



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE COMMITTEE MEETING

COMMITTEE MEMBERS

SCOTT HAGGERTY – CHAIRPERSON MICHAEL SHIMANSKY - VICE CHAIRPERSON
JOHN GIOIA
JERRY HILL
JAKE MCGOLDRICK
NATE MILEY
JOHN SILVA
PAMELA TORLIATT
GAYLE B. UILKEMA

MONDAY
SEPTEMBER 17, 2007
9:30 A.M.

FOURTH FLOOR CONFERENCE 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 JUNE 15, 2007**
4. **PROPOSED NEW REGULATION 6; RULE 2: COMMERCIAL COOKING EQUIPMENT**

H. Hilken/4642
hhilken@baaqmd.gov

Staff will report to the Committee on questions regarding Regulation 6; Rule 2: Commercial Cooking Equipment that arose at the May 16, 2007 public hearing and describe proposed next steps.
5. **STATUS REPORT ON WOOD SMOKE REDUCTION PROGRAM**

K. Wee/4760
kwee@baaqmd.gov

Staff will present an update on the Wood Smoke rule development and the Cleaner Burning Technology Incentives Program that will reduce emissions of PM2.5.
6. **PROPOSED AMENDMENTS TO REGULATION 9; RULE 6: NITROGEN OXIDES FROM NATURAL GAS-FIRED WATER HEATERS**

H. Hilken/4642
hhilken@baaqmd.gov

Staff will report on the proposed amendments to Regulation 9; Rule 6: Nitrogen Oxides from Natural Gas-Fired Water Heaters. The rule is the subject of a control measure in the 2005 Ozone Strategy.
7. **STATUS REPORT ON FLARE MINIMIZATION PLANS REQUIRED UNDER REGULATION 12; RULE 12: FLARES AT PETROLEUM REFINERIES**

K. Wee/4760
kwee@baaqmd.gov

Staff will present an update on the approval of Flare Minimization Plans submitted by refineries to reduce the frequency and magnitude of flaring, discuss compressor operation and redundancy, and discuss the focus of future flaring minimization efforts.

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 Scott Haggerty and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2007

Re: Stationary Source Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Stationary Source Committee meeting of June 15, 2007.

DISCUSSION

Attached for your review and approval are the draft minutes of the June 15, 2007, 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., Friday, June 15, 2007

1. **Call to Order – Roll Call:** Chairperson Scott Haggerty called the meeting to order at 9:36 a.m.

Present: Scott Haggerty, Chair, John Gioia, Jerry Hill, Jake McGoldrick (9:43 a.m.), Michael Shimansky, John Silva, Pamela Torliatt (9:38 a.m.).

Absent: Nate Miley, Gayle B. Uilkema.

Also Present: Mark Ross, Board Chair.

2. **Public Comment Period:** The following individual spoke under Public Comment Period:

Charlie Peters
Clean Air Performance Professionals
84 Hoy Avenue
Fords, NJ 08863

Mr. Peters commented on an article in the June 14th *San Francisco Chronicle* regarding proposed legislation (AB118) to increase fees on California motorists to pay for cleaner air.

Director Pamela Torliatt arrived at 9:38 a.m.

3. **Approval of Minutes of April 16, 2007:** Director Hill moved approval of the minutes; seconded by Director Torliatt; carried unanimously without objection.

4. **Status Report on Flare Minimization Plans Required Under Regulation 12, Rule 12: Flares at Petroleum Refineries:** *Staff presented petroleum refinery flare emission trends for the five Bay Area refineries and discussed the Flare Minimization Plans submitted by the refineries to reduce the frequency and magnitude of flaring.*

Kelly Wee, Director of Compliance and Enforcement, presented the report and provided an overview of flare operations and the regulatory history.

Director Jake McGoldrick arrived at 9:43 a.m.

Mr. Wee reviewed the 6-year flare emissions daily trend, the non-methane hydrocarbon (NMHC) flare emissions trend, and the SO₂ flare emissions trend from 2001 to the present. Mr. Wee noted that this information is on the Air District's web site. A chart showing recent NMHC flare emissions from each of the refineries was reviewed.

In response to questions from Committee members, Mr. Wee noted the following:

- Emissions from refineries vary over time.
- Turnarounds for refinery units are done every three to five years.
- Emission reduction benefits from lessons learned to reduce flaring from a turnaround might not be seen until the next turnaround; looking at a five year rolling average is the best way to calculate the emission reductions from these activities.
- Chevron had significant flaring emissions in 2007 due to an emergency during a turnaround.
- Age of the equipment, capital improvements, source reduction and operational experience all factor into emission reductions.

