



BOARD OF DIRECTORS
STATIONARY SOURCE COMMITTEE MEETING

COMMITTEE MEMBERS

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

SCOTT HAGGERTY – CHAIRPERSON MICHAEL SHIMANSKY - VICE CHAIRPERSON
JOHN GIOIA
NATE MILEY
JOHN SILVA

JAKE MCGOLDRICK
MARK ROSS
PAMELA TORLIATT
GAYLE B. UILKEMA

**MONDAY
MAY 19, 2008
9:30 A.M.**

**7th FLOOR BOARD ROOM
DISTRICT OFFICES**

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 MARCH 17, 2008**
4. **OVERVIEW OF PROCESS FOR SETTLEMENT OF NOTICES OF VIOLATIONS** **B. Bunger/4920**
bbunger@baaqmd.gov
Staff will present an overview of the Air District's process for settlement of Notices of Violations.
5. **STATUS OF SELECTED BAY AREA PROJECTS** **J. Broadbent/5052**
jbroadbent@baaqmd.gov
The Committee will receive a status report on selected Bay Area projects.
6. **STATUS OF PROPOSED REGULATION 6, RULE 3: WOOD-BURNING DEVICES** **J. Broadbent/5052**
jbroadbent@baaqmd.gov
The Committee will receive a status report on the proposed Regulation 6, Rule 3: Wood-Burning Devices. A public hearing on the rule is scheduled for July 9, 2008.
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 – 9:30 A.M., MONDAY, SEPTEMBER 15, 2008**
9. **ADJOURNMENT**

CONTACT THE EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109

(415) 749-5127
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 Executive 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
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

MAY 2008

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday of every odd Month)</i>	Thursday	15	9:00 a.m.	Board Room
Advisory Council Executive Committee <i>(Meets 2nd Wednesday of every odd Month)</i>	Thursday	15	Immediately Following the Advisory Council Regular Meeting	Room 716
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday every other Month)</i> - TO BE RESCHEDULED	Thursday	15	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee	Friday	16	10:00 a.m. – 12:00 p.m.	MTC 101 - 8 th Street Oakland, CA 94607
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	19	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i> RESCHEDULED TO WEDNESDAY, MAY 14, 2008	Thursday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i> - CANCELLED	Wednesday	28	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Personnel Committee – <i>(At the Call of the Chair)</i>	Friday	30	9:30 a.m.	4 th Floor Conf. Room

JUNE 2008

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Technical Committee <i>(Meets 1st Monday of every even Month)</i>	Monday	2	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
Advisory Council Public Health Committee <i>(Meets 2nd Wednesday of every even Month)</i>	Wednesday	4	1:30 p.m.	Room 716
Advisory Council Air Quality Planning Committee <i>(Meets 1st Thursday of every even Month)</i>	Thursday	5	9:30 a.m.	Room 716

JUNE 2008

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Executive Committee <i>(Meets At the Call of the Chair)</i>	Wednesday	11	10:00 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday every other Month)</i>	Thursday	12	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday quarterly)</i> - RESCHEDULED TO MAY 19, 2008	Monday	16	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of every Month)</i>	Monday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i> - CANCELLED	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee - <i>(Meets 4th Thursday of each Month)</i>	Thursday	26	9:30 a.m.	4 th Floor Conf. Room

JULY 2008

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	2	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i>	Thursday	3	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Executive Committee <i>(Meets 2nd Wednesday of every odd Month)</i>	Wednesday	9	9:00 a.m.	Room 716
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday of every odd Month)</i>	Wednesday	9	10:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday every other Month)</i>	Thursday	17	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee	Friday	18	10:00 a.m. – 12:00 p.m.	MTC 101 - 8 th Street Oakland, CA 94607
Board of Directors Budget & Finance Committee <i>(Meets 4th Wednesday of each month)</i>	Wednesday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee - <i>(Meets 4th Thursday of each Month)</i>	Thursday	24	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(Meets 4th Monday of the Month)</i>	Monday	28	9:30 a.m.	4 th Floor Conf. Room

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: May 12, 2008

Re: Stationary Source Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Stationary Source Committee meeting of March 17, 2008.

DISCUSSION

Attached for your review and approval are the draft minutes of the March 17, 2008 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, March 17, 2008

1. **Call to Order – Roll Call:** Vice-Chairperson Michael Shimansky called the meeting to order at 9:36 a.m.

Present: Scott Haggerty, Chair (9:44 a.m.), Jake McGoldrick (10:00 a.m.), Nate Miley (9:44 a.m.), Mark Ross, Michael Shimansky, Pamela Torliatt, Gayle B. Uilkema.

Absent: John Gioa, John Silva.

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

4. **Update on Regulation 6, Rule3: Wood Burning Devices:** *The Committee received a status report on revisions to the draft Regulation 6, Rule 3: Wood Burning Devices and discuss the upcoming information public meetings.*

Kelly Wee, Compliance and Enforcement Director, introduced the item and stated that staff would provide a status report on the draft regulation. Mr. Wee stated that the Environmental Protection Agency (EPA) lowered the 24 hour national fine PM standard from 65 micrograms to 35 micrograms in December 2006.

Mr. Wee continued stated that PM 2.5 is fine particulate that is 170th the size of a cross section of human a hair, and is inhaled deep in the lungs and cause adverse health affects.

Health effects include:

- Aggravated asthma;
- Hospital admissions; and
- Increase pre-mature death

Source proportion of PM 2.5 comes from the following:

- Wood Smoke – 33%;
- Cooking – 7%;
- On-Road – 23%;
- Off-Road – 20%;
- Refining – 7%;

- Power Plants – 3%;
- Aircraft – 3%;
- Marine – 1 %; and
- Other – 3%

Both Directors Miley and Haggerty arrived at 9:44 a.m.

Director Torliatt requested that Committee Members be provided a copy of the chart, respective to their County.

