



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE COMMITTEE MEETING

COMMITTEE MEMBERS

JOHN GIOIA – CHAIRPERSON
SUSAN GARNER
NATE MILEY
MICHAEL SHIMANSKY

CAROL KLATT - VICE CHAIRPERSON
SCOTT HAGGERTY
MARK ROSS
GAYLE B. UILKEMA
BRAD WAGENKNECHT

MONDAY
APRIL 20, 2009
9:30 A.M.

7th FLOOR BOARD ROOM
DISTRICT OFFICES

REVISED 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 JANUARY 12, 2009**
4. **OVERVIEW OF 2008/2009 WOODSMOKE REDUCTION PROGRAM**

K. Wee/4760

kwee@baaqmd.gov

Staff will present a review of the 2008/2009 Wood Smoke Reduction Program and discuss program enhancements for the 2009/2010 season for: data analysis/modeling; forecasting; public outreach & compliance and enforcement.

5. **STATUS REPORT ON THE FLARE MINIMIZATION PLAN FIRST ANNUAL UPDATES UNDER REGULATION 12, RULE 12: FLARES AT PETROLEUM REFINERIES**

K. Wee/4760

kwee@baaqmd.gov

The Committee will receive a report on the Flare Minimization Plan (FMP) first annual updates submitted under Regulation 12, Rule 12: Flares at Petroleum Refineries.

K. Wee/4760

kwee@baaqmd.gov

The Committee will receive a status report on the California Air Resources Board Enhanced Vapor Recovery program and the April 1, 2009 Phase II deadline.

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, JULY 20, 2009 – 939 ELLIS STREET, SAN FRANCISCO, CA 94109**

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.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's headquarters at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the Air District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

APRIL 2009

<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	15	9:45 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday of each Month)</i>	Wednesday	15	Immediately Following Board of Directors Regular Meeting	Board Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Friday	17	9:30 a.m.	4th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	20	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i> CANCELLED – TO BE RESCHEDULED	Thursday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Standing Committee Meeting Date Under Consideration)</i>	Wednesday	29	9:30 a.m.	4 th Floor Conf. Room

MAY 2009

<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	6	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday of each Month)</i>	Thursday	14	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	14	Immediately Following Legislative Cme. Meeting	4th Floor Conf. Room

May 2009 Calendar Continued on Next Page

MAY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Joint Policy Committee	Friday	15	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

JUNE 2009

Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month)</i>	Thursday	4	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday of each Month)</i>	Thursday	11	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	11	Immediately Following Legislative Cme. Meeting	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	4 th Floor Conf. Room

VJ – 4/14/09 (3:30 p.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Gioia and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 13, 2009

Re: Stationary Source Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Stationary Source Committee meeting of January 12, 2009.

DISCUSSION

Attached for your review and approval are the draft minutes of the January 12, 2009 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, January 12, 2009

- 1. Call to Order – Roll Call:** Chairperson John Gioia called the meeting to order at 9:34 a.m.

Present: Chairperson John Gioia; Vice Chairperson Carol Klatt; Committee Members Sue Garner, Scott Haggerty, Nate Miley, Michael Shimansky, Gayle B. Uilkema and Brad Wagenknecht

Absent: Mark Ross

- 2. Public Comment Period:**

Audrey LePell, Citizens Against Pollution (CAP), questioned CARE program efforts and requested a calendar of meetings.

Michael Boyd, CARE, questioned the Air District's compliance with Brown Act and Clean Air Act requirements, and requested the agenda contain additional, descriptive information.

Francisco DaCosta, Environmental Justice Advocacy, spoke of recent investigations by law enforcement officials regarding pollution activities by Lennar.

Willie Ratcliffe voiced concerns about pollution in Bay View Hunters Point.

Mr. Broadbent explained that Bay View Hunters Point would be discussed under Agenda Item 6. Mr. Bunker reported that the agenda was Brown Act-compliant, and that additional description could be provided in the future.

- 3. Approval of Minutes of September 15, 2008:** Director Shimansky moved approval of the minutes, seconded by Director Haggerty; carried unanimously without objection.

Chairperson Gioia announced that Item 6 would be moved up on the agenda for the benefit of audience members.

- 6. Status Update on Various Bay Area Projects and Facilities:** *The Committee received a status report on various Bay Area projects and facilities.*

Deputy APCO Jeffrey McKay, gave the staff report, stating concern had been expressed regarding several Bay Area projects and facilities which fall under the Air District's regulatory jurisdiction, which includes:

1. Pacific Steel Casting Company;

2. Custom Alloy Scrap Sales;
3. Russell City Energy Center Project;
4. Lennar Bay View Hunters Point Shipyard Parcel A' Redevelopment Project;
5. Lehigh Southwest Cement Plant (formerly Hanson).

