

**Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000**

APPROVED MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
9:30 a.m., Monday, October 19, 2009

Call to Order – Roll Call: Chairperson John Gioia called the meeting to order at 9:32 a.m. without an initial quorum.

Present: John Gioia, Chairperson; Committee Members Susan Garner, Carole Groom, Scott Haggerty, Mark Ross and Brad Wagenknecht

Absent: Vice Chairperson Carol Klatt; Committee Members Nate Miley and Gayle B. Uilkema

Public Comment Period:

Ray Davis, Los Gatos, spoke in opposition to the Lehigh Cement Plant's permit renewal, citing health and safety concerns and the plant's emission of dust.

Status Report on the Flare Minimization Plan (FMP) Second Annual Updates under Regulation 12, Rule 12: Flares at Petroleum Refineries:

Senior Advanced Projects Advisor, Alex Ezersky, provided the second annual update of the Flare Minimization Plan (FMP) under Regulation 12, Rule 12: Flares at Petroleum Refineries, stating that in July 2005 the Board adopted the first flare minimization plan Rule, which requires information from facilities, prevention measures taken to permanently capture current emissions reductions and planned measures to further reduce flare emissions, and commitments to implement feasible prevention measures. He said initial FMPs were approved on July 16, 2007 and the first update process was approved on April 17, 2009.

Mr. Ezersky noted that one public comment was received during the first annual update and staff took action in response to standardize the content of the Executive Summary and came up with consistent metrics to help the public understand how progress is made. This information was also added to the website as well as graphics on emission trends and summary data related to causal events.

He said prevention and minimization efforts are focused on source reduction, vent gas compressor capacity, fuel gas balance, and scrubbing sour gasses. The District sees gains in all categories, and he presented graphs showing a 60% reduction of vent gas volumes, CH₄ emissions, NMHC emissions and SO₂ emissions.

Chairperson Gioia acknowledged and confirmed with Mr. Ezersky that the Rule has intended to lower volumes across the board with refineries over the years, noting that there are some years that are greater than others and this is part of the whole long-term strategy.

Mr. Ezersky further presented five-year annual averages for the five refineries and noted next steps would include release of all 5 FMPs for public comment which ends November 15, 2009, staff consideration of public comments, and review and approval/disapproval of the FMP.

Committee Member Comments/Questions:

Director Garner referred to one event which accounted for emissions in 2009 and she confirmed it was a maintenance event for the CP Refinery.

Public Comments:

Joanne Genet, PEHAB, thanked the Committee for their work on the FMP and said they will continue to monitor them and provide input. She continues to be concerned with the large, singular events, stating that the graphs shown are averages.

Mr. Wee concluded, stating that after the close of the public comment period, staff will take comments into consideration and anticipates returning to the Committee in the first quarter of 2010 for an update.

Update on Bay Area Emission Inventory Trends:

Planning, Rules and Research Director, Henry Hilken provided an overview of trends in the Bay Area emissions inventory and described the various annual averages of sources, their breakdowns and percentages.

Chairperson Gioia suggested that, to better understand what the emission sources are, it may be useful in a footnote or separate page to define the major sources under each category, such as hairspray falling under the category of consumer products.

Director Haggerty referred to landfills and the release of methane. He confirmed with Mr. Hilken that much of the methane from landfills is captured which is burned in a flare or turbine, and about one-quarter of gases are not collected, and are emitted. Director Haggerty said he would like to see what progress has been made and whether there is room for additional improvements.

Mr. Hilken continued with his presentation and presented a historical view of trends from 1980 to 2010 based on activities and controls of the base year from 2005 inventory. So much of the District's focus has been on ozone, many reductions are from mobile source regulations that have been adopted, and in future years particulate matter trends will be reduced given added focus.

Board Chairperson Torliatt referred to PM_{2.5} and believed the wood smoke rule would have produced more significant results, and Mr. Hilken noted that the inventory is based on 2005 and the wood smoke rule or other rules adopted since 2005 are not reflected.

