



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE COMMITTEE MEETING

COMMITTEE MEMBERS

JOHN SILVA – CHAIRPERSON
ROBERTA COOPER
JAKE MCGOLDRICK
MICHAEL SHIMANSKY

ERIN GARNER - VICE CHAIRPERSON
JERRY HILL
MARK ROSS
TIM SMITH

MONDAY
MARCH 27, 2006
9:30 A.M.

SEVENTH 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 NOVEMBER 28, 2005**
4. **REPORT ON PROPOSED AMENDMENTS TO REGULATION 12, RULE 12: FLARES AT PETROLEUM REFINERIES**

H. Hilken/4642
hhilken@baaqmd.gov

Staff will report on proposed amendments to Regulation 12, Rule 12: Flares at Petroleum Refineries, scheduled to be heard by the Board of Directors on April 5, 2006.
5. **REPORT ON REGULATION 8, RULE 28: EPISODIC RELEASES FROM PRESSURE RELIEF DEVICES AT PETROLEUM REFINERIES AND CHEMICAL PLANTS**

H. Hilken/4642
hhilken@baaqmd.gov

Staff will present a timeline and control options for further amendments to Regulation 8, Rule 28: Episodic Releases from Pressure Relief Devices at Petroleum Refineries and Chemical Plants.
6. **REPORT ON POTENTIAL CONTROLS FOR COMMERCIAL BROILERS**

H. Hilken/4642
hhilken@baaqmd.gov

Staff will report on development of potential controls for commercial broilers.
7. **REPORT ON SENATE BILL 700 CONCERNING LARGE CONFINED ANIMAL FACILITIES**

B. Bateman/4653
bbateman@baaqmd.gov

Staff will report on SB 700 (Florez) requirements concerning permitting and control of large confined animal facilities and timelines for rule development.

8. **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).

9. **TIME AND PLACE OF NEXT MEETING – 9:30 a.m., JUNE 26, 2006, 939 ELLIS STREET, SAN FRANCISCO, CA.**

10. **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 Silva and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 3, 2006

Re: Stationary Source Committee Draft Minutes

RECOMMENDED ACTION:

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

DISCUSSION

Attached for your review and approval are the draft minutes of the November 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, November 28, 2005

1. **Call to Order – Roll Call:** Chairperson Mark DeSaulnier called the meeting to order at 9:41 a.m.

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

Absent: None.

Also Present: Pamela Torliatt (9:45 a.m.), Marland Townsend.

2. **Public Comment Period:** There were none.
3. **Approval of Minutes of September 26, 2005:** Director Hill moved approval of the minutes; seconded by Director Young; carried unanimously without objection.
4. **Status Report on Regulation 12, Rule 12: Flares at Petroleum Refineries:** *Staff reported 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.*

Jack Broadbent, Executive Officer/APCO reviewed the July 2005 public hearing and the direction given to staff by the Committee at the September 2005 meeting.

Director Pamela Torliatt arrived at 9:45 a.m.

The work done to date was reviewed and the trigger point for causal analysis and sulfur limits were discussed by Mr. Broadbent.

Alex Ezersky, Principal Air Quality Specialist, presented the report, which included an analysis of flare emissions to date in the Bay Area; the proposed minor amendment regarding the trigger for causal analysis; and comparison of the Bay Area AQMD flare control rule to that of the South Coast AQMD flare control rule.

Mr. Ezersky stated that it is anticipated that, in February or March 2006, there will be an amendment proposed for the causal analysis to include 500 pounds of sulfur dioxide. The comparison of the Bay Area AQMD rule and the South Coast AQMD rule included the causal analysis threshold, emission caps, Flare Minimization Plan, and a sulfur standard. Mr. Ezersky

reviewed the South Coast AQMD exclusions and a comparison of the monitoring and reporting requirements.

Speakers: The following individuals spoke on this agenda item:

Greg Karras
CBE
Oakland, CA 94612

Clark Hooper
Valero Refining
Benicia, CA

Richard Drury
Plumbers Local 342, IBEW Local 302
So. San Francisco, CA 94080

Richard Quiroz
Chevron
Richmond, CA 94801

Carla Perez
CBE
Oakland, CA 94612

Dennis Bolt
Western States Petroleum Association
Concord, CA 94518

Jennifer Ahlskog
Conoco Phillips

Alan Savage
Tesoro
Martinez, CA

There was discussion on the following:

- The 500 pound sulfur dioxide threshold for a causal analysis
- Staff will look at all of the Flare Management Plans
- The 160 ppm sulfur standard is a New Source Performance Standard (NSPS) for applicable flares
- Emergency events and start-ups would be exempt.

Mr. Broadbent noted that the Flare Management Plans are due in August 2006 and staff would report back to the Board in the Fall.

Staff recommended that a rule development process should be initiated to amend the rule to require a causal analysis for events where 500 pounds or more of sulfur dioxide are released on the same schedule as those events where more than 500,000 scfd of vent gas is flared.