Mr. McKay described each facility, its products and operations, emission controls, and specific community concerns associated with each facility, as follows:

Pacific Steel Casting Company - Foundry facility that produces steel castings, consisting of three separate plants that produce castings of different sizes and shapes. Sources of PM are controlled by baghouse and odorous pouring and cooling emissions are controlled by baghouse and carbon adsorber. Community concerns consist of odors and toxics-especially metals.

Actions taken: Carbon adsorption units; capture of fugitive emissions from furnaces; switch to lower VOC binders; odor management plan; health risk assessment; Berkeley air monitoring station results due in February, and continuation of frequent inspections.

Committee members requested specific data regarding emissions, actual numbers of the source and investment by company of technology improvements, and asked that a cumulative risk assessment be reviewed when the District embarks upon this in the upcoming year.

Custom Alloy Scrap Sales, Inc. – Metal recycling facility established in 1970. Sweat and holding furnace are abated by afterburners and baghouse; reverberatory furnace is abated by baghouse; control devices have continuous monitors. Community concerns consist of toxics – especially metals, odors, visible emissions, and truck emissions.

Actions taken: Health risk screening analysis; increased frequency of inspections; commitment to conduct ambient air monitoring; outreach to truck operators regarding grant funding.

Mr. McKay confirmed with Committee members that specific data and numbers regarding emissions, as well actual numbers of the source and investment by company of technology improvements, could similarly be provided for all projects.

Russell City Energy Center (Proposed) – Power plant project. Exclusive use of natural gas; NOx: Selective catalytic reduction; CO, POC: Oxidation catalysts; All necessary regulatory approvals in 2002 and there is an amended proposal in 2006 to move the site 1,300 feet. The 2006 Permit Amendment - CEC License issued in September 2007; District Authority to Construct issued in November 2007, and unsuccessful appeals to the CA Supreme Court and Hearing Board; EPA Environmental Appeals Board remanded PSD Permit; re-noticing has been completed, and a public hearing is scheduled for January 21, 2009.

Committee members questioned the purpose of the public hearing and best available technology, confirmed that the CEC is the lead agency, that the Air District does not have a Rule on imposing additional conditions on the permit relative to the cumulative impacts the facility may cause, but additional or more stringent permit conditions could be imposed if significant, new information were brought forward.

Lennar Bay View Hunters Point Shipyard Parcel A' Redevelopment Project – 1,600 single family home project; area of naturally occurring asbestos; requires an Asbestos Dust Mitigation Plan (ADMP) which District approved. Grading began in January 2006 and two NOV's were issued. District staff continues to conduct daily on-site inspections and hold meetings with community members. Recent events include air monitor readings exceeding the "stop-work" action level on

12/29/08 and 12/30/08, and an investigation is underway to determine facts and analysis of cause.

Committee members confirmed with staff that the stop work orders were one-day orders. An investigation timeline would be prepared and a process for utilization of settlement funds can be developed potentially through an advisory group process.

Lehigh Southwest Cement Plant (formerly Hanson) – A quarry and cement plant established in 1939. Facility converted from a wet process to a more efficient dry process kiln system in 1980; permit condition change issued in May 2007 to allow for switch to 100% coke usage. EPA requested demonstration that the fuel switch project did not trigger PSD permit requirements.

Community concerns include quarry reclamation plan amendment, currently on hold, which would move their quarry work closer to the community, concerns of hexavalent chromium, mercury, asbestos, dust/particulate matter and truck emissions.

The Health Risk Assessment determined mercury and chromium emissions were not significant. Further testing is being done for metals content in fugitive dust. CARB determined that asbestos ATCM does not apply, the District has installed continuous PM ambient air monitor, and outreach continues with truck operators regarding grant funding.

Committee members discussed the investigation and legal processes if it is determined violations occurred and confirmed that the matter would be addressed in an expedient timeframe.

Committee members requested that a briefing be provided on the two new power plants in Contra Costa County, specifically Antioch and Pittsburg. Also requested were Fact Sheets to be posted to the District's website for each project.

Public Comments:

Cameron Wilson, Global Community Monitor, expressed concerns of odor, dismantling activities and emissions at Custom Alloy Scrap Sales in Oakland.

Ray Kidd, West Oakland Air Monitors, felt the CASS issue was best addressed under the CARE program, discussed a nearby school downwind from the facility, air sampling and elevated levels of contaminants.

Michael Boyd, CARE, distributed a claim/complaint to bring legal action against Lennar in federal court for exposure of residents and workers in Bay View Hunters Point. He discussed various allegations and extended an invitation to staff and Board Members to the January 15th Town Hall meeting at the Grace Tabernacle Church.

