



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

BOARD OF DIRECTORS  
STATIONARY SOURCE COMMITTEE MEETING

COMMITTEE MEMBERS

MARK DeSAULNIER –CHAIRPERSON  
ROBERTA COOPER  
SCOTT HAGGERTY  
JOHN SILVA  
SHELIA YOUNG

JERRY HILL - VICE CHAIRPERSON  
ERIN GARNER  
JULIA MILLER  
GAYLE UILKEMA

MONDAY  
MAY 23, 2005  
9:30 A.M.

7<sup>th</sup> FLOOR BOARD ROOM

**AGENDA**

1. **CALL TO ORDER - ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*)  
*Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's authority. Speakers will be limited to five (5) minutes each.*
3. **APPROVAL OF MINUTES OF MARCH 28, 2005**
4. **STATUS REPORT ON PARTICULATE MATTERS CONTROL MEASURES**  
*Staff will give the Committee an overview on the status of particulate matter control measures.*

**H. Hilken/4642**  
[hhilken@baaqmd.gov](mailto:hhilken@baaqmd.gov)
5. **REFINERY FLARE CONTROL RULE DEVELOPMENT UPDATE**  
*Staff will provide an update on the development of the Refinery Flare Control Rule.*

**H. Hilken/4642**  
[hhilken@baaqmd.gov](mailto:hhilken@baaqmd.gov)
6. **AIR TOXICS NEW SOURCE REVIEW PROGRAM RULE DEVELOPMENT PROJECT**  
*Staff will provide an update on the development of the Air Toxics New Source Review program rule development project.*

**B. Bateman/4653**  
[bbateman@baaqmd.gov](mailto:bbateman@baaqmd.gov)
7. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**  
*Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)*
8. **TIME AND PLACE OF NEXT MEETING --JULY 25, 2005**
9. **ADJOURNMENT**

**CONTACT CLERK OF THE BOARD - 939 ELLIS STREET SF, CA 94109**

**(415) 749-4965**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
[www.baaqmd.gov](http://www.baaqmd.gov)

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least 3 working days prior to the date of the meeting, so that arrangements can be made accordingly.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Townsend and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 15, 2005

Re: Stationary Source Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Stationary Source Committee meeting of March 28, 2005.

DISCUSSION

Attached for your review and approval are the draft minutes of the March 28, 2005, Stationary Source Committee meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

**Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, California 94109  
(415) 771-6000**

**DRAFT MINUTES**

Summary of Board of Directors  
Stationary Source Committee Meeting  
9:30 a.m., Monday, March 28, 2005

1. **Call to Order – Roll Call:** Chairperson Mark DeSaulnier called the meeting to order at 9:31 a.m.

**Present:** Mark DeSaulnier, Chairperson; Roberta Cooper, Erin Garner, Scott Haggerty, Jerry Hill, Julia Miller, John Silva, Gayle B. Uilkema, Shelia Young.

**Absent:** None.

**Also Present:** Pamela Torliatt and Marland Townsend.

2. **Public Comment Period:** There were none.
3. **Approval of Minutes of January 24, 2005:** Director Miller moved approval of the minutes; seconded by Director Young; carried unanimously without objection.
4. **Review of California Energy Commission (CEC) Workshops on Petroleum Infrastructure Project Permitting and Consider Recommending Approval of a Letter to the Siting Committee of the CEC:** *The Committee received a report on the CEC Workshops conducted on Petroleum Infrastructure Project Permitting and considered recommending to the Board of Directors that a letter be sent to the Siting Committee of the California Energy Commission.*

Steve Hill, Air Quality Engineering Manager, provided a summary of the workshops that the CEC has held to look at the current permitting process and petroleum infrastructure expansion. Mr. Hill stated that the focus of the workshops has been on delays in permitting related to the California Environmental Quality Act (CEQA). Mr. Hill reviewed several of the proposals that have been suggested.

Mr. Hill presented a draft letter addressed to the CEC that outlines the District's position and recommendations the District would like the state to take on the proposals. Mr. Hill stated that staff recommends that the Board send the letter to the Siting Committee of the CEC.