Committee Action: Director DeSaulnier moved that the Committee accept staff's recommendations and that staff will report back to the Committee on the sulfur standard at a meeting after summer of 2006; seconded by Director Hill; carried unanimously without objection.

5. Status Report on Scheduled 2005 Refinery Further Study Measures: *Staff reported on upcoming public hearings on refinery rules and further study measures.*

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

- Accomplishments to date
- The remaining further study measures

- Further study measure 11, the proposed amendments, and the issues
- Further study measure 8 on atmospheric blowdown systems, what is proposed, and the issues
- Further study measure 8 on episodic releases from pressure relief devices (PRDs), the proposed amendments, and the issues.

Mr. Belik stated that there will be public hearings on these issues on December 7th; these proposals will complete the Further Study Measures in the 2001 Ozone Plan; and on December 21st, the 2005 Ozone Strategy will be presented to the Board of Directors for approval.

Speakers: The following individuals spoke on this agenda item:

Walt Gill
Chevron
Richmond, CA

Dennis Bolt
Western States Petroleum Association
Concord, CA 94518

Todd Lopez
Valero
Benicia, CA

Richard Drury
Pipe Trades
So. San Francisco, CA 94080

Kathy Wheeler
Shell
Martinez, CA 04553

There was discussion on the following: Clarification of process unit versus source; the difference in interpretation of the rule since 1997; cost effectiveness; catastrophic releases from PRDs; the environmental effect if additional flares required; and meeting with county health departments.

Committee Action: The consensus of the Committee was supportive of staff's approach while continuing to look at the issues raised during discussion.

- 6. Committee Member Comments/Other Business:** There were none.
- 7. Time and Place of Next Meeting:** 9:30 a.m., Monday, March 27, 2006, 939 Ellis Street, San Francisco, California 94109
- 8. Adjournment:** The meeting adjourned at 11:31 a.m.

Mary Romaidis
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Silva and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 16, 2006

Re: Proposed Amendments to Regulation 12, Rule 12: Flares at Petroleum
Refineries

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

On July 20, 2005 the Board of Directors adopted Regulation 12, Rule 12: Flares at Petroleum Refineries. The rule requires each Bay Area petroleum refinery to develop a Flare Minimization Plan (FMP), periodically update the FMP, notify the District of significant flaring, and submit a causal analysis of the reasons for flaring when the amount of flare vent gas exceeds 500,000 standard cubic feet per day (scfd). As directed by the Board of Directors, at the September 26, 2005 Stationary Source Committee meeting, staff reported on certain issues remaining from the Regulation 12, Rule 12 rule development process.

At the November 28, 2005 Stationary Source Committee meeting, staff presented background information on a proposed regulatory amendment to modify Regulation 12, Rule 12 to require causal analyses of lower-volume events (less than 500,000 scfd) based on sulfur dioxide emissions. Staff summarized the South Coast rule and additional information on flare emissions, and recommended further rule development to require causal analyses of lower-volume events where the calculated sulfur dioxide emissions are greater than 500 pounds per day.

DISCUSSION

Staff will provide the Committee with a discussion of and rationale for the proposed amendments, and an update on the rule development process, including:

- A summary of Regulation 12, Rule 12 requirements;
- A description of the proposed amendments;
- An overview of the rule development process; and
- Implementation and next steps.

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 Silva and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 16, 2006

Re: Status Report on Regulation 8, Rule 28: Episodic Releases from Pressure Relief Devices at Petroleum Refineries and Chemical Plants

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

Regulation 8, Rule 28: Episodic Releases from Pressure Relief Devices at Petroleum Refineries and Chemical Plants requires reporting of atmospheric releases of 10 pounds or greater from any facility, requires petroleum refineries to implement prevention measures to prevent releases from existing pressure relief devices (PRDs), requires new refinery sources to be controlled so that PRDs do not release to the atmosphere, and requires control of PRDs if they release to the atmosphere a second time. On December 21, 2005 the Board adopted amendments to Rule 8-28. The amendments require each Bay Area petroleum refinery to:

- Demonstrate the ability to detect any release event from a pressure relief device;
- Record and maintain monitoring data for all PRDs for at least two years; and
- Identify and report to the District the process units equipped with PRDs and a listing of those PRDs.

At the December 21st Public Hearing, the Board also instructed District staff to continue to evaluate potential ways to further improve Rule 8-28.

DISCUSSION

In order to evaluate further enhancements to Rule 8-28, staff will analyze several sources of information, including:

- The identification of process units equipped with PRDs and the listing of those associated PRDs for each refinery required by the amendments to Rule 8-28; and
- The Flare Minimization Plans due to the District in August, 2006 as required by Regulation 12, Rule 12: Flares at Petroleum Refineries.

In addition, staff will work with Contra Costa Health Services, which recently requested that each Contra Costa refinery evaluate each atmospheric PRD and atmospheric blowdown system to determine if a catastrophic accident or release could occur.

