



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

TUESDAY
NOVEMBER 28, 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 SEPTEMBER 25, 2006**
4. **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. A public hearing on the amendments is scheduled for December 6, 2006.
5. **PROPOSED NEW REGULATION 6, RULE 2: COMMERCIAL COOKING EQUIPMENT**

H. Hilken/4642
hhilken@baaqmd.gov

Staff will report on proposed Regulation 6, Rule 2: Commercial Cooking Equipment. Public workshops on the new rule proposal were held on November 14 and 15, 2006.
6. **PROPOSED AMENDMENTS TO REGULATION 9, RULE 8: NITROGEN OXIDES AND CARBON MONOXIDE FROM STATIONARY INTERNAL COMBUSTION ENGINES**

H. Hilken/4642
hhilken@baaqmd.gov

Staff will report on the development of proposed amendments to Regulation 9, Rule 8: Nitrogen Oxides and Carbon Monoxide from Stationary Internal Combustion Engines.

7. **COMPLIANCE PROGRAM FY 05-06 YEAR IN REVIEW**

K. Wee/4760
kwee@baaqmd.gov

Staff will provide an overview of one of the District's core programs, the Compliance Program.

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 - AT THE CALL OF THE CHAIR**

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: November 2, 2006

Re: Stationary Source Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Stationary Source Committee meeting of September 25, 2006.

DISCUSSION

Attached for your review and approval are the draft minutes of the September 25, 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., Monday, September 25, 2006

1. **Call to Order – Roll Call:** Chairperson John Silva called the meeting to order at 9:35 a.m.

Present: John Silva Chairperson; Tom Bates (9:41 a.m.), Erin Garner, Jerry Hill, Janet Lockhart (9:48 a.m.), Jake McGoldrick (9:41 a.m.), Mark Ross, Michael Shimansky (9:48 a.m.).

Absent: Tim Smith.

Also Present: Scott Haggerty (9:50 a.m.), Pamela Torliatt (9:44 a.m.), Gayle B. Uilkema.
2. **Public Comment Period:** There were none.
3. **Approval of Minutes of July 13, 2006:** Director Hill moved approval of the minutes; seconded by Director Ross; carried unanimously without objection.
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 provided background information on Regulation 8, Rule 5, which provides design standards and operating requirements for storage tanks. The rule provides for a high level of control and is the strictest in the State. Mr. Elliot described the differences between a fixed roof tank and a floating roof tank.

Proposed amendments are being considered in the areas of degassing abatement devices and tank cleaning.

Directors Jack McGoldrick and Tom Bates arrived at 9:41 a.m.

Other amendments include a voluntary Inspection & Maintenance (I&M) Program and integrity requirements for tank shells and pontoons.

Director Pamela Torliatt arrived at 9:44 a.m.

Mr. Elliot reviewed the emission reductions and costs, indicating that it is difficult to quantify the emission reductions. An overview of the rule development process was provided to the

Committee. Mr. Elliot stated that the public hearing to consider the amendments to the regulation is scheduled for October 18, 2006.

Director Janet Lockhart arrived at 9:48 a.m.

Committee Action: The Committee received and filed the report.

5. **Status Update on Flare Minimization Plans:** *Staff presented 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.*

Wayne Kino, Air Quality Program Manager, presented the report and provided a brief history of Regulation 12, Rule 12 and indicated it was adopted to reduce flaring at the five Bay Area refineries. The regulation requires the refineries to submit Flare Minimization Plans (FMP) that reduce emissions from flares by minimizing the frequency and duration of flaring.

Director Scott Haggerty arrived at 9:50 a.m.

Implementation milestones were reviewed and all of the FMP's were submitted by the due date of August 1, 2006. Two FMP's are complete and three are incomplete. November 1, 2006 is the date the three incomplete FMP's are to be resubmitted. Mr. Kino discussed the common missing information. The next steps including working with the three refineries to achieve a completeness determination, prepare the FMP's for public comment, and continue to update the Committee on the progress of the rule implementation.

During discussion, staff noted that, except in an emergency, if the FMP's were not completed by the November 1st deadline, the refineries would be in violation of the regulation.

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

6. **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 revisions to be presented at a second public workshop.*

Dan Belik, Rule Development Manager, presented the report and reviewed the background on the regulation. Mr. Belik provided an overview on the proposed amendments for the largest turbines, large turbines, mid-sized turbines, and two categories of small turbines, of which the smallest is exempt. The proposed amendments are classified by heat output.

The proposed amendments include limited use turbines, new categories for turbines, and alternative emission limits. Mr. Belik discussed the rule development process, which included discussions with affected facilities, and the progress made since the public workshop. A workshop will be held the second week in October on the second draft of the proposed amendments. It is anticipated that the public hearing for adoption of the amendments will come before the Board of Directors in December 2006.

Committee Action: The Committee received and filed the report.

7. **Committee Member Comments/Other Business:** Director Bates requested information with regard to Proposition 90; that if it passes, how will it affect these rules. The matter was referred to the Legislative Committee.
8. **Time and Place of Next Meeting:** At the Call of the Chair
9. **Adjournment:** The meeting adjourned at 10:20 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: November 16, 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, and, in response to numerous comments, conducted a second workshop on a revised draft rule on October 13, 2006. Based on analysis of emission control technology and of comments received, staff has developed proposed amendments to Regulation 9, Rule 9 for the Board's consideration. A public hearing on the proposed amendments is scheduled for December 6, 2006.