There was a discussion on pipelines and the Committee was advised that the District does not have any regulatory authority over them. The issue will be brought back to the Committee for further discussion.

The District will remain a participant in the CEC workshops and will monitor any legislation. The Committee provided direction to staff regarding the letter to be sent to the CEC.

**Speakers:** The following individuals spoke on this agenda item:

Dennis Bolt	Greg Karras
Western States Petroleum Association	Communities for a Better Environment
Concord, CA 94518	Oakland, CA 94612

Director Uilkema requested staff provide a comparison with other air districts of the time it takes for a permit to be processed.

**Committee Action:** Director Cooper moved that the Committee recommends that the Board of Directors send a letter to the Siting Committee of the CEC expressing concerns regarding some of the options discussed relative to permitting of petroleum infrastructure projects; seconded by Director Hill; carried unanimously without objection.

**5. Refinery Flare Control Rule Development Update:** *Staff provided an update on the development of the Refinery Flare Control Rule.*

Jack Broadbent, Executive Officer/APCO, stated that staff is working to develop a rule that would seek to control and minimize flaring in the Bay Area. Mr. Broadbent noted that workshops have been held in Martinez and Richmond. It is anticipated that staff would bring the rule to the Board in June 2005.

Alex Ezersky, Principal Air Quality Specialist, provided an update on the development and purpose of the rule. Mr. Ezersky noted that elements of the rule include a Flare Management Plan, administrative requirements, and monitoring and recordkeeping language. Mr. Ezersky reiterated that the District has held two workshops and has also had meetings with other interested parties. Safety, public participation, enforceability and clarity in definitions are some of the issues that came out of the public meetings.

The Committee discussed safety issues as they relate to flaring. Staff noted that this rule is designed to minimize the frequency of flaring and the amount of emissions released.

**Speakers:** The following individuals spoke on this agenda item:

Dennis Bolt	Greg Karras
Western States Petroleum Association	Communities for a Better Environment
Concord, CA 94518	Oakland, CA 94612
Carla M. Perez	
Communities for a Better Environment	
Oakland, CA 94612	

During discussion, Director Haggerty requested staff investigate what happened during the flaring at Chevron on April 21, 2004. Director Townsend requested that when staff gets the information on what happened to the BP refinery in Texas a report be made to the Committee.

**Committee Action:** None. This report provided for information only.

6. **Committee Member Comments/Other Business:** Director Townsend noted that money and effort can make refineries clean and safe.

Director Young encouraged all directors to read an article in today's papers on Assemblywoman Jenny Oropeza from the Los Angeles area. She is suffering from a cancer that she directly attributes to mobile sources. She is introducing new legislation and the Air District should follow it carefully and try to work with her on the issue.

7. **Time and Place of Next Meeting:** 9:30 a.m., Monday, May 23, 2005, 939 Ellis Street, San Francisco, California 94109
8. **Adjournment:** The meeting adjourned at 11:02 a.m.

Mary Romaidis  
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Inter-Office Memorandum

To: Chairperson DeSaulnier and Members  
of the Stationary Source Committee

From: Henry Hilken  
Director of Planning & Research

Date: May 16, 2005

Re: Status Report on Particulate Matter Control Measures

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

SB 656 (Sher, 2003) requires ARB and local air districts to take steps to reduce exposure to fine particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>). Pursuant to SB 656, ARB developed and adopted a list of the most readily available, feasible, and cost effective control measures to reduce PM emissions and PM precursor emissions from stationary, area and mobile sources. The ARB list includes 103 regulations and programs existing in California and implemented by ARB and local districts as of January 1, 2004. The District is required to review the ARB list and adopt an implementation schedule for measures appropriate for the Bay Area by July 31, 2005.

Staff has reviewed the PM emission inventory and technical analyses of PM monitoring data to determine the most significant source categories in the Bay Area. Staff has also reviewed the ARB list of candidate control measures. Based on these analyses, staff is developing a draft implementation schedule for public review and, subsequently, for Board consideration.