Staff will provide the Committee with a discussion of:

- Control options for Rule 8-28; and
- A rule development timeline.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Victor Douglas
Reviewed by: Daniel Belik

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Silva and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 16, 2006

Re: Potential Controls for Commercial Charbroilers

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The 2005 Ozone Strategy includes a Further Study Measure to examine potential controls to reduce air pollutant emissions from charbroiling activities at commercial restaurants. In addition, the Particulate Matter (PM) implementation schedule prepared by the District pursuant to Senate Bill 656 (2003, Sher) includes a control measure to reduce emissions from commercial broiling operations. Accordingly, staff is evaluating potential controls for reducing volatile organic compounds (VOCs) and PM emissions from commercial charbroilers in the San Francisco Bay Area.

DISCUSSION

Staff will provide the Committee with the following information:

- Applicable regulations adopted by other California air districts;
- Emissions from charbroilers and other restaurant operations;
- Control options; and
- Projected rule development process.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Virginia Lau
Reviewed by: Daniel Belik

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Silva and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 16, 2006

Re: SB700 Concerning Large Confined Animal Facilities

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

California law and District regulations have historically exempted agricultural facilities from the need to obtain air quality permits and comply with most other applicable air quality regulations. In September of 2003, Senate Bill 700 (Florez) was signed into law, removing the state's blanket permit exemption and requiring air districts to adopt regulations for certain agricultural operations.

The stated purpose of SB 700 is to "establish a new set of programs at the state and regional level to reduce emissions from agricultural sources in order to protect public health and the environment." The legislation takes into account that the agricultural contributions to air pollution are not the same in all regions of the state, thus the regulatory requirements of SB 700 are proportional to the severity of the air pollution problem. In general, only very large farms, dairies, ranches, and other agricultural facilities have the potential to trigger the requirements of SB 700. Due to the nature and scale of the agricultural industry in the Bay Area, most, if not all, existing agricultural sources are not expected to exceed these regulatory thresholds.

SOURCE DESCRIPTION

An agricultural facility is defined as a source of air pollution or group of sources, used in the production of crops, or the raising of fowl or animals located on contiguous property under common ownership or control. Agricultural facilities include vineyards, orchards, nurseries, vegetable and field crops, cattle, sheep, swine, and poultry feedlots, and dairies. Examples of the types of sources found at agricultural facilities include:

- Stationary and portable engines: including irrigation pumps, power generators, wind machines
- Heaters and boilers

- Confined animal facilities: dairy, cattle feedlots, poultry etc.
- Gasoline storage and dispensing

SB 700 REQUIREMENTS

For the Bay Area, there are two applicable regulatory requirements prescribed in SB 700: (1) the District must issue permits to agricultural facilities emitting greater than 50 tons per year of any regulated air contaminant, excluding fugitive dust, and (2) the District must develop a regulation for “large confined animal facilities” (large CAFs) by July 1, 2006. In response to SB 700, the District is proposing to modify Regulation 2, Rule 1: General Requirements to include the permitting of agricultural facilities greater than 50 tons per year, and develop a new Regulation 2, Rule 10, for Large Confined Animal Facilities.

A confined animal facility includes equipment used for the collection, storage, treatment, and distribution of manure from domesticated animals caused to remain in restricted areas for commercial agricultural purposes where feeding is by means other than grazing. In accordance with SB700, the California Air Resources Board has developed a definition for a large CAF for various animal types. For example, a dairy would be considered a large CAF if it maintained on any one day, greater than 1,000 milk-producing cows. The proposed Regulation 2, Rule 10 would require large CAFs to obtain a permit from the district to reduce, to the extent feasible, emissions of air contaminants from the facility. Permits must include an emissions mitigation plan that demonstrates that the facility will implement control measures that represent reasonably available control technology to reduce emissions of POC, NO_x and PM₁₀.

REGULATORY HORIZON

The proposed rule changes are intended to meet the requirements set forth in SB 700 and act as a first step in addressing air pollution from agricultural facilities. Based on information that District staff has collected to date, it does not appear that these rule changes would affect any existing agricultural facilities in the Bay Area. Nonetheless, SB 700 does allow the District to regulate smaller agricultural facilities if certain findings are made, and District staff will be considering the need for further measures in conjunction with other rule development efforts. For example, the District’s recently adopted Bay Area 2005 Ozone Strategy contains two “Further Study Measures”, Livestock Waste (FS#6) and Stationary Internal Combustion Engines (FS#15), that have the potential to reduce emissions from Bay Area agricultural facilities. In addition, the California Air Resources Board is currently in the process of drafting emission standards for stationary diesel-fueled engines used in agricultural operations.

DISCUSSION

At the committee meeting, staff will provide a discussion of the following elements:

- 1) Requirements of SB 700
- 2) Characterization of agricultural facilities in the Bay Area
- 3) Proposed changes to District rules necessary to meet SB 700 requirements
- 4) Rule development schedule

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Joe Slamovich
Reviewed by: Brian Bateman