Mr. Wee continued stating that a survey was conducted and based on respondents' results on how often they are burning, and the relative emission rates of the devices, it was estimated that of the 1/3 of PM seen on the filters, about 24% is from fireplaces, 4% from non-certified stoves, an additional 4% from certified stoves and 1% from pellet stoves.

Distribution of Wood Smoke:

Fireplaces – 28 lbs/MMBTU
Non-Certified – 4.6 lbs/MMBTU;
Certified – 1.4 lbs/MMBTU; and
Pellet – 0.49 lbs/MMBTU;

Mr. Wee stated that fireplaces are definitely the largest component of the woodsmoke filter catch and are the highest emitted. The hourly air monitoring stations show a multi-day event. The micrograms of PM per day vary. When there is 3 days of no rain, winds less than 5 mph, typically more out of the east, there is an overall buildup of PM.

Wood Smoke Inventory Consists of the following:

- 2.5 Million households;
- ~1.2 Million households with fireplaces & wood burning devices;
- 1.1 M fireplaces, 140k are stoves, 130k pellet stoves;
- 33% of peak PM2.5 is wood smoke;
- ~20% of households burn on a STAT; and
- ~4% of PM2.5 is from EPA-certified devices, up to 8% if non-certified devices are included

This information was provided from 3,000 respondents that participated in a telephone survey.

Mr. Wee introduced Eric Pop, Air Quality Specialist, who continued the presentation. Mr. Pop stated that curtailment is included in the proposal.

Proposed Requirements:

- Prohibit burning on nights with high PM forecast.
- Limit visible emissions from wood burning devices.
- Require cleaner burning technology for sale of new and used devices.
- Require cleaner burning technology in new construction.
- Prohibit burning garbage in WBDs.
- Require seasoned wood sales, with a moisture content of 20% or less and solid fuel labeling.

Director Shimansky asked how the public will be notified. Mr. Wee responded to Director Shimansky that telephone calls and telephone subscription network so individuals are aware of the Spare the Air Tonight. This would be done in conjunction with the freeway message boards, news releases to both radio and television.

Director McGoldrick arrived at 10:00 a.m.

Public Workshops:

- 7 Public Workshops held in Oakland, Santa Rosa, Concord, Vallejo, Redwood City, San Jose, & Livermore with live Webcast.
- Approximately 150 people attended, 40 registered via Webcast & about 300 sent emails.
- 48 TV, Radio & Print interviews; 100 print articles; 75 phone calls.

Comments received include:

- EPA-certified devices and pellet stoves should be allowed to burn during curtailments.
- Smaller curtailment areas within District.
- Sole Source of Heat exemption needs clarification / Consider a low income exemption.
- Curtailment threshold needs to be explicit.
- How is the District going to enforce a curtailment?
- How will the public know of a mandatory curtailment?
- Public outreach and information on curtailment.
- Labeling requirement cost for solid fuel products.
- Is the mandatory curtailment constitutional?

Proposed changes to draft rule include:

- Clarification of natural gas unavailability.
- Exemption for electrical power service unavailability.
- Clarification of curtailment threshold.
- Clarification of the requirements for seasoned wood.
- Evaluating masonry heaters as approved devices.
- Considering labeling for state-wide uniformity.

Next steps:

- Finalize Draft Regulation
- Complete EIR
- Hold Informational Meetings in April
- Public Hearing for adoption in mid 2008

Outreach informational meetings will be held in the following cities in April.

Santa Rosa	Vallejo
San Jose	Fairfield
Livermore	Concord
Redwood City	Oakland

Napa

Mr. Pop concluded his presentation.

The following individual spoke on this agenda item:

Patricia Briskih
1591 Claremont Drive
San Bruno, CA 94066

Joyceanne Beachem
779 Crossbrook Dr.
Moraga, CA 94556

Susan Goldsborough
49 Castle Rock
Woodacre, CA 94973

John Crouch
HPBA
7840 Modia Ave. #2044
Citrus Heights, CA 95621

Jenny Bard
American Lung Association of CA
115 Talbot Ave.
Santa Rosa, CA 95404

Three members of the public expressed their support of Regulation 6, Rule 3 and would like to see the rule fully enforced. One member expressed concern on the wood smoke distribution chart.

Director Ross asked about the timeframe and about breaking the Air District into zones. Mr. Broadbent stated that the Air District will need to phase in the enforcement and Mr. Wee continued stating that letters will be mailed providing warning letters to individuals and allowing ample time to check with the Air District by calling the 800 number prior to burning on winter nights November through February. Warning letters will be sent prior to citations being issued. Mr. Broadbent stated that the Air District disagrees with breaking the Air District into zones. Mr. Broadbent continued stating that there is enough information showing that Marin County contributes to San Jose and vice-versa.

Director Uilkema asked if the Air District feels that there will be any need for an increase in inspectors in order to be able to implement the rules. Mr. Broadbent responded to Director Uilkema stated that there were 6 to 7 days where there was Spare the Air Nights and the plan at this time is to develop an enforcement deployment plan, which will be brought back to the Committee. Mr. Broadbent continued that inspectors will be deployed on Spare the Air Nights. Mr. Broadbent also stated that at this time the Air District will use its existing resources to deploy a plan that will maximize its coverage of the Bay Area.

Director Uilkema asked what are the projected costs for this enforcement. Mr. Broadbent responded to Director Uilkema that there are two issues that will be brought back to the Committee at a future date, the enforcement of the program, how to deploy the inspectors and outreach; which will be presented at a future Public Outreach Committee.

Director Torliatt continued stated that the Air District needs to continue to educate the various municipalities about the health affects until they are presented with the facts. Director Torliatt asked if this could be a component at the next Public Outreach Committee meeting and how the health issue will be addressed. Director Torliatt also suggested that the letter provide information on how to sign up for alerts for Spare the Air Nights, the health affects, etc. Director Torliatt suggested that staff obtain addresses for the 9 bay area counties that notices could be sent to informing them of this issue, as this could be handled from a public outreach perspective as this may educate individuals that are not burning on the Spare the Air Nights.