Committee members confirmed with Mr. Boyd that he hoped to specifically gain public participation prior to entering into settlement agreements, wants meaningful and informed CEQA noticing on the Asbestos Dust Mitigation Plan, assistance in collecting damages and confirmed that a public meeting would be held Wednesday, January 21, 2009 at the Hayward City Hall.

In response to questions of Committee members, Mr. Bunger explained the legal process in addressing the complaint.

Denny Larson, Global Community Monitor, requested immediate action be taken against open air dismantling operations at CASS by the public, which was causing high levels and release of toxics.

Ernest Pacheco, Citizens Against Pollution, disagreed with the adequacy of noticing requirements for the Russell City Energy Center and asked that the District identify that the PDOC is invalid and require the applicant to re-file for a license.

In response to questions of Committee Members, Mr. Bunger said the District's noticing was done correctly and staff was moving forward with the required process. He confirmed the public meeting would be held Wednesday, January 21st and that the comment period closes January 23, 2009.

Audrey LePell, Citizens Against Pollution, described the additional presence of Acrolein, questioned the PSD process and noted the numerous public comments made.

Linda McFadden, WDAM, said she looks forward to moving forward and collaborating on the CARE program, discussed the notice of violations issued to CASS and asked for enhanced enforcement and regulation of scrap metal industries.

Andy Wilson, CAP and CAL Pilots, discussed a paper regarding thermal plumes which he said may affect the Russell City project and airports. He requested a new, 45-day notice for the first hearing and an additional 45-day notice on the second hearing in Hayward.

Francisco DaCosta, Environmental Justice Advocacy, voiced opposition over exceedances, the settlement amount, monitoring of Lennar, and health impacts.

Rob Simpson, discussed fast start technology, noted over 600 public comments were received on the Russell City project and said if the PSD permit was remanded, the Authority to Construct should also be remanded.

Willie Ratcliff spoke of exceedances at the Lennar site, voiced concern over the public's health, and asked that the settlement money be used to test emissions.

Elizabeth M. deRham, Rose Foundation for Communities and the Environment, discussed their work with high school students, said the City of Oakland has pressed charges against CASS for hazardous materials violations, asked that CASS be included in the CARE Program, voiced concern over scrap metals being broken down and lead, aluminum, cadmium and other toxins being released, and requested additional testing be provided.

Leslie Fowler, West Valley Citizens Air Watch, spoke of schools affected by the Lehigh Southwest Cement Plant, smells, residue on cars and driveways caused from the plant, requested the plant be retrofitted for cleaner, natural gas, and spoke of health impacts.

Joyce Eden, West Valley Citizens Air Watch, believed the Lehigh plant was not adequately regulated, voiced concern over cancer and asthma-related illnesses, disagreed that petroleum coke was less polluting, asked that the Fact Sheets be posted to the District's website, and believed that the Board had the power to make regulations more protective.

Lynne Brown, CARE, voiced concern about Lennar's continuation of work under stop notices, thinks that 16,000 cubic centimeters of asbestos is significant and spoke of health impacts.

Mr. Broadbent noted that decisions on permitting are established by the APCO and handled by staff that issue the permit and/or deny permit applications. They are not determined by the Board of Directors; however, staff was seeking further direction. He did not recommend extending the public comment period for Russell City and requested Mr. Bateman discuss the PSD process.

Director of Engineering, Brian Bateman, discussed the hearing process, public comment period, and process of determining the need for more stringent permit conditions.

Director of Enforcement, Kelly Wee, discussed approaches to controlling emissions from construction activities at Lennar through the Asbestos Dust Mitigation Plan and ambient monitoring, and said levels were set to be consistent with other air projects and guidelines.

Committee Members discussed with staff re-noticing of the public hearing, the CEC process, administration of the PSD permit, additional placement of monitoring devices, meetings between Air District staff and communities, request for website information and links to the Response to Comments document, retrofit of machinery and state-of-the-art technology, potential implementation of more stringent regulatory options, and keeping the Board of Directors updated weekly on each project.

4. Proposed Amendments To Regulation 8, Rule 33: Gasoline Bulk Terminals And Gasoline Delivery Vehicles And Regulation 8, Rule 39: Gasoline Bulk Plants And Gasoline Delivery Vehicles: *The Committee received an update on proposed amendments to Regulation 8, Rule 33: Gasoline Bulk Terminals and Gasoline Delivery Vehicles and Regulation 8, Rule 39: Gasoline Bulk Plants and Gasoline Delivery Vehicles*

Senior Air Quality Engineer, Guy Gimlen, presented an update on the proposed amendments to Regulation 8, Rule 33: Gasoline Bulk Terminals and Gasoline Delivery Vehicles and Regulation 8, rule 39: Gasoline Bulk Plants and Gasoline Delivery Vehicles.

