

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

APPROVED MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
Monday, September 16, 2013

1. Call to Order – Roll Call

Chairperson Gioia called the meeting to order at 10:30 a.m.

Present: Chairperson John Gioia; Vice Chairperson John Avalos; and Directors Tom Bates, Scott Haggerty, Eric Mar, Nate Miley, Mary Piepho and James Spring.

Absent: Director Carole Groom.

Also Present: None.

2. Public Comment Period:

Matthew Buell, Golden Eagle Refinery – Tesoro Corporation, addressed the Committee regarding a compliance advisory notice received from the Air District. Chairperson Gioia invited staff to explain the nature of compliance advisory notices. Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), and Wayne Kino, Director of Compliance and Enforcement, addressed the Committee to explain the same. Director Spring asked whether a discussion between the parties is a component of the process, which question was answered by Mr. Broadbent. Director Piepho asked whether there is something more that staff can do to address the comments and concerns expressed, which question was answered by Mr. Broadbent. Director Piepho asked that a written update be provided to the Committee members after the process is complete.

3. Approval of Minutes of May 20, 2013

Committee Comments: None.

Public Comments: None.

Committee Action: Director Spring made a motion to approve the Minutes of May 20, 2013; Director Piepho seconded; and the motion carried unanimously.

4. Proposed Amendments to Regulation 9, Rule 10: Nitrogen Oxides (NOx) and Carbon Monoxide (CO) from Boilers, Steam Generators and Process Heaters in Petroleum Refineries

Mr. Broadbent introduced the topic and Henry Hilken, Director of Planning, Rules and Research, who introduced Julian Elliot, Senior Air Quality Engineer of Planning, Rules and Research, who gave the staff presentation Regulation 9 Rule 10 NOx and CO from Boilers, Steam Generators and Process Heaters in Petroleum Refineries, including background on refinery heaters and Regulation 9, Rule 10, objectives of the proposed amendments, detailed reviews of the proposed amendments relative to an alternative NOx standard for pre-1994 heaters, a proposed continuous emissions monitoring requirement and refinery heater reporting requirement, followed by an overview of the rule development process and next steps.

NOTED PRESENT: Director Haggerty was noted present at 10:40 a.m.

Chairperson Gioia asked, regarding slide 3, Refinery Heaters & Regulation 9-10, for clarification regarding the applicability of Regulation 9-10 to pre- and post-1994 heaters, which was provided by Mr. Elliot.

NOTED PRESENT: Director Mar was noted present at 10:43 a.m.

Mr. Elliot concluded the presentation.

NOTED PRESENT: Director Miley was noted present at 10:47 a.m.

Mr. Broadbent made closing remarks regarding the rulemaking process and the goal of providing flexibility for refineries and emissions reductions for the public.

Committee Comments: None.

Public Comments:

Chris McDowell, Golden Eagle Refinery – Tesoro Corporation, addressed the Committee in opposition to the Continuous Emissions Monitoring System (CEMS) requirement and noted the effectiveness of barometric monitoring. Mr. Broadbent disagreed with the assessment of the effectiveness of CEMS and barometric monitoring.

Committee Action: None; informational only.

5. Comprehensive Local Energy Picture

Brian Bateman, Health and Science Officer, gave the staff presentation Overview of Energy Issues, including fuel types used, end-use sectors, and trends and projections in the use and production of energy and energy-related carbon dioxide emissions at the global, national, state and regional perspectives.

Director Avalos asked, regarding slide 3, World Energy Consumption and Related [Carbon Dioxide] CO₂ Emissions by Fuel Type, where the growth in coal consumption is occurring, which question was answered by Mr. Bateman.

Mr. Bateman continued the presentation.

Chairperson Gioia asked, regarding slide 4, Worldwide Delivered Energy Consumption by Sector and Fuel, for more information about the cited “International Energy Outlook 2013,” which was provided by Mr. Bateman.

Mr. Bateman continued the presentation.

Chairperson Gioia asked, regarding slide 5, World Energy Consumption and Related CO₂ Emissions, for the inclusion of a slide showing various economic growth possibilities.

Mr. Bateman continued the presentation.

Chairperson Gioia asked, regarding slide 9, Petroleum and Other Liquid Fuels: U.S. Consumption, about vehicle miles traveled, which question was answered by Mr. Bateman. Chairperson Gioia asked how to reconcile “Motor gasoline” in the graph on the right and “Transportation” in the graph on the left, which question was answered by Mr. Bateman.

Director Bates asked how hybrid cars and similar technology factor into or affect the graphs, which question was answered by Mr. Bateman.

Mr. Bateman continued the presentation.

Chairperson Gioia asked, regarding slide 11, U.S. Crude Oil Production, whether “producing” in this presentation means pumping out of wells or refining, which question was answered by Mr. Bateman.

Mr. Bateman continued the presentation.

Chairperson Gioia asked, regarding slide 12, Trends and Projections in U.S. Crude Oil Supplies, about the quality of domestic and imported crude oils, the percentage of each that is refined in the U.S., and about the net result in terms of refinery emissions, which questions were answered by Mr. Bateman.

Mr. Bateman continued the presentation.

Director Bates asked, regarding slide 13, U.S. Natural Gas Production, whether the increase can be attributed to hydraulic fracturing, which question was answered by Mr. Bateman.

Mr. Bateman continued the presentation.

Director Bates asked, regarding slide 14, U.S. Per Capita Energy Use and Energy-Related CO₂ Emissions, what alternative energy sources are available, which question was answered by Mr. Bateman.

Mr. Bateman continued the presentation.

Chairperson Gioia asked, regarding slide 21, Bay Area Energy-Related CO₂ Emissions (2012), what “residential” is comprised of if not electricity, which question was answered by Mr. Bateman.

Mr. Bateman continued the presentation.

Chairperson Gioia asked, regarding slide 22, Bay Area Energy Production, what comprises the Contra Costa production, which question was answered by Mr. Bateman.

Mr. Bateman concluded the presentation.

Committee Comments:

Director Spering suggested that hydraulic fracturing technology is advancing quickly and that this information, as well as an enhanced concern for the economic prosperity of Bay Area residents, should be included in future discussions about these matters.

Director Piepho echoed Director Spering and emphasized the enhanced concern for the economic prosperity of Bay Area residents.

Director Avalos commended all of the viewpoints relative to hydraulic fracturing and suggested the time is right for a national dialogue about the same.

Chairperson Gioia suggested posting the staff presentation on the Air District website, with the addition of the reports cited therein, and requested the delivery of the same reports to the Committee members in follow up.

Public Comments: None.

Committee Action: None; informational only.

6. Rule Effectiveness Study

After calling for public comment, the matter was deferred due to the late hour.

Committee Comments: None.

Public Comments: None.

Committee Action: None.

7. Committee Member Comments/Other Business:

Director Spering requested a Board discussion about attendance by members at Committee meetings. The Committee discussed today's unique start time. Director Spering clarified his request for a broader discussion about attendance as not being relative to uniquely timed meetings. The Committee discussed the ideal start time for future Committee meetings.

8. Time and Place of Next Meeting: Monday, October 21, 2013, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California, 94109 at 10:30 a.m.

9. **Adjournment:** The meeting adjourned at 12:26 p.m.

ISI Sean Gallagher

Sean Gallagher
Clerk of the Boards