Mr. Broadbent responded to the Committee that on a Spare the Air Night, that the Air District would have a program requesting individuals to not burn, as this is the easiest message and is easily enforceable. Mr. Broadbent suggested that the Air District move towards a no burn approach to this rule.

Director Miley suggested that there be an incentive for the change out to natural gas.

Mr. Broadbent concluded that staff will move forward with the proposal that on a Spare the Air Night, that there will not be any burning. Mr. Broadbent continued by stating that this would include anyone with an EPA certified stove.

Committee Action: None. This report was received and filed.

3. **Approval of Minutes of December 3, 2007:** Director Shimansky moved approval of the minutes; seconded by Director Ross; carried unanimously without objection.
5. **Discussion of Proposed Amendments to Regulation 9, Rule 7: NO_x and CO from Industrial, Institutional, and Commercial Boilers, Steam Generators and Process Heaters:**
The Committee received a report on the proposed amendments to Regulation 9, Rule 7 which limits NO_x and CO emissions from combustion devices such as boilers, steam generators and process heaters.

Henry Hilken, Director of Planning and Research introduced Julian Elliot, Senior Air Quality Engineer presented the report and stated that the presentation is an update to amendments of Regulation 9, Rule 7.

The background includes:

- Limits NO_x & CO from boilers, steam generators and process heaters
 - Hot water in schools, hotels, hospitals, office buildings, shopping centers
 - Steam in hospitals and industrial settings
 - General industrial process heat
- Last amended in 1993

Bay Area 2005 Ozone Strategy, Control Measure SS 12:

- Reduce NO_x limits to reflect current control technology
- Extend NO_x limits to gas-fired devices <10 MM BTU/hr

The rule development process included:

- Initial Workshop: June 2007
 - 2nd generation rule equivalent to recent San Joaquin APCD & Sacramento AQMD rules
- Contract with URS GHG mitigation study for Reg 9-7 devices: April 2008
- San Joaquin APCD draft 3rd generation rules: October 2007; 2nd draft: March 2008
- South Coast AQMD draft 3rd gen rules: November 2007, March 2008

Energy efficiency requirements include:

- Greenhouse Gas Mitigation – Phase 1
 - Insulation requirement
 - Exposed surfaces limited to 120°F
 - Annual inspection and tune-up
 - Minimize excess air
 - Minimize liquid blow down
- Greenhouse Gas Mitigation – Phase 2
 - Stack Gas Temperature Limitation
 - High-efficiency devices:
 - require periodic cleaning of heat transfer surfaces
 - Medium-efficiency devices:
 - may require turbulator or economizer retrofit
 - Low-efficiency devices:
 - may need to be extensively retrofitted or replaced

Next steps include:

- Continue to work with rule developers at San Joaquin, South Coast Air Districts;
- Continue to consult with affected Bay Area industry;
- Second Public Workshop: early April;
- Complete Staff Report, CEQA Analysis, Socio-Economic Analysis; and
- Public Hearing: Summer 2008

Mr. Elliot concluded his presentation.

Director McGoldrick asked how heat is recovered. Mr. Elliot responded to Director McGoldrick stating that some of the wasted heat could be recovered with the use of an economizer.

Chair Haggerty thanked Mr. Elliot for the detailed report.

Committee Action: None. The Committee received and filed the report.

6. Proposed Amendments to Regulation 8, Rule 20: Graphic Arts Printing and Coating Operations: *The Committee received a report on the proposed amendments to Regulation 8, Rule 20: Graphic Arts Printing and Coating Operations.*

Henry Hilken, Director of Planning and Research introduced William Thomas Saltz, Air Quality Specialist who presented the report. The report provided an overview on Bay Area graphic arts operations, which are subject to Regulation 8, Rule 20.

The 5 types of traditional technology include:

- Letterpress – oldest form of printing;
- Lithographic – offset printing (ink is applied to a roll, before being transferred to a substrate);
- Gravure – (ink applied into a etched well, below the surface of the engraved cylinder)
- Flexographic – (raised image on plane plate cylinder); and
- Screen Printing – (images or letters are applied to a substrate by placing a screen that contains an image over the substrate)

The total VOC emissions rate of 5.2 tons per day, lithographic printers account for 80% of the emissions from permitted sources in the graphic arts industry. Mr. Saltz also stated that over 50% of emissions are from cleaning products.

Proposed amendments include:

- Lower VOC Limit Flexographic Ink
- Cleaning Products
 - Lower VOC limits for existing cleaning products
 - New VOC limits for other cleaning products
- New Exemption Limit for Low Emitting Facilities
- Registration Program for Low Emitting Facilities
- Labeling Requirements for Inks & Cleaning Products

A registration program will be established in an effort to streamline the process of incorporating low emitting facilities into the system without requiring them to get a permit. Facilities that emit VOC's at a rate between 75 and 400 lbs. per month will register their operations. Registering an operation will save money for those operations that otherwise are required to apply for a permit to operate.

The purpose of a registration program is to fast track the application process and to provide the Air District with the ability to recover costs involved in administrating the process. The initial registration fee is \$215 and the annual fee thereafter will be \$135.

The proposed reductions in emissions will total 1.6 tons per day, which is approximately 1/3 of the current emissions from the bay area graphic arts industry.

Next steps include:

- Workshop - Spring 2008
- Receive comments, continue to work with graphic arts industry
- Staff Report, including socioeconomic analysis and CEQA documents
- Public Hearing – July 2008

Mr. Saltz concluded his presentation.

Chair Haggerty thanked Mr. Saltz for his presentation.

Committee Action: None. The Committee received and filed the report.

7. **Committee Member Comments/Other Business:** There were none.
8. **Time and Place of Next Meeting:** At the Call of the Chair.
9. **Adjournment:** The meeting adjourned at 11:06 a.m.