He gave a background on the 2005 Ozone Strategy Control Measure SS-7 and said rules apply to loading of liquid gasoline from a gasoline terminal or a gasoline bulk plant. Terminals, bulk plants and delivery vehicles must meet California Air Resources Board requirements and be certified. He stated that Regulation 8, Rule 33 was adopted in 1983 and last amended in 1994, and Regulation 8, Rule 39 was adopted in 1987 and last amended in 1994.

Mr. Gimlen presented a gasoline bulk terminal and bulk plant distribution system chart and a graphic of a typical gasoline cargo tank at a loading rack, and reported that the proposed amendments will:

- Reduce emissions standard
- Monitor vapor recovery performance
- Install pressure sensors
- Monitor vapor storage tanks
- Reduce liquid leak limit
- Install additional valves for maintenance
- Provide portable container for cleanup and maintenance
- Hang vapor hoses out of the truck driveway
- Install sample lines
- Develop a monitoring, inspection, notification and reporting protocol

He further described emission reductions and costs, stating that:

- Current emissions are 0.52 tons per day
- 10% emissions reduction – 0.06 tons per day
- Reduce frequency and magnitude of emissions from episodic events.

He presented cost estimates for the various proposals as follows:

- Vapor Recovery Unit monitors: \$100,000 capital, \$18,000 annually;
- Pressure sensors/alarms per loading rack: \$20,000 capital, \$3,400 annually;
- Additional Valves: \$1,000 each
- Portable Maintenance Container: \$5,000
- Vapor hose hanger: \$500 each
- Sample lines: \$1,500 each

He noted that cost effectiveness ranged from \$4,000 to \$25,000 per ton of reduced VOC's, that the California Air Resources Board has the sole authority to reduce vapor limits, and they have been asked to review this. Staff will be proposing a resolution for consideration by the Board to direct staff to request CARB lower limits across the state.

Committee Members briefly discussed vapor recovery systems, gasoline facility seals, and potential leakage when the smell of gas was present.

Regarding the Rule development process, Mr. Gimlen discussed the holding of several meetings and workshops with Western States Petroleum Association (WSPA), bulk terminal operators and regular terminal operators, conference calls, and said minor revisions were made based on comments received. He noted that seven facilities were already in compliance with the Rules, no significant adverse impacts were found after completion of CEQA and socio-economic analyses, the public comment period closes on January 21, 2009, and a public hearing is set for February 4, 2009.

Public Comments:

Dennis Bolt, WSPA, clarified that the locations are those that receive the finished product for distribution to retail outlets. He said their organization has not been able to meet, voiced concern about facilities being able to comply given manpower and technology, and asked that the Rules' adoption be held off another month.

There was consensus among Committee Members for the item to move forward to the full Board of Directors at the February 5, 2009 public hearing.

5. **Proposed Amendments To Regulation 8, Rule 3: Architectural Coatings:** *The Committee deferred the item regarding an update on proposed amendments to Regulation 8, Rule 3: Architectural Coatings to the next regular meeting.*
7. **Consideration and Discussion of Draft Protocol for Notification of Settlements:** *The Committee considered a protocol for notification of the Board and the Public when high profile settlements are reached.*

Executive Officer/APCO, Jack Broadbent said at its October 1, 2008 meeting, the Board directed that the Stationary Source Committee discuss and develop a threshold for notification

of high profile settlements to the Board, which came out of facts surrounding the Lennar settlement. He discussed the proposed protocol, as follows:

- A notification threshold of \$100,000 will result in approximately five notifications per year;
- All Board Members will be notified within three business days of settlement;
- The public will have access to a list server to provide notification within three business days of settlement;
- Receipt of funds is not guaranteed following settlement: re-notification may be required.

Committee Members discussed the settlement agreement, notification process and the number of press releases per year. Chairperson Gioia requested that all Board Members be notified within one business day and for Mr. Broadbent to exercise his discretion in notifying the Board under circumstances where the threshold is under \$100,000.

Public comments:

Francisco DaCosta, Environmental Justice Advocacy, supported fine-tuning of the notification process.

Michael Boyd, CARE, voiced objection to the proposed protocol, stated it was not in compliance with the Clean Air Act and requested proper noticing.

Chairperson Gioia requested Mr. Bunger review the policy to ensure it met all legal requirements including the Clean Air Act, and to include the policy in the Board staff report for the January 21, 2009 Board of Directors meeting. Director Torliatt questioned whether there was a threshold for a press release and a threshold for notice to the Board, and requested that a written policy be developed.

