



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE COMMITTEE MEETING

COMMITTEE MEMBERS

JOHN SILVA – CHAIRPERSON
TOM BATES
JANET LOCKHART
MARK ROSS
TIM SMITH

ERIN GARNER - VICE CHAIRPERSON
JERRY HILL
JAKE MCGOLDRICK
MICHAEL SHIMANSKY

MONDAY

SEPTEMBER 25, 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 JULY 13, 2006**
- 4. PROPOSED AMENDMENTS TO REGULATION 8, RULE 5: STORAGE OF ORGANIC LIQUIDS**
H. Hilken/4642
hhilken@baaqmd.gov
Staff will report on proposed amendments to Regulation 8, Rule 5: Storage of Organic Liquids.
- 5. STATUS UPDATE ON FLARE MINIMAZATION PLANS**
K. Wee/4760
kwee@baaqmd.gov
Staff will present a status report on the District's review and evaluation of petroleum refinery Flare Minimization Plans that reduce emissions from flares by minimizing the frequency and duration of flaring.
- 6. PROPOSED AMENDMENTS TO REGULATION 9, RULE 9: NITROGEN OXIDES FROM STATIONARY GAS TURBINES**
H. Hilken/4642
hhilken@baaqmd.gov
Staff will report on proposed amendments to Regulation 9, Rule 9: Nitrogen Oxides from Stationary Gas Turbines including revisions to be presented at a second public workshop.
- 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 - AT THE CALL OF THE CHAIR**
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

- 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: September 13, 2006

Re: Stationary Source Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Stationary Source Committee meeting of July 13, 2006.

DISCUSSION

Attached for your review and approval are the draft minutes of the July 13, 2006, 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., Thursday, July 13, 2006

1. **Call to Order – Roll Call:** Chairperson John Silva called the meeting to order at 9:40 a.m.

Present: John Silva Chairperson; Jerry Hill, Janet Lockhart, Jake McGoldrick (9:56 a.m.), Mark Ross, Michael Shimansky (10:06 a.m.).

Absent: Erin Garner, Tim Smith.

Also Present: Gayle B. Uilkema.

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

3. **Approval of Minutes of March 27, 2006:** Director Ross moved approval of the minutes; seconded by Director Hill; carried unanimously without objection.

A request was made to hear agenda item 7 first and Chairperson Silva so ordered.

7. **Report on the Air District's Incident Response Program:** *Staff reported on the Air District's Incident Response Program for accidental releases.*

Jack Bean, Air Quality Program Manager, presented the report. Mr. Bean provided an overview of the Program, which included information on the District's role; its response and investigation; the support and expertise the District provides to first responders; and examples of incident reports that are posted to the District website.

Director Jake McGoldrick arrived at 9:56 a.m.

Mr. Bean discussed the root cause analysis and stated that the analysis determines the responsible parties through the collection of evidence. It also determines the cause of the incident, the prevention of the same type of incident at other facilities, and is also used as part of case development.

Director Michael Shimansky arrived at 10:06 a.m.

Board Chair Uilkema requested that the criteria for determining a level one, two, or three incident be available for the Board members.

Committee Action: The Committee received and filed the report.

4. Proposed Amendments to Regulation 8, Rule 5: Storage of Organic Liquids: *Staff reported on proposed amendments to Regulation 8, Rule 5: Storage of Organic Liquids.*

Julian Elliot, Senior Air Quality Engineer, presented the report and stated that this rule applies mainly to large, floating-roof tanks at petroleum refineries and gasoline bulk terminals. Mr. Elliot reviewed the background of the rule and discussed the differences between a fixed roof tank and a floating roof tank. The proposed amendments to the rule were outlined by Mr. Elliot and he noted that there will be a public workshop on the proposed amendments on July 19th. It is anticipated that the public hearing to consider the amendments to the rule will be held in the third or fourth quarter of 2006.

There was discussion regarding emissions from the tanks, degassing, and the handling of sludge. In response to Director McGoldrick, Brian Bunger, Legal Counsel, stated that the rule encourages the refineries to do more tank inspections on their own and that the refineries are then allowed time to fix the problem.

Committee Action: The Committee received and filed the report.

5. Proposed Amendments to Regulation 9, Rule 9: Nitrogen Oxides from Stationary Gas Turbines: *Staff reported on proposed amendments to Regulation 9, Rule 9: Nitrogen Oxides from Stationary Gas Turbines including comments raised at the May 31, 2006 public workshop.*

Guy Gimlen, Air Quality Engineer, presented the report and discussed the background of the regulation and noted that the San Joaquin Valley revised their rule in March 2003 and it is the most stringent in the state. Mr. Gimlen provided a description of gas turbines and noted they typically exist in three configurations: simple cycle, cogeneration, and combined. The Air District currently has 155 permitted gas turbines that generate 6.5 tons per day of NO_x emissions. This regulation has the potential to reduce NO_x by one ton per day.