DISCUSSION

Staff will present a status report on the PM Control Measures, including:

- Summary of SB 656 PM requirements for ARB and the District;
- Overview of staff's evaluation of ARB's list of potential PM control measures;
- Summary of next steps, including schedule for public review of draft implementation schedule, public workshop, and Board hearing.

Respectfully submitted,

Henry Hilken  
Director of Planning & Research

FORWARDED: \_\_\_\_\_

Prepared by: Ina Shlez  
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Inter-Office Memorandum

To: Chairperson DeSaulnier and Members  
of the Stationary Source Committee

From: Henry Hilken  
Director of Planning & Research

Date: May 18, 2005

Re: Update on Refinery Flare Control Rule Development

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

On January 24, 2005, staff provided the Stationary Source Committee with a status report on the development of the refinery flare control rule. Staff subsequently circulated a draft rule for public review and comment.

DISCUSSION

On March 16, 2005 and March 24, 2005 staff conducted public workshops to receive comment on the draft Regulation 12, Rule 12: Flares at Petroleum Refineries. Over 200 people attended the workshops and provided verbal comment. Subsequent to the workshops, twenty comment letters were submitted to the District. The comments represented viewpoints of various organizations, government agencies, and members of the public. Staff has reviewed the comments and is revising the draft rule to address comments and concerns.

At the Stationary Source Committee meeting on May 23, 2005, staff will present an update on the development of the Refinery Flare Control Rule, including a summarization of the following:

- Rule Development Process;
- Comments Received;
- Staff Responses and Potential Rule Revisions; and
- Next Steps.

Respectfully submitted,

Henry Hilken  
Director of Planning & Research

FORWARDED: \_\_\_\_\_

Prepared by: Alex Ezersky  
Reviewed by: Daniel Belik



BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Inter-Office Memorandum

To: Chairperson DeSaulnier and Members  
of the Stationary Source Committee

From: Brian Bateman,  
Director of Engineering

Date: May 16, 2005

Re: Status Report on the District's Air Toxics New Source Review Program  
Rule Development Project

RECOMMENDED ACTION

Receive report on proposed Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants, and associated amendments to several other District rules and the Manual of Procedures. A public hearing on these actions has been scheduled for the June 15, 2005 meeting of the Board of Directors.

BACKGROUND

On January 24, 2005, staff provided the Stationary Source Committee with an update on the rule development project involving the District's Air Toxics New Source Review (NSR) program. Background on this rule development project, including activities since the last Committee update, follows.

1. Existing Air Toxics NSR Program

The Air Toxics NSR program was established in 1987 at the direction of the District's Board, and has been implemented based on policies and procedures established by the Air Pollution Control Officer (APCO) after holding workshops and considering public input. The goal of the District's Air Toxics NSR program is to prevent significant increases in health risks resulting from new and modified sources of Toxic Air Contaminants (TACs) based on preconstruction permit review. The program is also intended to reduce existing health risks by imposing updated control requirements when older, more highly polluting, sources are modified or replaced.

The Air Toxics NSR program is a local program; there are no specific State or federal mandates requiring such a program. In California, most of the 35 air districts currently have an Air Toxics NSR program. These programs are all based on the same general framework, although specific program requirements may vary between districts.

The Air Toxics NSR program is a health risk-based program, meaning that the program requirements are based on the results of a health risk assessment (HRA). An HRA is a scientific analysis of the measure of health risk for individuals in the affected population that may be exposed to emissions of one or more toxic substances. The Air Toxics NSR program uses an HRA methodology that was specifically developed for air pollution control programs in California by agencies including Cal/EPA's Office of Environmental Health Hazard Assessment (OEHHA) and the California Air Resources Board (CARB). This methodology is documented in State HRA guideline documents, which have been updated several times since their original publication in 1987.

