

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, February 24, 2014

1. Call to Order – Roll Call

Stationary Source Committee (Committee) Chairperson John Gioia called the meeting to order at 9:38 a.m.

Present: Committee Chairperson John Gioia; and Directors Tom Bates, Scott Haggerty Eric Mar, Jan Pepper and James Spring.

Absent: Vice Chairperson John Avalos; and Directors Carole Groom and Mary Piepho.

Also Present: Board of Directors (Board) Chairperson Nate Miley.

2. Public Comment Period:

Ivan Gendzel addressed the Committee to request the installation of an air monitoring station that will accurately measure the emissions in neighboring communities from the Lehigh Southwest Cement facility (Lehigh facility).

Barry Chang addressed the Committee to commend the Air District's response to the recent events at the Sims Metal Management facility and to request notice from the Air District to local communities that may be affected by similar events in the future.

NOTED PRESENT: Director Haggerty and Board Chair Miley were noted present at 9:44 a.m.

3. Approval of Minutes of October 21, 2013

Committee Comments: None.

Public Comments: None.

Committee Action:

Director Haggerty made a motion to approve the Minutes of October 21, 2013; Director Bates seconded; and the motion carried by the following vote of the Committee:

AYES: Bates, Gioia, Haggerty, Miley and Spring.

NOES: None.

ABSTAIN: None.

ABSENT: Avalos, Groom, Mar, Pepper and Piepho.

4. Discussion of Lehigh Southwest Cement Compliance with Regulation 9, Rule 13

Jeffrey McKay, Deputy Air Pollution Control Officer (DAPCO), gave the staff presentation *Lehigh Southwest Cement Compliance Status*, including background; facility location and description; issues prior to the applicability of Regulation 9, Rule 13 (9-13) to the facility operations; control technologies utilized; elements of 9-13; compliance status; stack requirements; and compliance and enforcement activities.

NOTED PRESENT: Director Pepper was noted present at 9:52 a.m.

Committee Comments:

The Committee and staff discussed the compliance agreement deadline, the timing of the release of the Health Risk Assessment and the likely form of public notice.

Public Comments:

Tim Brand, Bay Area for Clean Environment (BACE), addressed the Committee regarding his prior request that the Air District apply the new, not existing, facility standards to the operations at the Lehigh facility and the disappointing terms of the Compliance and Settlement Agreement between the Bay Area Air Quality Management District and Lehigh Southwest Cement Company, dated September 16, 2013 (Lehigh Agreement).

Jack Hamilton addressed the Committee regarding his neighbors' respiratory issues, their difficulty in identifying a cause in an effort to alleviate their symptoms and to echo the request of Dr. Gendzel.

Gary Latshaw addressed the Committee to present his written correspondence, received by the Air District on February 3, 2014.

NOTED PRESENT: Director Mar was noted present at 10:00 a.m.

Bill Almon, Quarry No, provided copies of the Lehigh Agreement and addressed the Committee to comment on the terms thereof.

Barry Chang, BACE, addressed the Board to commend the adoption of 9-13, to encourage the inclusion of sulfur dioxide in 9-13, and to express concerns about the compliance history of the Lehigh facility and the inadequacy of current penalties as a deterrent.

Alexander Sakhanyuk addressed the Committee to commend Air District actions to date and stress the importance of stricter enforcement and increased penalties for the Lehigh facility.

Committee Comments (continued):

The Committee and staff discussed the current and potential air monitoring around the Lehigh facility; the current, actual continuous emissions monitoring at the Lehigh facility; possible benefits of expanding monitoring, as requested during public comment; the terms of the Lehigh Agreement; the justification for installing an air monitor, as requested; the process for formulating, executing and providing public notice of the Lehigh Agreement and others like it; clarification of the mercury levels and possible enforcement action; summary of the applicable penalty range; current monitoring of multiple stacks and the likelihood of the single stack being installed by the deadline; an explanation of the process and form of the Health Risk Assessment; the terms of and public access to the Lehigh Agreement; complications involved with the permitting process regarding the single stack; potential remedies for the single stack issue if the permit for installation is not issued by the involved county, state or federal authorities; the appropriateness of the placement of permanent air monitoring station near the Lehigh facility at the facility's expense; the Air District's role in providing public notice regarding Lehigh facility emissions; and the transparency and accuracy of emissions data provided to the public by the Lehigh facility.

Committee Action: None; receive and file.

5. Update on Sims Metal Management Facility

Mr. McKay gave the staff presentation *Update on Sims Metal Management Facility*, including background information on the facility; overviews of the facility fires; a summary of the goals and requirements of Regulation 6, Rule 4 Metal Recycling and Shredding Operations; and next steps.

Public Comments:

Mr. Chang addressed the Committee to request enhanced public notice by the Air District of similar events, to restate a request for the installation of a single stack at the Lehigh facility, and to restate a concern about the mercury emissions at the Lehigh facility.