Mr. Gimlen reviewed the proposed amendments to the rule and provided an overview of the rule development process, including the issues and concerns from the May 31st workshop. Three main issues that came out of the workshop are cost effectiveness, environmental impacts, and the implementation timetable. The Air District expects to conduct another public workshop in mid-September and anticipates that a public hearing for amendment to the rule would be held by the end of 2006.

Committee Action: The Committee received and filed the report.

6. Potential Controls for Commercial Charbroilers: *Staff reported on further development of a regulation to control emissions from commercial charbroilers.*

Virginia Lau, Senior Air Quality Specialist, presented the report and reviewed the two types of charbroilers (chain-driven and under-fired) that would be regulated. Ms. Lau provided emission inventories for each type of charbroiler. The draft regulatory concepts for chain-driven charbroilers and under-fired broilers were reviewed. Ms. Lau noted that source tests of two fast food restaurants with chain-driven charbroilers have been completed and that additional tests of restaurants with under-fired charbroilers are planned for the future.

The next steps in the rule development include outreach, a public workshop that is anticipated to be held in August 2006 and a public hearing to adopt the rule is projected for the fourth quarter of 2006.

During discussion, the Committee suggested that the outreach for the public workshop be as broad as possible.

Committee Action: The Committee received and filed the report.

8. **Committee Member Comments/Other Business:** There were none.
9. **Time and Place of Next Meeting:** 9:30 a.m., Monday, September 25, 2006, 939 Ellis Street, San Francisco, California 94109
10. **Adjournment:** The meeting adjourned at 11:16 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: September 12, 2006

Re: Proposed Amendments to Regulation 8, Rule 5: Storage of Organic
Liquids

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The 2005 Ozone Strategy includes Control Measure SS-9, which is a commitment to consider amendments to Regulation 8, Rule 5: Storage of Organic Liquids. Rule 8-5 mandates equipment standards for organic liquid storage tanks. The rule applies mainly to large, floating-roof tanks at petroleum refineries and gasoline bulk terminals. On July 19, 2006, staff conducted a public workshop at the Contra Costa County Board of Supervisors' chambers in Martinez, CA to discuss proposed amendments to Rule 8-5. Staff has received public comments, finalized the proposed amendments, and scheduled a public hearing for the Board of Directors' consideration.

DISCUSSION

Staff will provide the Committee with the following information:

- A summary of comments received in response to the public workshop; and
- A description of the proposed amendments to Regulation 8, Rule 5.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Julian Elliot
Reviewed by: Daniel Belik

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John Silva and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 14, 2006

Re: Update on Flare Minimization Plans

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

Regulation 12, Rule 12, "Flares at Petroleum Refineries" (Reg 12-12) was adopted on July 20, 2005 to reduce flaring at the five Bay Area refineries without compromising refinery safety. The regulation requires refineries to develop Flare Minimization Plans (FMPs) to reduce emissions from flares by minimizing the frequency and duration of flaring. The primary purpose of the FMP is to provide for the expeditious implementation of all feasible prevention measures.

Reg 12-12 requires that each refinery submit a FMP by August 1, 2006. The FMPs must include future measures to minimize flaring. The District has 45 days to review the FMP to ensure the FMP has accurate and complete information about the refinery's flare operations. The FMPs must include sufficient detail to allow the District staff to evaluate the adequacy of the planned reductions and prevention measures. Effective November 1, 2006, any non-emergency flaring at a refinery must be consistent with their FMP.

FMP PROCESS STATUS

The District has reviewed the information submitted by the five refineries and has determined that two of the FMPs are complete and three are incomplete. The refineries were notified of their FMP status by letter on September 15 or 18, 2006 based on the date of receipt of their FMP. The refineries with incomplete FMP's now have up to 45 days to provide the required information.

Once a refinery has been determined to have a complete FMP, District staff will then evaluate the FMP for adequacy based on planned reductions and all feasible prevention measures that minimize emissions from flaring. During the staff evaluation, the FMPs will undergo a 60-day public comment period. District staff will then consider the public comments before taking final action to approve or disapprove a FMP.

Staff is preparing a plan for the dissemination of the FMPs to the public and a procedure to meet with the public. Staff will continue to provide updates to the Stationary Source Committee on the progress of implementation of Reg 12-12.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Wayne Kino
Reviewed by: Kelly Wee

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: September 12, 2006

Re: Proposed Amendments to Regulation 9, Rule 9: Nitrogen Oxides
from Stationary Gas Turbines

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The 2005 Ozone Strategy includes Control Measure SS 14, which is a commitment to consider amendments to Regulation 9, Rule 9: Nitrogen Oxides from Stationary Gas Turbines. Staff issued a draft rule and workshop report and conducted a public workshop on May 31, 2006 at the District office. Concern about cost effectiveness was the primary issue that emerged from the workshop. Since the workshop, staff has continued conducting detailed analysis of emission control technologies and associated costs.

DISCUSSION

Staff will provide the Committee with the following information:

- Review of the affected facilities and equipment;
- Progress since the public workshop;
- Second draft of proposed amendments for Regulation 9, Rule 9;
- Current status of the rule development process; and
- Next steps.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Guy Gimlen
Reviewed by: Daniel Belik