



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
MICHAEL SHIMANSKY
GAYLE B. UILKEMA

MONDAY
NOVEMBER 28, 2005
9:30 A.M.

7th 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 three (3) minutes each.
3. **APPROVAL OF MINUTES OF SEPTEMBER 26, 2005**
4. **STATUS REPORT ON REGULATION 12, RULE 12: FLARES AT PETROLEUM REFINERIES**
H. Hilken/4642
hhilken@baaqmd.gov
Staff will report on the South Coast AQMD flare control rule adopted November 4, 2005, staff's ongoing analysis of flare emissions, and a timeline to complete emissions and cost analyses.
5. **STATUS REPORT ON SCHEDULED 2005 REFINERY FURTHER STUDY MEASURES** **H. Hilken/4642**
hhilken@baaqmd.gov
Staff will report on upcoming public hearings on refinery rules and further study measures.
6. **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).
7. **TIME AND PLACE OF NEXT MEETING – 9:30 a.m., JANUARY 23, 2006, 939 ELLIS STREET, SAN FRANCISCO, CA.**
8. **ADJOURNMENT**

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

(415) 749-4965
FAX: (415) 928-8560
BAAQMD homepage:
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 DeSaulnier and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 10, 2005

Re: Stationary Source Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Stationary Source Committee meeting of September 26, 2005.

DISCUSSION

Attached for your review and approval are the draft minutes of the September 26, 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, September 26, 2005

- 1. Call to Order – Roll Call:** Vice Chairperson Jerry Hill called the meeting to order at 9:38 a.m.

Present: Mark DeSaulnier Chairperson ((9:45 a.m.); Roberta Cooper, Scott Haggerty, Jerry Hill, Michael Shimansky, Gayle B. Uilkema, Shelia Young.

Absent: Erin Garner, John Silva.

Also Present: Julia Miller, Pamela Torliatt (9:45 a.m.).

- 2. Public Comment Period:** There were none.

- 3. Approval of Minutes of May 23, 2005:** Director Haggerty moved approval of the minutes; seconded by Director Shimansky; carried unanimously without objection.

Vice Chairperson Hill directed that Item No. 7 be taken out of order.

- 7. Compliance Program FY 04-05 Year in Review:** *Staff provided an overview of one of the District's core programs, the Compliance Program.*

Chairperson Mark DeSaulnier arrived at 9:45 a.m.

Kelly Wee, Director of Compliance and Enforcement, provided an overview of the Compliance Program. The Program's mission is to deliver the emission reductions expected from adoption of District Regulations, State or Federal Law, and permit conditions. It provides companies with assistance in complying with air quality rules and regulations. When companies cannot comply, the District applies an appropriate level of enforcement action proportional to the non-compliance. Mr. Wee stated that the overall compliance rate is 98% for all Compliance Program activities combined.

Mr. Wee presented information on the following activities and outlined the accomplishments achieved in fiscal year 2004/2005 for each of them:

- Air Pollution Complaints
- Inspections
- Laboratory Analysis

- Violations Summary
- Violation Categories
- Compliance Program Summary
- Compliance Rates

Brian Bunger, District Counsel, presented information on activities related to Hearing Board cases, Accusation for Abatement, Small Claims Cases, Penalty Settlements and Penalties collected.

The Committee directed staff to:

- look into working with the California Highway Patrol (CHP) on source testing the vapor integrity of cargo tanker trucks as they go through the weigh stations;
- provide a further breakdown and details on the total number of “Odor” complaints received and the “Miscellaneous Inspections” conducted;
- look into providing inspections for trains;
- provide a comparison between the number of inspectors employed by the Bay Area Air District and other Districts.

Committee Action: Direction was given to staff by the Committee on items listed above. The report was received and filed.

4. Status Report on Regulation 12, Rule 12: Flares at Petroleum Refineries: *Staff reported on two specific elements of the rule, as directed by the Board of Directors at the July 20, 2005 Board meeting.*

Jack Broadbent, Executive Officer/APCO, stated that on July 20, 2005 the Board of Directors adopted Regulation 12, Rule 12. In adopting the rule, the Board of Directors directed staff to report on comments made at the public hearing related to:

- The trigger point for the most formal level of causal analysis, and
- A sulfur limit for any gases sent to a flare, including a limit of 160 ppm hydrogen sulfide.