There was no action to be taken, and the Committee received and filed the report.

- 8. Committee Member Comments/Other Business:** There were none.
- 9. Time and Place of Next Meeting:** Monday, 9:30 a.m., March 16, 2009.
- 10. Adjournment:** The meeting adjourned at 12:17 p.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Gioia and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 20, 2009

Re: Overview of the 2008/2009 Wood Smoke Reduction Program

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

Speciated monitoring results from previous years have shown that residential wood-burning represented the largest source of PM_{2.5} in the Bay Area, up to 30-40% during peak pollution days. In order to protect Bay Area residents from the public health impacts of fine particulate matter (PM) and to reduce harmful emissions from wood smoke pollution, on July 9, 2008 the Air District Board of Directors adopted Regulation 6, Rule 3: Wood-burning Devices. The new rule bans burning wood and solid fuels when the Air District issues a *Winter Spare the Air Alert*, limits visible emissions, prohibits burning inappropriate materials, restricts the sale and installation of non-EPA certified wood burning devices within the Air District, and requires labeling on firewood and solid fuels sold within the Air District. In order to be consistent with the rule's mandatory curtailment requirement, outdoor recreational burning, agricultural burning, and other open burning were also banned on those days. The *Winter Spare the Air* season commenced on November 1, 2008 and ended on February 28, 2009.

The primary focus of this season was to educate the public about the new rule, how they could comply and why it is important to public health. Enforcement focused on providing information to residents on how to comply with the rule, issuing warning letters to first-time violators who did not comply and developing enforcement cases for repeat violators. There are four components to the Air District's review of the wood smoke season: program effectiveness on particulate (PM_{2.5}) levels and monitoring/data analysis, forecasting *Winter Spare the Air Alerts* (a.k.a. curtailment days), public outreach, and enforcement.

DISCUSSION

Staff has been in the process of reviewing and evaluating rule implementation during the 2008/2009 wood smoke season and is considering procedural modifications to enhance the program's effectiveness for the upcoming 2009/2010 season.

For the 2008/2009 season, 11 *Winter Spare the Air Alerts* were issued and 13 days were recorded to exceed the national 24-hour ambient air quality standard. Seven of the alert days still exceeded the standard. The alerts were declared at 10 am, based on morning weather forecast data. The curtailment started at noon and continued to noon the next day, or until the Air District lifted the curtailment (e.g. in the case of multi-day events).

The *Winter Spare the Air Alert* advertising and outreach campaign utilized TV, print, billboard, radio, grassroots and in-theater spots. Educational materials were developed and distributed to the public via direct mail, public events, door-to-door canvassing and through the Air District website. The public could be notified of *Winter Spare the Air Alerts* by signing up for AirAlerts emails and/or phone calls. Additionally, the Air District offered a \$200 rebate to residents for upgrading to gas-stoves and gas-inserts. Inspectors conducted wood smoke patrols in all nine Bay Area counties in neighborhoods reported to have wood smoke impacts. Based on survey and neighborhood sampling results conducted by the Air District, household wood burning was reduced significantly throughout the entire season, not just during *Winter Spare the Air Alerts*.

Staff will present a review of the initial 2008/2009 Wood Smoke Reduction Program and discuss enhancements to the 2009/2010 season for modeling/data analysis; forecasting; public outreach; and compliance & enforcement.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Barbara Coler
Reviewed by: Kelly Wee

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Gioia and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 20, 2009

Re: Status Report on the Flare Minimization Plan First Annual Updates under
Regulation 12, Rule 12: Flares at Petroleum Refineries

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

In order to minimize the frequency and magnitude of flaring at petroleum refineries, the Air District Board of Directors adopted Regulation 12-12: Flares at Petroleum Refineries on July 20, 2005. The regulation recognizes that refinery flares are first and foremost a safety device and it allows refineries to develop plans to continuously minimize flaring 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).

Each Flare Minimization Plan 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.

The Air District approved the initial FMP for each refinery on July 16, 2007 after an extensive public process. The regulation functions as a continuous improvement process by requiring the refineries to update their FMP annually to incorporate any new prevention measures developed as a result of investigations into the root causes for significant flaring events.