Vanessa Johnson
Acting Clerk of the Board

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: May 12, 2008

Re: Overview of Process for Settlement of Notice of Violations

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

Staff will present an overview of the Air District's process for settlement of Notice of Violations.

BUDGET CONSIDERATION AND FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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: May 13, 2008

Re: Status of Selected Bay Area Projects

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

In recent months, public interest has focused on six Bay Area projects that are under the Air District's regulatory authority. These projects are as follows:

1. Chevron Energy and Hydrogen Renewal Project
2. Alco Iron & Metal Company – Pyrolysis Furnace
3. Hayward Power Plants – Russell City Energy Center and Eastshore Energy Center
4. Hanson Permanente Cement Plant – Increase in Petroleum Coke Usage
5. Lennar Bay View Hunters Point Shipyard Parcel A' Redevelopment Project
6. San Francisco Energy Reliability Project

DISCUSSION

Staff has prepared Fact Sheets for each of these projects that provide background information, a summary of public comments/issues, and an update on current project status. These Fact Sheets are attached. Staff will provide the committee with a brief summary of these materials at the meeting on May 19, 2008.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian Bateman
Reviewed by: Jeffrey McKay

Fact Sheet
Chevron Energy & Hydrogen Renewal Project
Permit Application for Refinery Modernization

Background

- In June 2005, Chevron Products Company (Chevron) submitted a permit application (Application #12842) for its Energy and Hydrogen Renewal Project (Renewal Project) at its Richmond Refinery. Chevron has subsequently made numerous revisions to the details of the Renewal Project in terms of the type and size of the sources and abatement devices included in the project. The City of Richmond is the CEQA lead agency for the project.
- The Renewal Project consists of a number of component projects, including Hydrogen Plant Replacement, Power Plant Replacement, Reformer Replacement, and Hydrogen Purity Improvements. In general, the project would modify, replace and install typical refining equipment such as piping, heat exchangers, instrumentation, catalytic reactors, fractionation equipment, pumps, compressors, furnaces, tanks, hydrogen sulfide absorption capacity, hydrogen generation capacity and their associated facilities, including steam and electrical generation as well as some refinery buildings and infrastructure. These changes would include construction and installation of new equipment as well as replacement of or modifications to existing equipment.
- Chevron's stated primary objectives for the Renewal Project are:
 1. Replace existing facilities with modern facilities providing improved reliability, energy efficiency, and additional environmental controls.
 2. Ensure the Refinery's ability to process future crude and gas oil supplies.
 3. Decrease the amount of energy imported by the Refinery.
 4. Increase the portion/percentage of the Refinery's total gasoline production that can meet California specifications and be distributed to local markets by 300,000 gallons/day or six percent over current Refinery production levels.
 5. Invest in Refinery upgrades that produce a competitive return on capital.
- The Renewal Project would not increase refinery use of crude oil beyond currently permitted levels, although process upgrades would allow the refinery to use a wider range of crude oils.
- Net annual emissions of nitrogen oxides (NO_x), sulfur dioxide (SO₂) and particulate matter (PM) would decrease by 105 ton/yr, 22 ton/yr, and 6 ton/yr, respectively, as a result of the Renewal Project (Jan. 2008 Final EIR figures). Net emissions of precursor organic compounds (POC) are expected to be mitigated to less than the 15 ton/yr CEQA significance threshold, and CO emissions would increase by 82 ton/yr. [Net emissions figures are determined based on actual emissions for existing sources, and potential to emit for new/modified sources.]
- The Air District has performed a health risk screening analysis (HRSA) for the Renewal Project. The results of the most recent HRSA are a maximum cancer risk is 2.1 in one

May 9, 2008

million, a maximum chronic hazard index of 0.3, and a maximum acute hazard index of 1.0. These health risk levels comply with the project risk standards in Air District Reg. 2-5.

Public Comments/Issues

- Because the net emissions from the Renewal Project are below thresholds for public notification in Air District regulations, no formal public comment period will be required prior to issuance of the Authority to Construct. Nonetheless, the Air District held an informational meeting in the Richmond community to discuss the project on February 13, 2008. The meeting was well attended and helped the public understand both the project and the Air District's permit process. The Air District agreed to make draft permit documents available to meeting attendees in advance of permit issuance.
- Air District staff attended public meetings held by the City of Richmond's Design Review Board and Planning Commission on the Renewal Project. Staff provided testimony regarding air quality issues at these meetings.
- Air District staff has worked closely with City of Richmond staff to provide assistance in addressing air quality issues raised by the public during the EIR review process.
- Air District staff has met with representatives of Communities for a Better Environment (CBE) to discuss their concerns regarding crude slates that the facility will handle in the future. CBE has expressed concerns regarding potential emissions increases caused by the handling of perceived "dirtier" crude slates. CBE has requested that the City of Richmond impose limits on the facility's crude slates based on baseline information.
- The State Attorney General's Office has expressed concerns regarding the adequacy of greenhouse gas mitigation measures contained in the EIR.

Project Status

- Air District staff is working to finalize the evaluation of the Renewal Project permit application, and expects to be in a position to issue a conditional Authority to Construct shortly after the project's EIR is certified. Air District staff has been meeting with Chevron and Praxair (owner/operator of the proposed hydrogen plant) at least once every two weeks in order to achieve this goal.
- At a meeting in April, the Richmond Planning Commission directed City staff to better address crude slate and greenhouse gas issues raised by members of the public. The next public hearing for consideration of certification of the project's EIR is scheduled for June 5, 2008. The Air District cannot issue a permit for the project until after the EIR is certified, and any potential appeals that maybe filed on the EIR certification are resolved.