Alex Ezersky, Principal Air Quality Specialist, presented background information on how these issues were addressed during the rule development process and in the adopted rule. Staff also summarized additional information gathered to date on these issues, and outlined the next steps for further analysis.

Mr. Ezersky stated that the current rule structure and action levels are appropriate and feasible for achieving the goal of minimizing emissions from flares at petroleum refineries by reducing the frequency and magnitude of flaring. Staff’s recommendations are as follows:

1. With regard to the causal analysis trigger, no changes be made at this time from the adopted rule. Staff will continue to monitor the frequency and magnitude of events, and formal analysis.
2. With regard to the sulfur limit, no changes be made at this time to the adopted rule. Staff will continue to evaluate the submitted data and new technologies for feasibility, and follow consent decrees and enforce existing sulfur limits.

Speakers: The following individuals spoke on this agenda item:

Julia May
Plumbers & Steamfitters Local 342 &
International Brotherhood of Electrical
Workers Local 302

Kevin Golden
Plumbers & Steamfitters Local 342 &
International Brotherhood of Electrical
Workers Local 302
South San Francisco, CA 94080

Adrienne Bloch
Communities for a Better Environment
Oakland, CA 94612

Walt Gill
ChevronTexaco Products Company
Richmond, CA 94802

Richard Quiroz
ChevronTexaco Products Company
Richmond, CA 94802

Dennis Bolt
Western States Petroleum Association
Concord, CA 94518

Greg Karras
Communities for a Better Environment
Oakland, CA 94612

In response to the Speakers' comments and concerns, Jack Broadbent, Executive Officer/APCO, stated that staff will be monitoring the implementation of this rule very closely and the Committee will be kept informed as this rule progresses. Mr. Broadbent stated that in November, 2005 a status report is due from the refineries, at which time they will advise staff of the progress they are making in preparing their plans. In the summer of 2006, all the plans are to be submitted to the District staff. Mr. Broadbent suggested that staff come back to the Committee in the summer of 2006 with a comprehensive review of all the plans. Mr. Broadbent noted that the South Coast Air District is also moving forward with their rulemaking. If there are any significant events that occur at the refineries that require lowering the threshold or adopting a sulfur limit standard, then staff will make a recommendation to the Committee. At this time, staff is not recommending any changes to the rule.

Chairperson DeSaulnier suggested that rather than waiting until September 2006, staff should work with the community to do a feasibility study, and establish a process that provides a timeline out until the summer of 2006; this timeline should be presented to the Committee at its next meeting. Staff should also provide some options and the effectiveness on the current staffing available at the District.

Director Uilkema requested that if there are several high emissions, low volume episodic events that are cumulatively having an impact, staff should immediately come back to the Committee.

Committee Action: Director Hill moved that the Committee take staff's recommendations and receive and file the report, with the direction to staff that at the next Committee meeting staff provide a status report on the rule. The report will also include a timeline on the feasibility study; effectiveness of staffing and resources; an update on the South Coast Air District's rulemaking on this issue; and details on any high emissions, low volume events

that might have occurred since the rule was adopted. The motion was seconded by Director Cooper; carried unanimously without objection.

5. Status Report on Refinery Rule Development Efforts: *Staff reported on the progress of rule development efforts with regard to refinery operations.*

Dan Belik, Rule Development Manager, presented the report and provided information on the following:

- Summary of 2001 Ozone Attainment Plan Control Measures and Further Study Measures
- Accomplishments to date
- Status of measures in progress
- Remaining steps
- Scheduled Public Workshops and Public Hearings

Speakers: The following individuals spoke on this agenda item:

Greg Karras
Communities for a Better Environment
Oakland, CA 94612

Dennis Bolt
Western States Petroleum Association
Concord, CA 94518

Julia May
Plumbers & Steamfitters Local 342; IBEW 302

Committee Action: Director Cooper moved that the Committee receive and file the report; seconded by Director Young; carried unanimously without objection.

6. Status Report on Ozone and Particulate Matter Planning Efforts: *Staff provided an update to the Committee on the status of the 2005 Ozone Strategy and the PM control measure implementation schedule.*

Henry Hilken, Director of Planning and Research, presented the report. He stated that the District recently released the Draft Bay Area 2005 Ozone Strategy for public review and comment. The Ozone Strategy shows how the San Francisco Bay Area will achieve compliance with the State one-hour ozone standard as expeditiously as practicable and how the region will reduce transport of ozone and ozone precursors to neighboring air basins.

