



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

BOARD OF DIRECTORS  
STATIONARY SOURCE COMMITTEE MEETING

COMMITTEE MEMBERS

JOHN GIOIA – CHAIRPERSON  
JOHN AVALOS  
DAVID E. HUDSON  
NATE MILEY  
ROD SINKS

JIM SPERING - VICE CHAIRPERSON  
SCOTT HAGGERTY  
ERIC MAR  
JAN PEPPER

MONDAY  
SEPTEMBER 21, 2015  
9:30 A.M.

7<sup>th</sup> FLOOR BOARD ROOM  
939 ELLIS STREET  
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER - ROLL CALL**

*The Stationary Source Committee (Committee) Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.*

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

*(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 Air District headquarters, 939 Ellis Street, San Francisco, California 94109, and on the Air District's website [www.baaqmd.gov](http://www.baaqmd.gov) 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.*

Staff/Phone (415) 749-

3. **APPROVAL OF THE MINUTES OF APRIL 20, 2015 AND MAY 27, 2015**

Clerk of the Boards/5073

*The Committee will consider approving the attached draft minutes of the Committee meetings of April 20, 2015 and May 27, 2015.*

4. **REFINERY STRATEGY UPDATE**

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Staff will provide the Committee with an update on the Air District's Refinery Strategy, focusing on Regulation 12, Rules 15 and 16 and the four rules associated with the first phase of refinery emission reduction measures to meet the goal of 20% reductions by 2020.*

5. **COMMITTEE MEMBER COMMENTS / OTHER BUSINESS**

*Any member of the Committee, 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).*

6. **TIME AND PLACE OF NEXT MEETING**

*Monday, October 19, 2015 at 10:30 a.m. at 939 Ellis Street, San Francisco, CA 94109*

7. **ADJOURNMENT**

*The Committee meeting shall be adjourned by the Committee Chair.*

**CONTACT:**

**MANAGER, EXECUTIVE OPERATIONS**  
**939 ELLIS STREET, SAN FRANCISCO, CA 94109**  
**mmartinez@baaqmd.gov**

**(415) 749-5016**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
[www.baaqmd.gov](http://www.baaqmd.gov)

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Stationary Source Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following 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 Clerk’s Office should be given in a timely manner, 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 District’s offices 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.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109**  
**FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941**

**EXECUTIVE OFFICE:**  
**MONTHLY CALENDAR OF AIR DISTRICT MEETINGS**

**SEPTEMBER 2015**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month) -</i> <b>CANCELLED</b>	Wednesday	16	9:45 a.m.	Board Room
<b>Board of Directors Climate Protection Committee</b> <i>(Meets 3<sup>rd</sup> Thursday of every other Month)</i>	Thursday	17	9:30 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i> <b>CANCELLED</b>	Monday	21	9:30 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	21	9:30 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i> <b>CANCELLED</b>	Wednesday	23	9:30 a.m.	Board Room
<b>Board of Directors Ad Hoc Building Oversight Committee Meeting</b> <i>(Meets at the Call of the Chair)</i>	Wednesday	23	9:30 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Wednesday	23	10:30 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	24	9:30 a.m.	Board Room

**OCTOBER 2015**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	7	9:45 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	19	9:30 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	19	10:30 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	Board Room

## **OCTOBER 2015**

<b><u>TYPE OF MEETING</u></b>	<b><u>DAY</u></b>	<b><u>DATE</u></b>	<b><u>TIME</u></b>	<b><u>ROOM</u></b>
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	22	9:30 a.m.	Board Room
<b>Board of Directors Public Engagement Committee</b> <i>(Meets at the Call of the Chair)</i>	Monday	26	9:30 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	28	9:30 a.m.	Board Room

## **NOVEMBER 2015**

<b><u>TYPE OF MEETING</u></b>	<b><u>DAY</u></b>	<b><u>DATE</u></b>	<b><u>TIME</u></b>	<b><u>ROOM</u></b>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	16	9:30 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	16	10:30 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
<b>Board of Directors Climate Protection Committee</b> <i>(Meets 3<sup>rd</sup> Thursday of every other Month)</i>	Thursday	19	9:30 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	25	9:30 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	26	9:30 a.m.	Board Room

VJ – 9/3/15 (12:10 p.m.)

P/Library/Forms/Calendars/Moncal

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson John Gioia and Members  
of the Stationary Source Committee

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: September 10, 2015

Re: Approval of the Minutes of April 20, 2015 and May 27, 2015

RECOMMENDED ACTION

Approve the attached draft minutes of the Stationary Source Committee (Committee) meetings of April 20, 2015 and May 27, 2015.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meetings on April 20, 2015 and May 27, 2015.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Sean Gallagher  
Reviewed by: Maricela Martinez

Attachment A: Draft Minutes of the Committee Meeting of April 20, 2015  
Attachment B: Draft Minutes of the Committee Meeting of May 27, 2015

## AGENDA: 3 – ATTACHMENT A

Draft Minutes – Stationary Source Committee Meeting of April 20, 2015

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

### **DRAFT MINUTES**

Summary of Board of Directors  
Stationary Source Committee Meeting  
Monday, April 20, 2015

#### **1. CALL TO ORDER – ROLL CALL**

Stationary Source Committee (Committee) Chairperson John Gioia called the meeting to order at 10:41 a.m.