Denny Larson, Global Community Monitor, addressed the Committee regarding the commendable but inadequate metal recycling facility regulation; a request for a discussion of enhanced regulation; that community monitoring of metal recycling facilities will be in place in the immediate future; and to note the frequency of fires of a similar nature if not of a similar size.

Committee Comments:

The Committee and staff discussed enhanced regulation and the state of implementation regarding the current rule; community monitoring; Air District assessment of facility size in making determinations regarding regulatory applicability; penalty levels; and the applicability of the refining emissions tracking rule.

Director Pepper asked staff to look into working with the community monitoring group.

Committee Action: None; receive and file.

6. Update on the Development of Regulation 12, Rule 15: Petroleum Refining Emissions Tracking

Brian Bateman, Health and Science Officer, gave the staff presentation *Update on Petroleum Refining Emissions Tracking Rule*, including an explanation of the purpose of the Rule; an update on the development process; summaries of baseline and ongoing emissions inventories, trigger-levels and emissions reduction plans, air monitoring systems, public comments, and revisions to the draft rule; a schematic flow chart of a typical complex refinery; analyses of trends in crude oil quality, the relationship between crude slate and carbon dioxide emissions; and next steps.

The Committee and staff discussed, at slide 5, *Baseline and On-going Emissions Inventories*, the likely impact of new equipment and rules that are expected to decrease emissions.

Mr. Bateman concluded the presentation.

Public Comments:

Mr. Larson addressed the Committee regarding the staff treatment of public input being imbalanced towards industry interests, to urge for a proactive approach to potentially increased emissions that takes into account the combined potential air quality emissions in an area, and to summarize air quality levels and community monitoring plans in and around Pittsburg.

Diane Bailey, Natural Resources Defense Council, addressed the Board regarding the changes in the oil and gas sector that necessitate the noteworthy rulemaking work by Air District staff, to highlight the safety and health risks of potential increases in refinery emissions, and in support of a proactive regulatory effort.

Greg Karras, Communities for a Better Environment, addressed the Committee to echo the statements by Mr. Larson and Ms. Bailey and to request assistance with obtaining answers to outstanding questions made to staff during the rulemaking process.

Martin MacKerel addressed the Committee regarding the necessity of having refinery feedstock information to understand the greenhouse gas emissions; the incompatibility of refinery emissions with state-mandated levels; and to urge a maintained sense of urgency.

David McCoar, Sierra Club, addressed the Committee to commend the inclusion of cargo carriers and to urge for preemptively declining increases and the imposition of reductions on currently permitted operations.

Guy Bjerke, Western States Petroleum Association, addressed the Committee regarding a desire to help improve the emissions inventory process; to express concern about the establishment of baselines and triggers; to suggest that the regulation of emissions negates the need to monitor input; and clarified the use of “labor” by prior public speakers.

Don Cuffel, Valero, addressed the Committee regarding the importance of accurate information and to suggest the significant emissions reductions and increased production capacities achieved at many Bay Area facilities through heavy investment on their part.

Committee Comments:

The Committee and staff discussed the need for continued dialogue about the importance and necessity of this proposed rule; how the proposed rule would be applied to new projects and how the baseline calculation would be affected; the intent of the proposed rule; the inaccuracy of characterizations of the proposed rule as duplicative of current limitations; payment of the community air monitoring system costs; how cargo carrier emissions are measured and who will be responsible; the appropriateness of a timeline shorter than ten years; the seeming loss of urgency as the Chevron refinery incident passes into history; the use of titles that are more reflective of content despite their decreased neutrality of meaning; the importance of understanding how the proposed rule will allow for decreased emissions over time; the conscious setting of baselines; the noteworthiness of connecting the proposed rule with U.S. Environmental Protection Agency requirements but the value of implementing stricter requirements; the need for a better understanding of “cost effective” in this context; and the desire for a transparent discussion with the public about the impact of proposed projects and the limitations of Air District authority.

Director Spring requested information regarding proposed projects that are being hindered by this rule-making process and their place in the larger air quality scheme.

Committee Chair Gioia asked that regular updates be presented to the Committee.

Director Pepper asked for the delivery of information in advance of the next meeting on this item regarding the meaning of source coverage relative to cargo carriers and what is being measured when added; what the trigger levels are based on, such as exceeding the allowed levels and, if so, by how much; a response to the claim of a seeming excessive two-year compliance deadline; why the rule cannot be structured to incrementally decrease emissions over time; how the emissions reduction credits work and what they enable; the fate of measures deemed infeasible and if they will be exempt from the measure or proposed rule; how permits can be put on hold while the Board and staff explore the proposed rule in pursuit of the proactive approach advocated by some members of the public.

Committee Action: None; receive and file.

7. Committee Member Comments/Other Business: None.

8. Time and Place of Next Meeting:

Thursday, March 17, 2014, 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 12:13 p.m.

151 Sean Gallagher

Sean Gallagher
Clerk of the Boards