Fact Sheet
Alco Iron & Metal Company
Permit Application for a Pyrolysis Furnace

Background

- Alco Iron & Metal Company has locations in Vallejo, Stockton, and San Leandro. These facilities process and recycle used and surplus steel, aluminum, and stainless steel products.
- On April 23, 2007, the Alco facility in San Leandro submitted an accelerated permit application to the Air District (Application #16042) for a small propane-fired pyrolysis cleaning furnace primarily for the removal of varnish, epoxy, or other organic material from electric motor stators and other electrical parts for recovery of primary base metals, such as copper.
- Pyrolysis cleaning furnaces are commonly used in the recycling industry, and are specialized ovens that thermally decompose varnish, epoxy and other organic materials at 750 to 800 degrees Fahrenheit in the absence of oxygen. Organic residues are vaporized off of the metal parts leaving them free of any organic material.
- The furnace has an afterburner chamber that operates in excess of 1400 degrees Fahrenheit and with a residence time of one half second or greater. The abated emissions consist primarily of water vapor and carbon dioxide and the discharge is smokeless and odorless.
- Air District staff estimates criteria pollutant emissions from the furnace to be well below the 10 lb/day New Source Review (NSR) thresholds in Air District Reg. 2-2 as follows: 0.4 lb NOx/day; 0.8 lb CO/day; 0.2 lb HC/day; 0.2 lb PM/day; and 0.03 lb SOx/day. Emissions of toxic air contaminants are estimated to be below the Toxics NSR thresholds given in Air District Reg. 2-5.
- Shortly after receipt of the permit application, the Air District issued a temporary Permit to Operate for the furnace under the Air District's Accelerated Permitting Program. [The Air District's Accelerated Permitting program was established in response to the requirements of California's Air Pollution Permit Steamlining Act of 1992. It allows for installation and operation of minor sources of air pollution (i.e., sources with criteria and toxic pollutant emissions less than NSR thresholds) during the time that a permit application is being evaluated.]
- A health risk screening analysis (HRSA) was performed for the furnace using conservative toxic emission factors derived from source testing at more highly emitting scrap incinerators (the only similar units where test data are available). The results of the HRSA indicate that the maximum cancer risk for off-site workers is 0.1 in a million, and the maximum cancer risk for residents is 0.003 in a million. These health risks are well within established project risk standards in Air District Reg. 2-5.

Public Comments/Issues

- Shortly after the temporary Permit to Operate was issued for the Alco furnace, a representative of Greenaction requested a meeting with Air District staff to discuss concerns with the project. Air District staff participated in this meeting via teleconference in June 2007. A follow-up meeting was subsequently held with members of Greenaction, and Healthy San Leandro Environmental Collaborative (HSLEC), in September 2007. The Air District agreed to the group's request to hold a public comment period before issuing the final Permit to Operate (the applicant agreed to extend the permit evaluation period for this purpose). The Air District also agreed to have a source test performed on the furnace to verify that dioxin emissions are below detectable levels as expected.
- The public comment period for the project began on November 7, 2007. A public notice was mailed to all addresses located within one mile of the facility, and a notice was also published in the local newspaper.
- Approximately 20 sets of written comments were received on the project. None provided any substantive evidence that the furnace would not comply with applicable air quality requirements. The Air District declined a request for a public hearing on the permit decision, as ample opportunity for public input had already been provided, and because the furnace is a very minor source of air pollution.
- In September 2007, based on concerns expressed by HSLEC, the City of San Leandro began an investigation as to whether the furnace required a use-permit from the City. Alco subsequently disconnected the furnace from electrical and gas feeds and rendered the equipment inoperative pending a decision from the City on the use-permit issue. The source testing that the Air District had agreed to conduct was postponed due to the furnace's inoperative status.

Project Status

- In mid-April 2008, the City of San Leandro informed Alco that a permit application must be submitted to the City by May 23, 2008, or the furnace removed from the property.
- The Air District is currently awaiting a decision from the applicant as to whether it has decided to remove the furnace from the facility, or apply to the City of San Leandro for a use-permit.

Fact Sheet

Hayward Power Plants: Russell City Energy Center and Eastshore Energy Center Permit Applications for Two Power Plants

Background: Russell City Energy Center (RCEC)

- The Russell City Energy Center (RCEC) is a proposed 600-MW natural gas fired combined cycle power plant to be located in Hayward. The project was originally licensed in 2002, but the location was amended in 2006 to a site 1,300 feet from the original project site. On November 28, 2006, the project's owner/operator, Calpine Corporation, submitted an application to the Air District (Application #15487) for the amended RCEC. Calpine also submitted an application for an amended Certification to the California Energy Commission (CEC). The CEC is the licensing authority for power plants with a generating capacity of 50 MW or greater.
- The RCEC includes two gas turbines and two heat recovery boilers. In accordance with Air District Reg. 2-2, this combustion equipment must use the Best Available Technology (BACT) to minimize emissions. BACT requirements for the project are met with the use of selective catalytic reduction (SCR) systems, oxidation catalysts, the exclusive use of natural gas fuel, and modern combustion controls. The project is also subject to emission offset requirements, Prevention of Significant Deterioration (PSD) analysis requirements, and health risk screening analysis (HRSA) requirements.
- On June 19, 2007, the Air District issued a Final Determination of Compliance (FDOC) for the amended RCEC, concluding that the project, with appropriate permit conditions, would comply with all applicable air quality requirements.
- On September 26, 2007, the CEC approved the RCEC and granted an amended power plant license. The Air District subsequently issued the amended Authority to Construct for the RCEC on November 1, 2007.

Background: Eastshore Energy Center (Eastshore)

- Eastshore is a proposed 115.5-MW natural gas fired power plant to be located in Hayward just over one-half mile from the RCEC site. A permit application for Eastshore was submitted to the Air District (Application #15195) by Tierra Energy on October 2, 2006. Tierra Energy also submitted an Application for Certification to the CEC for the Eastshore project.
- The Eastshore project consists of 14 internal combustion engine generator sets that are 11,660 horsepower each. In accordance with Air District Reg. 2-2, the engines must use BACT to minimize emissions. BACT requirements for the project are met with the use of SCR systems, oxidation catalysts, the exclusive use of natural gas fuel, and modern combustion controls. The project is also subject to emission offset and HRSA requirements.