The District has also recently released the Proposed Particulate Matter (PM) Implementation Schedule for public review and comment. Pursuant to SB 656 (Sher, 2003), the District evaluated existing rules and programs to reduce particulate matter emissions in the Bay Area, and has identified additional control measures that could be implemented to further reduce particulate matter emissions in the region.

Mr. Hilken presented information on the following topics regarding the 2005 Ozone Strategy:

- An Overview

- Contents of the Bay Area Ozone Strategy
- Public Outreach Efforts
- Stationary Source, Mobile Source and Transportation Control Measures

- Further Study Measures
- Public Review and Next Steps

Mr. Hilken presented information on the following topics regarding the PM Implementation Schedule:

- SB 656 Requirements
- Sources of Particulate Matter
- Nature of PM in the Bay Area
- Current District PM Activities
- Air Resources Board (ARB)'s List of Potential PM Measures
- District Evaluation of ARB's List of Potential PM Measures
- Conclusions of ARB PM Measures Evaluation
- Proposed PM Implementation Schedule
- Additional PM Activities Not on ARB List
- Public Review and Next Steps

Committee Action: Director Young moved that the Committee receive and file the report; seconded by Director Cooper; carried unanimously without objection.

8. **Committee Member Comments/Other Business:** There were none.

9. **Time and Place of Next Meeting:** 9:30 a.m., Monday, November 28, 2005, 939 Ellis Street, San Francisco, California 94109

10. **Adjournment:** The meeting adjourned at 11:39 a.m.

Neel Advani
Deputy Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson DeSaulnier and
Members of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 18, 2005

Re: Status Report on Regulation 12, Rule 12: Flares at Petroleum Refineries

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

On September 26, 2005 staff presented background information to the Stationary Source Committee on certain aspects of Regulation 12, Rule 12, specifically, how the issues of a 160 ppm hydrogen sulfide standard and the threshold for causal analysis were addressed during the rule development process and in the adopted rule. Staff summarized additional information gathered to date on these issues, and outlined next steps for further analysis.

The Committee directed staff to continue to report back on these issues and include information concerning the recently amended South Coast Air Quality Management District Flare Rule 1118 and a timeline for completion of analysis of the emissions and costs.

DISCUSSION

At the November 28, 2005 meeting, staff will present the following items:

- A summary of South Coast AQMD Rule 1118: Control of Emissions from Refinery Flares;
- Staff's ongoing analysis of flare emissions;
- A timeline for completion of emissions and cost analyses.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alex Ezersky
Reviewed by: Daniel Belik

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson DeSaulnier and
Members of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 21, 2005

Re: Status Report on scheduled 2005 Refinery Further Study Measures

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The 2001 Ozone Attainment Plan contained four further study measures that addressed emissions from refinery sources in addition to seven stationary source control measures. In settlement of a lawsuit, the District committed to complete the evaluations of the further study measures and present to the Board of Directors, at a public hearing, either proposed regulatory language or a report on why further controls are not recommended at this time. The hearings must be completed by December 31, 2005.

To satisfy this commitment, staff has presented the following items at public hearings:

- Amendments to Regulation 8, Rule 8: Wastewater Collection and Separation Systems;
- Regulation 12, Rule 12: Flares at Petroleum Refineries; and
- A staff recommendation not to further amend Reg. 8-8 to address other aspects of refinery wastewater treatment systems.

The Board of Directors has adopted staff recommendations related to these three items.

DISCUSSION

At the November 28, 2005 meeting, staff will present a status report on the remaining study measures:

- Further Study Measure 8, concerning pressure relief devices, and proposed regulatory amendments to Regulation 8, Rule 28: Episodic Releases from Pressure Relief Devices at Petroleum Refineries and Chemical Plants;
- Further Study Measure 8, concerning atmospheric blowdown systems, and a recommendation that no regulatory amendments be adopted at this time regarding blowdown systems;
- Further Study Measure 11 concerning marine tank vessel activities, and proposed regulatory amendments to Regulation 8, Rule 44: Marine Vessel Loading Terminals.

Public hearings are scheduled for December 7, 2005 for the two proposed regulatory amendments and the report on atmospheric blowdown systems. These hearings will complete the requirements of the settlement agreement.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Daniel Belik
Reviewed by: Henry Hilken