Director Gioia requested staff provide information on flaring for each of the refineries related to: 1) maintenance and turnaround; 2) emergency flaring; 3) daily operations; and any other major categories of activities that cause flaring.

Wayne Kino, Air Quality Program Manager, continued with the report and reviewed prevention measures, which are designed to reduce flaring incidents and magnitude. Mr. Kino provided an overview of specific preventive measures to be taken at each facility. Planned reductions were discussed and a review of the public comments was provided. Areas that must be addressed in order for the Air District to approve a Flare Minimization Plan (FMP) include: source reduction, compressor capacity, adequate scrubbing capacity, and balanced flare gas/fuel gas systems.

Mr. Kino described the next steps, including responding to the public comments, final action by the Air Pollution Control Officer to approve or disapprove of the FMP, and that the first FMP update would be due within 12 months of approval of each Plan.

In response to questions from Committee members, Mr. Kino noted the following:

- The compressors are powered by electricity.
- Outreach to various agencies, including County Health Departments, was extensive and many came to the public meetings.
- District staff will work with the refineries to verify compressor capacity is sufficient.
- There was extensive discussion on back-up compressors regarding cold starts, wear and tear on the equipment if in continuous mode, and emissions. Director McGoldrick requested staff provide additional information on this item.

The following members of the public spoke on this agenda item:

Jessica Tovar
CBE
Oakland, CA 94116

Todd Lopez
Valero
Benicia, CA 94510

Greg Karras
CBE
Oakland, CA 94612

Jen Ahlskog
Conoco Phillips
Rodeo, CA 94572

Delphine Smith
CBE
Oakland, CA 94612

Kathy Wheeler
Shell Refinery
Martinez, CA 94553

Curtis Anderson
Chevron
Richmond, CA 94802

Valerie Weaver
Tesoro
Martinez, CA 94553

Tery Lizarraga
Chevron
Richmond, CA 94802

Dennis Bolt
WSPA
Concord, CA 94527

Director Torliatt requested additional information on compressors including: 1) the maintenance schedules for the equipment at each refinery, 2) compressor back-up systems, and 3) where emissions are coming from.

In response to a question from Director Gioia regarding next steps in the FMP process, Jack Broadbent, Executive Officer/APCO, stated that after final action was taken on the Plans, and providing all were approved, they would next be reviewed in July or August 2008.

Committee Action: The Committee received and filed the report.

5. **Proposed New Regulation 6, Rule 2: Commercial Cooking Equipment:** *The Committee discussed proposed Regulation 6, Rule 2: Commercial Cooking Equipment work plan.*

Mr. Broadbent briefly discussed the next steps to be taken regarding the proposed regulation. The steps include conducting a study of Bay Area restaurants regarding charbroiler grill sizes, meats cooked, and types and sizes of restaurants. The Air District will also continue to receive input on the proposed rule and it is anticipated the rule will come before the Board for public hearing in the fall of 2007.

The following individual spoke on this agenda item:

Johnnise Downs
California Restaurant Association
Sacramento, CA 95829

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

6. **Committee Member Comments/Other Business:** There were none.
7. **Time and Place of Next Meeting:** At the Call of the Chair
8. **Adjournment:** The meeting adjourned at 11:36 a.m.

Mary Romaidis
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 6, 2007

Re: Proposed New Regulation 6, Rule 2: Commercial Cooking Operations

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

On May 16, 2007, the Board of Directors conducted a public hearing to consider adoption of proposed new Regulation 6, Rule 2: Commercial Cooking Operations. The Board referred the item to the Stationary Source Committee for further discussion.

DISCUSSION

At the hearing, a number of questions were raised. Staff has conducted additional research, including a survey of Bay Area restaurants to collect information about charbroiler grill sizes and types and quantities of meat cooked. Staff will provide the Committee with more information on some of the questions raised, including the number and types of restaurants potentially affected by the rule and how to focus on restaurants with the highest emissions. Staff will present proposed changes to the regulatory proposal in preparation for a public workshop.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Guy Gimlen
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2007

Re: Status Update on the Wood Smoke Rule Development and the Cleaner
Burning Technology Incentives Program for PM_{2.5} Reductions

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

Last winter the Air District experienced 27 days over the new 35 µg/m³ 24-hr. national standard that was adopted by U.S. EPA in December 2006. Ambient air monitors indicate that residential wood smoke contributes to an overall wood smoke atmospheric burden comprising up to 33% of peak winter PM_{2.5} levels. As a result, a comprehensive wood smoke strategy is needed in order to address the relative contribution of wood smoke to the bay area. The proposed Regulation 6, Rule 3, "Wood-Burning Devices", was developed after researching other air districts' regulations and programs and incorporating the best components.