- On October 17, 2007, the Air District issued an FDOC for the Eastshore project, concluding that the project, with appropriate permit conditions, would comply with all applicable air quality requirements.
- The CEC released its Final Staff Assessment for Eastshore on November 9, 2007. Air District staff provided testimony regarding air quality issues at the CEC Evidentiary Hearing on December 12, 2007.

Public Comments/Issues: RCEC

- The Air District held a public comment period at the time of issuance of a Preliminary Determination of Compliance for the project. No comments were received on the project from members of the public.
- Requests were made to the CEC by several parties to intervene and reopen the administrative proceedings and evidentiary record for the RCEC project after the amended power plant license was issued. The CEC denied petitions for intervention and reconsideration on November 11, 2007. The CEC order was appealed to the California Supreme Court, and the Court subsequently declined to hear the case.
- A resident of Hayward filed an appeal of the Authority to Construct for the RCEC with the Air District's Hearing, and a hearing was held on March 6, 2008. The Hearing Board dismissed the appeal. The resident also filed an appeal with the EPA's Environmental Appeals Board (EAB) regarding the PSD permit issued by the Air District. No decision on this matter has been issued by the EAB to date.

Public Comments/Issues: Eastshore

- The Air District held a public comment period at the time of issuance of a Preliminary Determination of Compliance for the Eastshore project. The Air District received over 500 comments. Members of the public expressed numerous concerns regarding air quality impacts from the Eastshore project, as well as the RCEC project. The Air District revised several proposed permit conditions in response to comments received.
- The Air District provided responses to comments on October 24, 2007.

Project Status for RCEC and Eastshore Projects

- Calpine has not begun construction of the RCEC. The Air District is awaiting a decision on the PSD permit appeal from the EAB.
- The Eastshore project has not yet been approved by the CEC. The presiding Energy Commissioner is due to release a Presiding Member Proposed Decision for the project in late May or early June 2008. This document will be circulated and subject to public comment, and may be revised to address public comments received. The full commission will then consider the matter.

May 9, 2008

Fact Sheet
Hanson Permanente Cement Plant
Permit Application for an Increase in Petroleum Coke Usage

Background

- The Hanson Permanente Cement Plant is located in Cupertino. This facility excavates limestone from an on-site quarry for use as a raw material. The raw materials are crushed into a fine powder and blended in the correct proportions. This blended raw material is heated in a rotary kiln (16 feet in diameter and 250 feet long) where it reaches a temperature of about 2,800 degrees Fahrenheit. The material formed in the kiln, known as “clinker”, is subsequently grinded and blended with gypsum to form cement.
- Nitrogen oxides (NO_x), sulfur dioxide (SO₂), and particulate matter (PM), are the primary criteria air pollutants emitted from cement manufacturing. Small quantities of volatile organic compounds (VOC), including the toxic air contaminant (TAC) benzene, are also emitted from incomplete combustion in the kiln. TAC emissions also include trace metals such as mercury, cadmium, chromium, arsenic, nickel, and manganese. The kiln exhaust is equipped with NO_x and SO₂ continuous emissions monitors to determine compliance with applicable emission limitations. PM and metallic TAC emissions are controlled at the facility by fabric filtration, which is used at various material crushing, grinding, and loading operations, and at the kiln.
- On November 7, 2006, the Hanson facility submitted a permit application to the Air District (Application #15398) requesting a change in conditions to increase the allowable usage of petroleum coke at the kiln from 8 ton/hr to 20 ton/hr. This permit condition change would allow the facility to burn exclusively coke as a fuel instead of the existing fuel mixture of 90% coal and 10% coke.
- The results of the Air District’s evaluation of this project indicated that the fuel switch would not result in a significant increase in criteria or toxic air pollutant emissions. The project did not trigger requirements for public notification in Air District regulations, and was determined to be exempt from CEQA. On May 11, 2007, after completion of an evaluation that indicated that the proposed project would meet all applicable regulatory requirements, the Air District issued the facility a conditional permit to burn up to 20 tons/hr of petroleum coke. The facility started using 100% petroleum coke as a fuel on May 30, 2007. In December 2007, the facility conducted detailed emissions performance tests for criteria and toxic air pollutants to meet the requirements of its permit and an applicable EPA National Emission Standard for Hazardous Air Pollutants (NESHAP).
- The Hanson facility submitted an associated permit application on October 31, 2007, for a minor revision to its Title V permit to incorporate the permit conditions for the change in fuel usage into its Title V permit. On February 25, 2008, the Air District submitted the Title V permit minor revision to EPA for review. On April 8, 2008, EPA responded to the Air District with a request for a detailed analysis of criteria pollutant emissions changes as a result of the increased coke usage. EPA indicated that, upon receipt of this information from the Air District, a new 45-day EPA review period would be initiated.

May 9, 2008

Public Comments/Issues

- In November 2007, Air District staff met with representatives of the West Valley Citizen Air Watch (WVCAW) to discuss the Hanson Quarry Reclamation Project, and other air quality issues associated with the Hanson facility. The Reclamation Project entails modification of the existing Reclamation Plan for mining and reclamation activities at the facility's quarry, and would extend the quarry's termination date by 25 years. WVCAW submitted a lengthy set of questions to the Air District regarding the Reclamation Project, and other aspects of the facility's existing operation. The Air District finalized a response to this information request in March 2008. The Air District has subsequently processed a number of public records requests submitted by WVCAW regarding information associated with the Hanson facility.
- WVCAW has expressed concerns over solid fuels used at the Hanson facility, including coke, and believes that burning cleaner fuel such as natural gas would be a better idea. WVCAW has also expressed concerns over a number of other air quality issues regarding the Hanson facility (e.g., the high volume of truck traffic to and from the facility), and has requested that the Air District locate an ambient air monitor in the nearby downwind area.