## 2. Air Toxics NSR Rule Development Project

In 2003, the District proposed to codify the policies and procedures that make up the Air Toxics NSR program by adopting a new District rule (Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants), and a new part of the District's Manual of Procedures. Amendments to several other District rules were also proposed in order to maintain consistency with Regulation 2, Rule 5. The goals of this rule development project were to: (1) update and enhance program requirements primarily to increase conformity with updated State risk assessment and risk management guidelines; (2) improve the legal defensibility of the District's permitting decisions; and (3) increase the clarity and public visibility of program requirements.

The District held a series of workshops in mid-2003 to discuss the Air Toxics NSR rule proposal with interested parties. Workshops were held at the District Office, and at community locations in Richmond, Oakland, San Francisco, and East Palo Alto. The most extensive comments submitted were from the Golden Gate University School of Law Environmental Law and Justice Clinic (ELJC) on behalf of the Environmental Justice Air Quality Coalition, Bayview Hunters Point Community Advocates, and Our Children's Earth Foundation. The California Council for Environmental and Economic Balance (CCEEB) also submitted detailed comments. District staff subsequently met on several occasions with ELJC and their clients, as well as with representatives of CCEEB, in order to clarify and resolve issues. Further work on the rule was delayed for a period of time pending the release of revised HRA guidelines and tools from OEHHA and CARB.

On March 16, 2005, the District issued a revised Air Toxics NSR rule proposal. The revised proposal was made in response to public comments and updates in State HRA guidelines occurring since the original proposal was issued. A public workshop to discuss the revised proposal with interested parties was held on April 8, 2005. Staff also met separately with ELJC and their clients, and with representatives of CCEEB, to further discuss issues. Several changes to the revised proposal were made based on comments received, and a final proposed rule was issued on May 13, 2005.

In January 2005, staff determined that the requirements of CEQA would be most appropriately met for this rule development project by the preparation of an Environmental Impact Report (EIR). On January 26, 2005, a Notice of Preparation of a Draft EIR was issued. The Draft EIR was completed on April 18, 2005. The public comment period on the Draft EIR is currently underway and will end on May 23, 2005.

DISCUSSION

Some of the public comments received suggest that staff’s proposed rule is inadequate in that it is based on the traditional incremental risk approach rather than a cumulative risk approach. Staff does not believe that the proposed rule can be based on a cumulative risk approach at this time because the needed policies, tools, and databases are currently not available for that purpose. In addition, existing information indicates that emissions from the new and modified sources that meet the requirements of the Air Toxics NSR program are unlikely to cause, or contribute significantly to, adverse cumulative health effects.

To our knowledge, risk limits or goals for overall cumulative exposures to TACs from all sources (existing and proposed), or for cumulative exposures from all non-mobile sources, have not been established in law, regulation, or guidance provided by any agency with the authority to establish such limits. Staff expects that cumulative risk management guidelines may be developed at the state-level by CARB over the next several years. Undoubtedly, these guidelines will be developed through a full public process that will allow input from many diverse stakeholders. District staff intends to participate in the development of these guidelines.

The District’s Community Air Risk Evaluation (CARE) program was developed to identify and reduce cumulative risks from multiple sources of air pollution. One of the upcoming CARE program tasks is a pilot program that focuses on multiple permitted sources of air pollution in a neighborhood. As a part of this effort, the District’s tools and databases necessary to conduct cumulative HRAs for multiple facilities are being enhanced. The study will also determine the difference between the maximum incremental health risks of individual facilities, and the maximum cumulative health risks of multiple facilities. The District will use the results of this study to better understand the costs and benefits of including cumulative risk considerations in regulatory programs such as Air Toxics NSR.

Staff believes that the proposed Air Toxics NSR rule will protect public health while balancing consideration of technological feasibility, economic reasonableness of risk reduction methods, and uncertainties and variability in health risk assessments. The proposed rule is believed to be the most stringent of any such rule that exists in California or elsewhere.

Respectfully submitted,

Brian Bateman, Director  
Engineering Division

FORWARDED: \_\_\_\_\_

Reviewed by: Peter Hess