Mr. Hilken then presented and described stationary source emission trends from 1980 to 2010 and noted that rules adopted after 2005 should significantly affect data trends. He said the Board has adopted a series of rules which have led to important reductions dealing with reactive organic gas emissions at refineries, fugitive emissions from valves and flanges and other sources. In the early 1990's, the Board adopted two major NO_x rules; one for refinery boilers and one for power plant boilers, which

significantly reduced NOx emissions between 2005 and 2010. For power plants, for everything but NOx, the units are very small.

Mr. Hilken presented a table that highlights emission reductions from adopted control measures from 1992 to 2008, which are significant. He concluded his presentation by discussing monitoring data trends, which show both the state and federal ozone standard in the late 1960's at 88/57 exceedances, which has been brought down to 11/8 exceedances in 2009, as well as cancer risk in 1990 from 1310 in a million down to 410 in a million in 2006.

Committee Member Comments/Questions:

Director Haggerty asked for current cancer risk data. He thinks the information is a great story to tell and suggested a press conference be held to get the information out. He believes industry would want to also step up and be acknowledged for their improvements and adherence to rules.

Chairperson Gioia said the review of trend data allows the Committee to look at where rules may or may not have been effective in moving forward, and he recognized both the regulatory authorities and stakeholders in helping to bring changes about.

Director Ross questioned why the increase in refinery SO₂ from 2005 to 2010, and Mr. Hilken said it is due to an increase in throughput in refineries, and contributes to a slight increase in all bars. Director Ross questioned if it was due to using different slates of crude and Mr. Hilken replied that the assumption is measured as a standard source of fuel.

Director Garner referred to progress in all areas given the per capita increase except for particulate matter. She questioned if there has been thought to target the largest sector; domestic combustion and think about a rule that might help to make progress in that area. Mr. Hilken said the wood smoke rule is a very important step in these reductions and he also noted there will be a proposed rule in the 2009 Clean Air Plan for residential furnaces. Director Garner confirmed that a cooking rule was brought forward as well after 2005, which will affect trends.

Public Comments:

Dennis Bolt, Western States Petroleum Association, thanked the District for their collaboration and partnership with their industry and said they are proud to be part of the emission reduction efforts. He reported a projected reduction in SO₂ refinery emissions as a result of three refinery modernization projects, said that approximately 4 tons of an 80 ton PM_{2.5} inventory contributes to stationary source emissions. Refinery emissions are 2-3% of the entire emissions inventory and he believed that mobile source and off-road reductions are the direct result of the combination of cleaner burning fuels and engine technologies.

Ray Davis reiterated his concerns about pollution from the Lehigh Cement Plant.

Todd Lopez, Valero Refining, thanked staff for presenting reductions, observed that refinery ROG emissions have dropped by 90% over the years and noted they have improvements which will reduce NOx emissions by further by 2010. He said Valero has approximately 17 refineries across North America and almost their entire capital budget is being spent on a significant scrubber project in Benicia, which will reduce SO₂ by 6,000 tons a year, cutting the bar almost in half by 2010.

Committee Member Comments/Questions:

Director Haggerty requested staff further break down emission trends by region, and Ms. Roggenkamp confirmed that staff has a by-County inventory, which is posted on the District's website and could be forwarded to the Committee via email.

Director Wagenknecht agreed and said there are trends in certain counties that are not pertinent to other counties, citing wood smoke's predominance in Napa, and he agreed it would be helpful to see the breakdown of emissions by County.

Chairperson Gioia suggested the opportunity to develop additional data in emission categories by region such that the lay person understands what it means. Also helpful in moving forward would be updates on the new initiatives and their projected emissions savings.

Approval of Minutes of July 13, 2009

Committee Action: Director Haggerty made a motion to approve the Minutes of July 13, 2009; Director Wagenknecht seconded the motion; unanimously carried without objection (Groom abstained).

Committee Member Comments/Other Business: There were none.

Time and Place of Next Meeting: Monday, 9:30 a.m. on Monday, November 16, 2009.

Adjournment: The meeting adjourned at 10:32 a.m.

/s/ Lisa Harper
Lisa Harper
Clerk of the Boards