Project Status

- In response to EPA's request, Air District staff is gathering and evaluating data from source tests and continuous emissions monitors for the purpose of completing the detailed analysis regarding pollutant emission changes associated with the permitted increase in petroleum coke usage at the Hanson facility. This analysis is expected to be completed and submitted to EPA in June 2008. To date, the available information supports the Air District's finding that the project did not result in a significant increase in criteria or toxic air pollutant emissions. Hanson has also submitted information indicating that the project did not increase greenhouse gas emissions, and the Air District is working to confirm this.
- Hanson has subsequently submitted two permit applications for additional changes to fuels used in its kiln: (1) Application #16848 is a request to further increase the permitted coke usage from 20 ton/hr to 27 ton/hr, and (2) Application #16612 is a request to use biofuels in the kiln. Both of these applications are currently incomplete and have been placed on an inactive status at the request of the applicant. Upon activation, Air District staff will evaluate whether these projects trigger requirements for environmental impact review under CEQA.
- Air District staff has contacted representatives of Hanson for the purpose of conducting outreach to truckers regarding the availability of goods movement program grants to reduce emissions from on-road trucks using the facility.
- Air District staff is exploring issues associated with locating an air monitoring station in the vicinity of the Hanson facility as requested by community members.
- Santa Clara County indicates that the Hanson Quarry Reclamation Plan Amendment is currently on hold pending additional geologic studies.

Fact Sheet
Lennar Bay View Hunters Point Shipyard Parcel A' Redevelopment Project
Asbestos Dust Mitigation Plan

Background

- In 2005, the Board of Supervisors of the City and County of San Francisco, and the San Francisco Redevelopment Agency, approved the transfer of Parcel A' of the Bay View Hunters Point Shipyard to Lennar BVHP, LLC ("Lennar") for a redevelopment project in which Lennar plans to construct approximately 1,600 attached single family homes.
- Parcel A' is located in an area that contains naturally occurring asbestos (NOA), which is a term used for several types of fibrous minerals found in ultramafic and serpentine rock. Grading and construction activities at the site are subject to requirements of CARB's Asbestos Airborne Toxic Control Measure for Construction, Grading, Quarrying, and Surface Mining Operations ("the ATCM"), which is intended to limit the public's exposure to NOA.
- The ATCM requires that construction and grading operations be conducted in accordance with an Asbestos Dust Mitigation Plan (ADMP) that has been approved by the local air district. ADMPs must contain dust mitigation measures addressing topics such as the control of dust tracked out from the construction site, and the limitation of dust emissions from the offsite transportation of excavated soil. The ATCM also allows air districts to require that an ADMP provide for ambient air monitoring for asbestos.
- On October 7, 2005, the Air District approved the ADMP that Lennar submitted pursuant to the ATCM. The ADMP includes all the dust mitigation measures the ATCM mandates, and further requires Lennar to conduct air monitoring for asbestos and establishes specific action levels based on air monitoring results. The ADMP includes, among other mitigation measures, measures to suppress dust during earth moving activities; prevent track-out of dust onto public roads; limit the emission of dust from soil storage piles and during offsite soil transport; and stabilize the ground after construction.
- In order to protect public health, the Air District incorporated into the ADMP requirements that Lennar take action to reduce the concentration of asbestos in the air around Parcel A' when the ADMP-required air monitors indicate asbestos concentrations have reached either of two action levels. The Air District based the action levels on health risk assessment protocols established by the State Office of Environmental Health Hazard Assessment (OEHHA). The first action level in the ADMP is set at 1,600 asbestos structures per cubic meter and requires that Lennar notify the Air District and implement more stringent dust control measures. The second action level in the ADMP is set at 16,000 asbestos structures per cubic meter and requires Lennar to stop work until asbestos levels decline.
- The Air District considers the action levels established in the approved ADMP to be conservative and health protective because they are based on annual average concentrations and assume continuous exposure over a 70-year lifetime. Exceeding the action levels on an occasional basis will not cause any significant increase in health risk.

- Based on ambient asbestos monitoring data, and using risk assessment protocols established by OEHHA, the Air District has estimated the cancer health risk associated with NOA released by construction and grading activity at Parcel A' by monitoring station as follows: Station HV1 – 2.0 in a million, Station HV2 – 1.2 in a million, Station HV4 – 2.5 in a million, Station HV5 – 1.0 in a million, Station HV6 – 0.62 in a million. These risk estimates are well below established significance levels for projects.
- The Air District issued the following two Notices of Violation (NOVs) to Lennar alleging violations of the ADMP: NOV#A46068, issued 9/9/06, alleges a failure to properly conduct air monitoring for a period of time, and a failure to provide a gravel truck wheel wash bed at an exit road. NOV#A46075, issued 10/26/07, alleges the overfilling of trucks with material and a failure to maintain wheel wash beds free of accumulated material.

Public Comments/Issues

- Air District staff met with Bay View Hunters Point (BVHP) community members to discuss concerns regarding health effects resulting from construction activities at the Parcel A' site, and in particular Lennar's violations of its ADMP. Air District staff met with Minister Christopher Mohammed first on November 14, 2007, and again on March 18 and April 15, 2008, along with other community members of BVHP.

Project Status

- Lennar has completed major grading at Parcel A', though other work subject to the ATCM continues. The Air District continues to conduct frequent, regular inspections to determine compliance with the ATCM.
- The violations at the Parcel A' site were corrected by Lennar shortly after the NOVs were issued by the Air District. Final disposition of the NOVs is pending.