DISCUSSION

This regulation is composed of six standards which fall into three general areas:

- Curtailment Requirements
 - Mandatory during a forecast exceedance of the national standard
- Operational Requirements
 - No garbage burning
 - Burn only seasoned wood
 - Wood vendor package includes moisture content and information about what you should do during a mandatory curtailment
- Cleaner Burning Technology Requirements
 - EPA certified devices and low emission technology
 - New building construction component

The cleaner burning technology incentives program will provide Bay Area residents with financial incentives, or rebates, ranging from \$100 to \$600 through a "Wood Stove Change-out" program. These rebates will encourage users to upgrade from high-emitting wood burning devices to low-emitting devices.

Staff will provide the Committee with the following information:

- Proposed regulatory standards for wood smoke PM reduction;
- Next steps in the rule development process;
- Cleaner Burning Technology Incentives Program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Janet Glasgow
Reviewed by: Kelly Wee

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 6, 2007

Re: Proposed Amendments to Regulation 9, Rule 6: Nitrogen Oxides from
Natural Gas-Fired Water Heaters

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The 2005 Ozone Strategy Control Measure SS-13 identified Regulation 9, Rule 6 as an area of opportunity for further NO_x reductions from residential water heaters. Staff generated proposed amendments and conducted a workshop with affected parties on June 29, 2007.

DISCUSSION

In this report, Staff will present information on:

- Background on water heaters and small boilers;
- Current District regulations that control NO_x from water heaters and boilers and opportunities for further emission reductions;
- Proposed amendments to Regulation 9, Rule 6;
- Potential NO_x emission reductions; and
- Rule development process and next steps.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Guy Gimlen
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 17, 2007

Re: Status Report on Flare Minimization Plans required under Regulation 12,
Rule 12: Flares at Petroleum Refineries

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

Emissions from petroleum refinery flares are an ongoing concern to the Air District and to residents in communities surrounding refineries. As refinery flares are primarily a safety device that must be available in case of emergency, regulation of their use is extremely difficult. In order to minimize the magnitude and frequency of flare use at refineries, the Air District Board of Directors adopted Regulation 12-12, which is structured to give refineries flexibility to reduce emissions without compromising safety.

The regulation prohibits the non-emergency use of a refinery flare unless that use is consistent with an approved Flare Minimization Plan ("FMP" or "Plan"). Each Flare Minimization Plan approved by the District's APCO/EO must include:

- Information regarding the design and operation of the facility as it relates to flaring;
- Description of the prevention measures previously taken that permanently capture current emission reductions and planned measures to further reduce flare emissions at the refinery; and
- Commitments to implement all additional feasible prevention measures expeditiously.

DISCUSSION

Following extensive review by staff, FMPs submitted by the refineries were released for a 60-day public comment period which ended May 31, 2007. Based on valuable input received during the comment period, staff engaged the refineries to improve and

strengthen prevention measures contained in the plans before taking final action. In order to ensure the FMPs were approvable, the District obtained operational and capital concessions from the refineries to ensure that:

- Sufficient compressor capacity was available at each facility to minimize flaring. Including a commitment for the addition of flare gas recovery compressors at both the Chevron and ConocoPhillips refineries.
- A stronger commitment to reduce production rates and to manage fuel gas balances during unit startup and shutdown to minimize flaring was included in each plan.
- Flare gas source reduction efforts will continue at each facility
- Adequate scrubbing capacity has been provided for flare gas at each facility

The refineries amended their FMPs to provide adequate assurances that efforts in each of these areas are sufficient and will continue to minimize flaring. Based on these commitments, the APCO approved the revised FMPs for the five refinery facilities on July 16th, 2007.

Staff will update the Committee with the following information:

- Description of Compressor Operation and Redundancy
- APCO approval of refinery FMPs
- Focus of Future Flare Minimization Efforts

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Doug Tolar
Reviewed by: Kelly Wee