DISCUSSION

The first annual updates to the Flare Minimization Plans were submitted July 16, 2008. The updates included analysis of the reported cause and associated emissions for each

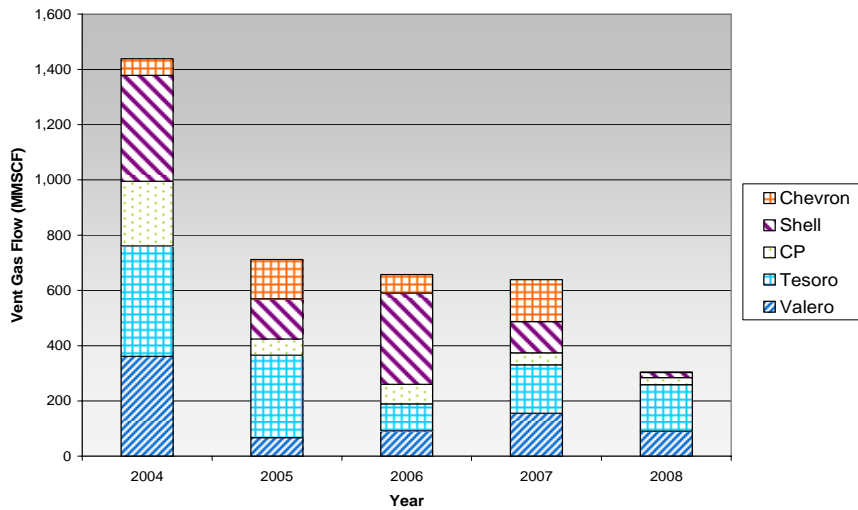
significant flaring event for the time period of June 2006 through May 2008. All of the refineries either added or modified the prevention measures in the plan to improve the plans and further reduce flaring by reducing activities that generate flare vent gases, increasing the scrubbing of vent gases to make them cleaner, and performing improved fuel gas balance during startup and shutdowns. For example, several facilities have improved operation and design of compressors to minimize or prevent flaring; one facility plans to install a new emergency caustic scrubber to remove hydrogen sulfide prior to routing gases to a relief system; one facility has modified startup/shutdown procedures for a process unit that has reduced the amount of gases flared by 33% compared with a prior occasion.

Since adoption of the flare monitoring regulation in 2003 and the flare control regulation in 2005, routine flaring has been essentially eliminated leaving flaring from maintenance activity the main focal point for further reductions. Air pollution emissions of methane and non-methane hydrocarbon have been decreasing every year. Emissions of sulfur dioxide have also been decreasing with the exception of 2008 where two significant flaring events from the Valero and Tesoro refinery caused 138 tons and 171 tons of sulfur dioxide to be emitted, respectively. The Valero flaring event was caused by an unscheduled maintenance shutdown to address a piping problem in the Hydrocracker Unit. The Tesoro flaring event resulted from a maintenance turnaround associated with the #5 Gas Plant.

While emissions from petroleum refinery flares have been showing steady decreases since 2004 for most pollutants, the Air District does expect occasional exceptions to these trends due to the cyclic nature of maintenance activity at refineries. It is not uncommon for maintenance turnarounds to occur on 3 to 5 year intervals. This long time-frame activity makes any short-term analysis of trends difficult. However, the flare control regulation requires a refinery to conduct an analysis into the causes of significant flaring events and as a result the Valero Refinery has put into place new measures to prevent a similar flaring event in the future. Tesoro also has several prevention measures in their FMP to address the #5 Gas Plant maintenance turnaround. These prevention measures resulted in 26% lower vent gas flaring volume, 37% lower sulfur dioxide emissions and 71% lower non-methane hydrocarbon emissions from this event versus a similar event previously.

The graph below illustrates the trend for the total amount of vent gas flared for each refinery since the District required monitoring. Other factors contributing to overall reductions are increased compressor recovery capacities and better management of maintenance practices.

Figure 1: Total Volume of Vent Gas Flared at Bay Area Petroleum Refineries



Significant progress has been made in reducing the frequency and magnitude of flaring since Air District regulations were originally adopted. The flare control regulation is structured to account for the variability between each refinery, to ensure continuous improvement in identifying prevention measures specific to each refinery’s specific circumstance, and to provide an opportunity to consider public input in developing the most effective FMP. The Air District is committed to develop improvements in all aspects of the flare regulations.

The regulation provides an opportunity for public input on the FMP annual updates during a 30-day public comment period, which ran from February 2 through March 3, 2009. The Air District received one comment letter from the Public and Environmental Health Advisory Board for Contra Costa County. After careful evaluation of the information provided by each refinery and in consideration of the public comment received, the Air District required modifications to these first annual Flare Minimization Plan updates to further summarize emission information, including trend information. In the future, in order to make the plans easier for the general public to understand, executive summaries will be required for the plans next year. The first annual updates for the petroleum refinery Flare Minimization Plans were approved by the APCO on April 17, 2009.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alex Ezersky
Reviewed by: Kelly Wee

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Gioia and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 15, 2009

Re: Status Report on the CARB Enhanced Vapor Recovery (EVR) April 1,
2009 Deadline

RECOMMENDED ACTION:

Informational Report. Receive and file.

