2025 MAR 12 PM 2: 13

BEFORE THE HEARING BOARD OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

In The Matter Of

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

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

Petitioner.

Case No. 4982-137

DECLARATION OF CHRISTOPHER SHERMAN IN SUPPORT OF PETITION FOR 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

I, Christopher Sherman, declare as follows:

- 1. I am of sufficient age and am competent to testify in this proceeding. I make this declaration based upon personal knowledge and am competent to testify to the facts set forth herein.
- 2. I am an Environmental Advisor for Shell. I provide guidance and manage environmental permits including air, water, and waste for assets in California. I provide advice to assist the Carson Terminal to comply with environmental regulations and permits.
- 3. I am familiar with Shell's Petition for Short Variance filed on February 26, 2025 in this case, including the District Rules involved in the petition.
- 4. Shell is petitioning for a short variance from District Rules 203(b), 2004(f)(1), and 3002(c)(1) to allow for an afterburner (C764) to be taken out of service for necessary maintenance. Shell intends to continue to control emissions during this period using a portable thermal oxidizer

Equilon Enterprises LLC dba Shell Oil Products US [Facility ID No. 800372] - Declaration of Christopher Sherman

7

11

12

10

13 14

15

17 18

19

20 21

23

24

22

25 26

27

28

operating pursuant to a Various Locations Permit issued by South Coast AQMD. Shell will resume compliance when the afterburner is able to be placed back into service.

5. This declaration is submitted pursuant to Hearing Board Rule 4(a)(3) in support of Shell's Petition for Short Variance filed on February 26, 2025.

Background

- Shell operates the Carson Terminal, which is located at 20945 S. Wilmington 6. Avenue, Carson, California 90810, South Coast AQMD Facility ID No. 800372. The Carson Terminal is a bulk storage and loading terminal. The facility receives bulk petroleum and chemical products by pipeline and rail, stores these products onsite in bulk storage tanks, and transfers products offsite via pipeline and tank truck. No petroleum product manufacturing occurs onsite. To control emissions from storage tanks at the facility, Shell uses a permitted afterburner (C764) in accordance with its Title V/RECLAIM permit.
- Based on recommendations from the afterburner's (C764) Original Equipment 7. Manufacturer, John Zink, components of the afterburner are nearing the end of their design life and require replacement and/or modification in order to keep the unit operating safely and reliably. To perform this work, the afterburner must be shut down to allow for the safe retrofit of internal parts of the unit. The afterburner is used to control vapors and comply with the applicable VOC emission limits. Shell will rent a portable thermal oxidizer that operates under a Various Locations Permit issued by the South Coast AQMD, which will operate in place of Shell's afterburner.
- Maintenance of the afterburner (C764) is planned to commence on March 24, 2025. 8. During the period over which this maintenance occurs, Shell will be in violation of District Rules 203(b), 2004(f)(1), and 3002(c)(1) because it will be in violation of Condition E336.3 and the "Connected To" column of Section D of its Title V/Reclaim Permit. These conditions require that all vent gases from tanks D330 and D763 be vented to afterburner C764. Afterburner C764 will be

taken out of service for maintenance, and vent gases from tanks 7011 and/or 7012 (D330 and D763) will be routed to a permitted portable thermal oxidizer.

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

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

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

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

24

25

26

27

28

1

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

Denial of the variance petition would require Shell to cease multiple facility 11. operations. This includes delivery of chemicals into storage tanks and loading of diesel, renewable diesel, and biodiesel into tank trucks. In addition, the vapor tanks (D330 and D763) and the afterburner (C764) receive and process vapors from the neighboring facility's, Univar's, operations. Shell is contracted to process vapors from Univar's operations and failure to do so risks violating contract terms between the two entities.

H&S Code, § 42352(a)(3). The closing or taking would be without a corresponding benefit in reducing air contaminants.

Ceasing the above-described operations would result in a significant loss of chemical 12. and fuel supplies to the area and significant economic losses without any corresponding benefit in reducing air contaminants, as use of a portable thermal oxidizer in lieu of the afterburner is expected to result in no excess emissions.

H&S Code, § 42352(a)(4). The Petitioner has given consideration to curtailing operations of the source in lieu of obtaining a variance.

Shutting the facility down to allow for maintenance of the afterburner or otherwise 13. curtailing operations would not mitigate all emissions, as storage tanks will continue to vent breathing losses passively to vapor holding tanks 7011 (D330) and/or 7012 (D763). If a temporary portable thermal oxidizer is not used, the vapor holding tanks will eventually overpressure and vent to the atmosphere, causing excess emissions. Granting of this variance will allow Shell to continue to control vapors within permitted limits, therefore ensuring the safety of workers onsite and the general public, all while continuing operations.

Equilon Enterprises LLC dba Shell Oil Products US [Facility ID No. 800372] - Declaration of Christopher Sherman

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to my personal knowledge. Executed on this 12Ph day of March, 2025, in Carson, California. Christopher Sherman Shell Oil Products US

Environmental Advisor - Southern California Trading and Supply Operations HSSE Shell Pipeline Company LP on behalf of Equilon Enterprises LLC dba