DISCUSSION

Staff will provide the Committee with the following information:

- Description of the rule development process;
- Overview of the proposed amendments; and
- Next steps.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Guy Gimlen
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: November 16, 2006

Re: Proposed Regulation 6, Rule 2: Commercial Cooking Equipment

RECOMMENDED ACTION

Receive and file.

BACKGROUND

The District committed to study control of emissions from commercial charbroiling in the 2005 Ozone Strategy and further committed to develop such a control measure in the SB 656 Particulate Matter (PM) Implementation Schedule. Staff has investigated potential controls for cooking emissions and has developed draft regulatory language. The District held four public workshops on draft rule language for proposed Regulation 6, Rule 2: Commercial Cooking Equipment on November 14 and 15, 2006. Local restaurant owners as well as major ventilation hood manufacturers and restaurant industry representatives have provided both verbal and written comments on the proposed rule.

DISCUSSION

Staff will provide the Committee with the following information:

- Overview of proposed Regulation 6, Rule 2;
- Comments received during the public workshops; and
- Next steps in the 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: November 16, 2006

Re: Proposed Amendments to Regulation 9, Rule 8: Nitrogen Oxides and
Carbon Monoxide from Stationary Internal Combustion Engines

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The 2005 Ozone Strategy includes Further Study Measure 15, which is a commitment to evaluate whether additional controls to further reduce emissions from stationary internal combustion (IC) engines are feasible. In addition, the District's SB 656 Particulate Matter (PM) Implementation Schedule includes revisions to Regulation 9, Rule 8 as a control measure. Stationary internal combustion engines are similar to engines used for mobile sources such as heavy duty trucks, except they are used at stationary sources such as water treatment facilities, sanitation districts, fire and police departments, educational institutions, refineries, chemical manufacturers, commercial and residential buildings, and agricultural operations. IC engines are used as both primary and backup engines to generate electricity and power pumps and compressors.

Rule 9-8 sets emissions standards for nitrogen oxides (NO_x) and carbon monoxide (CO). In addition, in 2004, the California Air Resources Board adopted an Airborne Toxic Control Measure for Compression-Ignition IC Engines (usually diesel-fired) that sets emissions limits for PM and NO_x. There are also nationwide standards set by EPA that affect new IC engines manufactured between 1995 to 2016. EPA's rules set emission limits for PM, NO_x, CO, and non-methane hydrocarbons. Finally, since the District adopted Rule 9-8 in 1993, other California districts have revised their IC engine rules.

DISCUSSION

Staff will provide the Committee with the following information:

- Description of the affected facilities and equipment;
- Background of the regulatory requirements affecting IC engines;
- Proposed regulatory concepts; and
- Next steps in the rule development process.

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: November 15, 2006

Re: Compliance Program FY05-06 Year in Review

RECOMMENDED ACTION:

Informational report. Receive and file.

BACKGROUND:

The Compliance Program is one of the District's major core programs to maintain and improve air quality. It encompasses a wide range of activities from inspections, source testing, sampling & laboratory analysis, and compliance assistance to citations, penalties and settlements, and Hearing Board activity. The Program's mission is to deliver the emission reductions adopted into District Regulations, State or Federal Law, and permit conditions. The Program provides companies with assistance in complying with air quality rules and regulations, and when companies cannot comply, the District applies an appropriate level of enforcement action proportional to the non-compliance.

Enforcement, Penalties and Settlements, Hearing Board

The Enforcement component of the Program consists of activities designed to respond when sources are discovered in violation of applicable District, state, or federal regulations. This comprehensive and technically-based Enforcement component provides both an essential deterrent to continued or future non-compliance as well as consistency in practices throughout the regulated industries. This Program component includes all activities necessary to address non-compliance; issuing Notices of Violation and Notices to Comply; identifying causes of non-compliance and solutions for compliance; assessing penalties; and providing research and testimony before the District's Hearing Board. Other elements of the program include responding to citizen complaints about air pollution and assuring that sources return to compliance.

Compliance Assurance, Source Testing, Sampling & Laboratory Analysis

The Compliance Assurance component concentrates on assurance of continued compliance through conducting compliance inspections; source testing emissions; reviewing continuous emission, ground level and parametric monitors; sampling & laboratory analysis of coatings. Routine inspections combined with targeted audits of sources of air pollution help ensure that emission reductions, written into regulations, are

actually achieved. The Compliance Assurance component utilizes a cooperative working relationship with the regulated sources, in conjunction with graduated levels of enforcement actions, to maintain compliance with air quality regulations.

Compliance Assistance

The Compliance Assistance component includes a full range of educational and technical activities directed at individual companies, industry groups, trade associations, small businesses, and green business programs. Compliance assistance outreach to affected industries is planned for those industries where new requirements are being implemented from either rule amendments or future effective dates codified in the regulations. Multiple language translations are increasing the effectiveness of program outreach. Operations activities comprise the framework for District rule administrative requirements, such as notifications, plans and petitions, reportable compliance activities, etc., which are sometimes evaluated jointly with Meteorology or Air Monitoring staff.

DISCUSSION

Staff will provide the Committee with an overview of the Compliance Program's activities for Fiscal Year 2005-2006.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Prepared by: Kelly Wee
Reviewed by: Peter Hess