BACKGROUND

In the Bay Area, approximately 10 million gallons of gasoline are dispensed every day. Gasoline vapor recovery is an important air pollution control program that dates back to the first regulation adopted in the nation by the Bay Area Air Quality Management District Board of Directors in 1973. The California Air Resources Board (CARB) then followed the Air District's lead and adopted state-wide vapor recovery regulations in 1975.

In 1999, in a State Implementation Plan (SIP) settlement agreement stemming from a lawsuit against CARB and the South Coast Air Quality Management District, CARB agreed to additional emission reductions from CARB vapor recovery regulations. In 2000, CARB adopted Enhanced Vapor Recovery (EVR) requirements. In April 2005, CARB certified the first EVR Phase II nozzle for installation on gas stations. The April 1, 2009 EVR Phase II requirement combined with the In-Station Diagnostics requirement represents 1.5 Tons per day of reactive organic emissions reductions for the Bay Area.

DISCUSSION

For the past several years, the Air District has conducted extensive compliance assistance outreach to provide industry and affected public agencies with the necessary information to comply with the CARB EVR deadlines. Despite these efforts, some gas stations (approximately 10%) appear to have neither obtained the necessary air permits nor installed the necessary air pollution control equipment. The large majority, over 50% have installed the equipment in time to meet the deadline. The remaining 40% have

obtained the necessary air permits and are in the process of achieving compliance with the requirement.

The Air District is taking reasonable steps and exercising enforcement discretion to bring any non-complying gasoline dispensing facility into compliance. By working with the facilities the District seeks to develop compliance and settlement agreements (Compliance Schedules) to establish specific steps to bring the facilities into compliance without shutting down their operation.

Staff will present information on this important air pollution control program and the Air District's efforts to bring all gasoline dispensing facilities into compliance with the CARB EVR requirements.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Kelly Wee/John Marvin
Reviewed by: Kelly Wee

Attachment

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0019
(916) 319-2019
FAX (916) 319-2119

DISTRICT OFFICE
1528 SOUTH EL CAMINO REAL SUITE 302
SAN MATEO, CA 94402
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Assembly California Legislature



JERRY HILL
ASSEMBLYMEMBER, NINETEENTH DISTRICT

COMMITTEES
BUDGET
CHAIR, BUDGET SUBCOMMITTEE
NO. 1 ON HEALTH AND
HUMAN SERVICES
GOVERNMENTAL ORGANIZATION
NATURAL RESOURCES
PUBLIC SAFETY
SELECT COMMITTEE ON
RENEWABLE ENERGY

April 14, 2009

Members of the California Legislature
State Capitol
Sacramento, CA 95814

Dear Fellow Legislator:

As a former member of the California Air Resources Board (CARB) who participated in the board's review of the enhanced vapor recovery (EVR) program, I wanted to provide you with an update on the EVR requirements that went into affect on April 1, 2009.

As background, vapor recovery requirements were first established in California in 1975 because of their ability to substantially reduce smog-forming and toxic emissions from re-fueling. Gasoline vapors are primarily made of hydrocarbons, which react with other air pollutants to form ozone. The main constituent of smog, ozone can lead to asthmatic and other respiratory health problems. EVR equipment reduces consumer exposures to benzene, a constituent of gasoline and known carcinogen.

In 2000, CARB adopted revised EVR standards including the "phase II" EVR requirements that would take effect in 2005. The phase II EVR requirements were reviewed by CARB in 2005 while I was a member, and we approved moving forward to implement these critical smog-reducing requirements. Beginning in 2005, gas stations across California were subject to a **four-year implementation window** to install the EVR Phase II equipment which ended on April 1, 2009. Vapor recovery has proved to be a very effective smog control strategy, removing 347 tons of smog forming compounds from the air since the regulations were first adopted. The phase II EVR equipment has the potential to remove an additional 10 tons per day of toxic emissions statewide – the equivalent of removing over 400,000 cars from the road.

Now that the EVR Phase II deadline has passed, we have statistics on compliance across the state. I am happy to announce that based on the latest information collected by air districts, **over 90% of California gas stations have either received or applied for air district permits to install EVR equipment.** As of April 4, 2009, 9,200 of the state's 11,100 stations had received an air district EVR permit. Over 6,000 stations, 63%, have already completed installation of EVR equipment. To my knowledge, only one gas station in the state was temporarily shut down due to lack of compliance.