Fact Sheet
San Francisco Electric Reliability Project
Permit Application for a Peaking Power Plant

Background

- The City and County of San Francisco is proposing to construct and operate a peaking power plant at the corner of 25th and Maryland Streets in the Potrero District of San Francisco on a 4-acre site of City-owned land. The project is known as the San Francisco Electric Reliability Project (SFERP). It is the City's belief that the SFERP, along with a separate smaller power plant to be located at the San Francisco International Airport, will allow for the shutdown of the existing Mirant Potrero Power Plant.
- On March 25, 2005, the City submitted a permit application (Application #12344) to the Air District for the SFERP. The proposed project is a nominal 145-megawatt (MW) simple-cycle power plant, consisting of three natural gas-fired, General Electric LM 6000 gas turbines, and associated equipment. An Application for Certification was also filed with the California Energy Commission (CEC). The CEC is the lead agency responsible for licensing thermal power plants with a power output of 50-MW or greater.
- In accordance with Air District Reg. 2-2, the combustion turbines must use the Best Available Technology (BACT) to minimize emissions of nitrogen oxides (NO_x), precursor organic compounds (POC), and carbon monoxide (CO). Emissions of all regulated air pollutants will be less than 100 tons per year; therefore, the SFERP will not be a Major Facility under Air District regulations, nor will it trigger federal Prevention of Significant Deterioration (PSD) analysis requirements.
- Each gas turbine will be equipped with evaporative inter-cooling and water injection to minimize NO_x emissions. NO_x emissions will be further reduced through the use of a selective catalytic reduction (SCR) system using ammonia injection. Each turbine will also be equipped with an oxidation catalyst to reduce CO and POC emissions to achieve BACT-levels of control. The gas turbines will exclusively use commercial natural gas as a fuel to further minimize emissions of various regulated pollutants including SO₂ and particulate matter.
- The Air District performed a health risk screening analysis (HRSA) for the project. The results of the HRSA indicate that the maximum increased cancer risk from the project is less than 1.0 in one million. Also, the non-cancer hazard index was determined to be less than 1.0. These cancer and non-cancer health risks meet the requirements of the Air District's Reg. 2-5.
- Emission increases of POC and NO_x from the project will be mitigated by the purchase of emission reduction credits (ERCs) from offset holders within the City of San Francisco. The CEC has also required that PM emission increases from the project be mitigated.

- The impact of the SFERP on ambient air quality was evaluated using air dispersion models. The results of this analysis indicate that the project would not interfere with the attainment or maintenance of applicable ambient air quality standards.
- In January of 2006, the Air District issued a Final Determination of Compliance (FDOC) for the SFERP, concluding that the project, with appropriate permit conditions, would comply with all applicable air quality requirements.
- On October 3, 2006 the CEC approved the SFERP and granted a power plant license.

Public Comments/Issues

- The Air District held a public comment period at the time of issuance of a Preliminary Determination of Compliance for the project. Several comment letters were received from community groups and individuals. Concerns were expressed about air quality and environmental justice issues.
- Four CEC workshops were conducted between August 2005 and January 2006. Air District staff was in attendance at all of these workshops to address any comments and questions on air quality issues.
- In February 2006, several environmental groups filed an appeal on the Air District's FDOC to the Air District's Hearing Board. The Hearing Board denied the appeal on April 20, 2006.
- In February 2007, an appeal was filed with the California Supreme Court on the CEC's approval of the SFERP. Plaintiffs claimed that the proposed project would endanger public health or welfare, violate the Federal Clean Air Act, and lower the value of their real properties. The California Supreme Court denied the plaintiff's appeal.
- On September 24, 2007, plaintiffs filed a lawsuit in Federal Court seeking an injunction against the project. The Federal Court dismissed the plaintiffs' lawsuit.

Project Status

- The City is currently in the final stages of issuing the necessary approvals to move forward with the SFERP, and has held a number of public hearings on the matter over the last six months. Air District staff participated in several of these public hearings at the request of the City.
- On April 2, 2008, the City surrendered the required ERC certificates to the Air District for the SFERP, and requested the issuance of an Authority to Construct. The Air District is currently processing this request. Air District staff believes that recent requests for the Air District to hold a public hearing prior to issuance of the Authority to Construct are not justified given that ample opportunities for public input have already been provided.

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: May 12, 2008

Re: Status Report on Proposed Regulation 6, Rule 3: Wood-Burning Devices

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The Air District identified control of wood smoke emissions from wood-burning devices in its “Particulate Matter (PM) Implementation Schedule,” created pursuant to SB 656 in 2005, and began development of a comprehensive wood smoke strategy. During the 07/08 winter the Air District experienced 7 days over the $35 \mu\text{g}/\text{m}^3$ 24-hr National standard, and ambient air monitoring data indicates that residential wood smoke contributes the largest fraction of $\text{PM}_{2.5}$, comprising up to 33% of peak winter $\text{PM}_{2.5}$ levels. The Air District will likely be classified as non-attainment for the National standard and unable to attain that standard without a wood smoke reduction rule.

Staff reviewed current efforts at other districts, as well as past Air District efforts, in order to develop the most effective regulatory language. The Air District held seven (7) public workshops on proposed draft rule Regulation 6, Rule 3, “Wood-Burning Devices”, in November 2007. The initial public comment period for the draft new rule closed on December 10, 2007. Based on comments received and need for further rule clarification, staff revised the rule and presented the revised draft at the March 17, 2008, Stationary Source Committee meeting. Staff summarized the public workshop comments received as of that date and identified next steps in the rule development process.

Staff held additional informational meetings this past April in nine (9) locations around the Bay Area in order to emphasize the adverse health impacts of PM, identify increased outreach efforts and outline enforcement procedures. Active participants during both sets of public meetings included representatives of the American Lung Association, the Hearth, Patio and Barbecue Association (manufacturers and vendors of wood-burning-device-related equipment) and many individual residents, and both verbal and written comments have been received on the proposed rule.

During this same time staff issued a Notice of Preparation for an Environmental Impact Report (EIR). The public comment period for that ended April 11, 2008; no comments were received. Subsequently, staff noticed the EIR for Public comment on May 5, 2008. The deadline for public comment for the EIR is June 18, 2008.

DISCUSSION

Staff will provide the Committee with the following information:

- Rule Development Process for Reg 6-3;
- Environmental Impact Report for the rule;
- Issues expressed at the public meetings;
- Next steps toward public hearing.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Janet Glasgow
Reviewed by: Kelly Wee