO OPERATE CHEVRON PRODUCTS CO.

SECTION D: FACILITY DESCRIPTION AND EQUIPMENT SPECIFIC CONDITIONS

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 12: TREATING AND STRIPPING PROCESS | | | | | P13.1, P42.1 |
| FILTER, RECLAIMER, AUTOMATIC BACKFLUSH SKIDS, PARTICULATE FILTRATION, 3 TOTAL, OVERALL LENGTH: 60 FT; WIDTH: 15 FT; HEIGHT 12 FT A/N: 453108 | D4083 | | | | |
| SCRUBBER, CAUSTIC, C-2180, EMERGENCY RELIEF GAS TO LSFO FLARE HEADER, WITH 2440 GALLON AND 16,600 GALLON CAUSTIC COMPARTMENTS, T/T, HEIGHT: 63 FT 10 IN; DIAMETER: 12 FT A/N: 453108 | C4084 | | | | C8.14, C8.15, C8.16, C8.17 |
| FUGITIVE EMISSIONS, MISCELLANEOUS A/N: 453108 | D4085 | | | | H23.19 |
| System 28: SOUR WATER STRIPPER PLANT NO. 68 | | | | | S13.2, S15.21, S31.20, S56.1 |
| FILTER, K-6801 AND K-6801A, SOUR WATER PREFILTERS, TWO FILTERS IN PARALLEL, T/T, LENGTH: 5 FT 6 IN; DIAMETER: 5 FT A/N: 467141 | D4305 | | | | |
| VESSEL, V-6801, SOUR WATER OIL SEPARATOR, T/T, LENGTH: 8 FT 5 IN; DIAMETER: 3 FT A/N: 467141 | D4306 | | | | |
| COLUMN, C-6810, SOUR WATER STRIPPER, 330 GPM, T/T, HEIGHT: 123 FT ; DIAMETER: 5 FT A/N: 467141 | D4307 | | | | |

* (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 CHEVRON PRODUCTS CO.

SECTION D: FACILITY DESCRIPTION AND EQUIPMENT SPECIFIC CONDITIONS

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

For the purpose of this condition, the "caustic strength" shall be defined as the concentration (by weight) of NaOH in the caustic scrubbing solution stored in the 16,500 gallon caustic compartment.

The operator shall monitor the strength of the caustic solution once per week.

The operator shall also monitor the strength of the caustic solution within 24 hours of the start of any event in which caustic solution from the 16,500 gallon caustic compartment is circulated through the scrubber.

The operator shall maintain records in a manner approved by the District, to demonstrate compliance with this condition.

[RULE 1303(a)(1)-BACT, 5-10-1996; RULE 3004(a)(4)-Periodic Monitoring, 12-12-1997]

[Devices subject to this condition : C4084]

C8.16 The operator shall use this equipment in such a manner that the flow rate being monitored, as indicated below, is not less than 200 gpm.

This condition is applicable during periods when the scrubber is in standby mode.

To comply with this condition, the operator shall install and maintain a(n) flow meter to accurately indicate the flow rate of the NaOH scrubbing solution being supplied to the scrubber.

The operator shall also install and maintain a device to continuously record the parameter being measured.

The continuous monitoring system shall include visual and audio alarms.

The operator shall maintain records in a manner approved by the District, to demonstrate compliance with this condition.

FACILITY PERMIT TO OPERATE CHEVRON PRODUCTS CO.

SECTION D: FACILITY DESCRIPTION AND EQUIPMENT SPECIFIC CONDITIONS

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

**[RULE 1303(a)(1)-BACT, 5-10-1996; RULE 3004(a)(4)-Periodic Monitoring,
12-12-1997]**

[Devices subject to this condition : C4084]

C8.17 The operator shall use this equipment in such a manner that the flow rate being monitored, as indicated below, is not less than 1000 gpm.

This condition is applicable during periods when emergency vent gases are being sent to this scrubber.

To comply with this condition, the operator shall install and maintain a(n) flow meter to accurately indicate the flow rate of the NaOH scrubbing solution being supplied to the scrubber.

The operator shall also install and maintain a device to continuously record the parameter being measured.

The continuous monitoring system shall include visual and audio alarms.

The operator shall maintain records in a manner approved by the District, to demonstrate compliance with this condition.

**[RULE 1303(a)(1)-BACT, 5-10-1996; RULE 3004(a)(4)-Periodic Monitoring,
12-12-1997]**

[Devices subject to this condition : C4084]

C8.18 The operator shall use this equipment in such a manner that the flow rate being monitored, as indicated below, is not less than 10 gpm.

FACILITY PERMIT TO OPERATE CHEVRON PRODUCTS CO.

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]

EXHIBIT 2



EXHIBIT 3

Exhibit 3

**Chevron Products Company
Case No. 831-401
Proposed Short Variance Conditions**

1. Chevron will monitor caustic solution flow to C-2180 by monitoring C-2180 column level and make any needed changes to caustic circulation pump speed during the variance period to maintain an estimated caustic solution flow of 200 GPM or greater until C-2180 is taken offline to perform the flow meter repair.
2. When Chevron takes C-2180 offline to perform the flow meter repair, Chevron shall take offline for the duration of the flow meter repair the 6H2S unit.
3. During the duration of the flow meter repair, Chevron will monitor flow, temperature inlet pressure and valve outputs for the C-2180 Caustic Scrubber to ensure that there is no flow going through the column while the work is performed.
4. Chevron shall conduct daily visual inspections of C-2180 during the variance period.
5. Chevron shall notify the District by calling 800-CUTSMOG (Attn. Jentry Kear) 24 hours prior to the time the scheduled work/plant shutdown is to be performed.
6. Chevron shall notify the Clerk of the Hearing Board and Inspector Jentry Kear in writing by email at ClerkofBoard@aqmd.gov and PCaballero@aqmd.gov upon achieving final compliance in this matter.