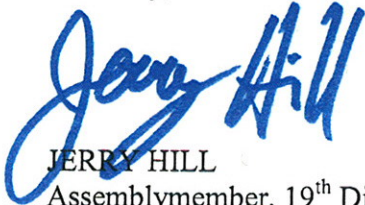


CARB and local air districts have conducted an extensive outreach effort to bring stations into compliance. The Air Resources Board and the regional air districts issued a uniform enforcement advisory last month clearly stating that stations will not be shut down if they are making a good faith effort to comply with the EVR requirements and implementation to date has followed this directive. Air districts are working to help bring stations into compliance as quickly as possible based on individual circumstances. In addition, local air districts have clearly stated that they will only levy significant penalties on recalcitrant stations, and will use their discretion to charge reduced penalties to others, or in some cases waive penalties altogether.

The most important way that the California Legislature can have a positive impact on the EVR program at this point is to approve AB 96 (Ruskin) which uses existing money from the Petroleum Underground Storage Tank Financing Account to assist smaller station owners who may still encounter problems arranging financing for Phase II EVR equipment. This will help ensure the success of the program and guarantee that California will achieve the full air quality and public health benefits of EVR as soon as possible.

Should you require additional information, please contact me at (916) 319-2019.

Sincerely,



JERRY HILL
Assemblymember, 19th District



**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT**

939 ELLIS STREET
SAN FRANCISCO, CA 94109
(415) 771-6000 WWW.BAAQMD.GOV

**Gas Station April 1, 2009 Enhanced Vapor Recovery (EVR)
and In-Station Diagnostics (ISD) Outreach Events**

	DATE	LOCATION	HOST	AUDIENCE
1	Feb 14, 2007	Burlingame	9 th Annual CUPA Conference	CUPA Inspectors
2	June 19, 2007	BAAQMD	BAAQMD/ARB	GDF Majors
3	Sept 12, 2007	Contra Costa County	Contra Costa County Env Health	CUPA Inspectors
4	Sept 25, 2007	BAAQMD	BAAQMD/ARB	Local Permitting Agencies
5	Mar 4, 2008	Sunnyvale	Santa Clara County Fire Chiefs	SC County Haz/Mat Inspectors
6	April 15, 2008	Hayward	Bay Area UST Tag Meeting	Bay Area CUPA ¹ Inspectors
7	April 16, 2008	Rohnert Park	CSSARA ²	Service Station Operators
8	April 17, 2008	Walnut Creek	CA Fuel Supply Company	GDF Operators/ Vendors
9	April 23, 2008	Walnut Creek	CSSARA	Service Station Operators / Vendors
10	May 16, 2008	Novato	CSSARA	Service Station Operators
11	May 27, 2008	Antioch	City of Antioch BAAQMD/ARB	City Planners/code Enforcement/Building Inspectors
12	May 29, 2008	Oakland	Shields and Harper BAAQMD/ARB	GDF Operators/ Vendors
13	June 19, 2008	American Canyon	CSSARA	Service Station Operators/ Vendors
14	June 23, 2008	Contra Costa	Contra Costa County CUPA	Service Station Operators / Fire Prevention
15	Nov 19, 2008	San Carlos	San Carlos Fire	San Mateo County Fire Marshals
16	Jan 15, 2009	Dublin	Public Fleet Supervisors and Managers (PFSA)	Public Fleet Managers
17	Feb 11, 2009	Redwood City	San Mateo County	Building Inspectors

1. Certified Unified Program Agencies
2. California Service Station and Auto Repair Association

Spare the Air

(over) →

**Written Outreach Efforts (EVR/ISD)
Direct mail and Email distribution**

Inspection staff have conducted outreach on the EVR Phase II Deadline at all gasoline station inspections conducted during the past year. The upgrade requirements were discussed and written compliance assistance advisories were provided to all gas stations subject to the upgrade requirement.

In addition, the following table shows the compliance advisories published by the District and the California Air Resources Board (CARB) and released by either direct mail or email distribution:

ADVISORY	DATE	TITLE
BAAQMD	6/26/08	Operators of Retail Underground Gasoline Tanks – Enhanced Vapor Recovery Phase II Deadline
BAAQMD	6/26/08	Operators of Non-Retail Underground Gasoline Tanks – Enhanced Vapor Recovery Phase II Deadline
BAAQMD	8/30/04	Operators of Underground Gasoline Tanks – Enhanced Vapor Recovery Deadlines
CARB #385	3/5/09	EVR Enforcement policy for service stations that do not meet the April 1, 2009 Phase II EVR deadline
CARB #373	4/4/08	Enhanced Vapor Recovery (EVR) Phase II System Update and Penalties for April 2009 Deadline
CARB #372	1/29/08	Enhanced Vapor Recovery Phase II System Update
CARB #359	2/14/07	Enhanced Vapor Recovery April 2009 Phase II Deadline
CARB #336	4/15/05	Enhanced Vapor Recovery Implementation Update
CARB #327	9/10/04	Enhanced Vapor Recovery Implementation Update