Present: Committee Chairperson John Gioia; Vice-Chairperson James Spering; and Directors John Avalos, Scott Haggerty, David Hudson, Liz Kniss, Eric Mar, Jan Pepper and Rod Sinks.

Absent: None.

Also Present: Board of Directors (Board) Chairperson Carole Groom.

#### **2. PUBLIC COMMENT ON NON-AGENDA MATTERS**

Nick Despota, Sunflower Alliance, addressed the Committee regarding cities that have committed to 100% renewable energy and financial divestment from non-renewable energy by the business community; to suggest that the Conoco Phillips refinery in Contra Costa County is not following suit with its propane recovery refinery project; to request a moratorium on refinery projects that use dirtier crude stocks or will cause emissions increases; and to encourage interagency efforts to avoid facility leakage to other regions.

Greg Karras, Communities for a Better Environment (CBE), addressed the Committee regarding the nature of public participation in recent workshops conducted by the Air District relative to proposed rules 12-15 and 12-16; in opposition to the proposed exemptions in the same and to suggest the proposed exemptions should be addressed now instead of after operations have begun; and to request the inclusion of clear and enforceable emissions caps in the proposed rules.

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

Jane Vosburg, 350 Sonoma County / Fossil Free California, addressed the Committee regarding the need for leadership to end the use of fossil fuels; to request the denial of permits for fossil fuel projects; in opposition to proposed rule 12-16; and to suggest there must be a confrontation with the oil industry.

NOTED PRESENT: Board Chairperson Groom was noted present at 10:50 a.m.

Committee Chairperson Gioia clarified the intent of proposed rules 12-15 and 12-16.

Bill Vosburg, 350 Sonoma, addressed the Committee in opposition to proposed rule 12-16.

Jed Holtzman, 350 Bay Area, addressed the Committee to echo the comments of Mr. Karras; to provide a summary of the perceived plan and process for proposed rules 12-15 and 12-16; to suggest that action today to decrease reliance on fossil fuels is an investment against more sweeping action with even greater costs later; and to opine that facility leakage to other regions is an inadequate concern to justify avoiding action.

Andrés Soto, CBE / Benicians for a Safe and Healthy Community, addressed the Committee regarding the nature of public participation in recent workshops conducted by the Air District relative to proposed rules 12-15 and 12-16; to express disappointment with proposed rules 12-15 and 12-16 and the stakeholder outreach process; to request the Committee defend the community; and in opposition to proposed rules 12-15 and 12-16.

Ratha Lai, Sierra Club SF Bay Chapter, addressed the Committee regarding his residency in the City of Richmond and the health impacts of the same; to suggest the public would be present in greater if the meeting was not during regular business hours; and to report that the Conoco Phillips permit was approved.

Jeff Kilbreth, City of Richmond Planning Commission, addressed the Committee regarding the likely need for compromise on the many issues involved with proposed rules 12-15 and 12-16 and to request consideration of implementing a new public comment process in order to provide the level of involvement these complicated topics deserve.

Vivian Huang, Asian Pacific Environmental Network, addressed the Committee regarding the importance of proposed rules 12-15 and 12-16 being crafted to take an advantage of the opportunity to make Richmond's future a cleaner one and of an open and transparent rule-making process; in opposition to greenhouse gas (GHG) or toxic crude stock exemptions; to request that new projects that increase emissions are not approved during the rule-making process for proposed rules 12-15 and 12-16; and in support of concrete, enforceable emissions limits.

Martin MacKerel, Sunflower Alliance, addressed the Committee regarding the frustrating amount of progress since the passage of Air District Resolution 2013-11 *Adopting a GHG Reduction Goal and Commitment to Develop a Regional Climate Protection Strategy*.

Charles Davidson provided written material and addressed the Committee to read from the same and an article authored by Mr. Karras.

Mark Roest provided written material and read from the same.

The Committee and staff discussed the recent workshops conducted by the Air District and the extension of the public comment period relative to proposed rules 12-15 and 12-16; that changes are being made to proposed rules 12-15 and 12-16 based on comments received and the Committee will be briefed at its next meeting; a summary of the Conoco Phillips permit mentioned by public speakers; an overview of the permitting process relative to the Board and

staff; legal viability of a moratorium on permits; and information relative to the public notice and comment period regarding the permit application by Conoco Phillips.

### **3. APPROVAL OF THE MINUTES OF MARCH 16, 2015**

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Kniss, to approve the Minutes of March 16, 2015; and the motion carried by the following vote of the Committee:

AYES: Avalos, Gioia, Groom, Hudson, Kniss, Mar, Pepper, Sinks and Spering.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Haggerty.

### **4. UPDATE ON LEHIGH SOUTHWEST CEMENT FACILITY (LEHIGH)**

Jeff McKay, Deputy Air Pollution Control Officer, gave the staff presentation *Lehigh Southwest Cement Compliance Status, Regulation 9, Rule 13: Nitrogen Oxides, Particulate Matter, and Toxic Air Contaminants from Portland Cement Manufacturing*, including background; facility location; a summary of operations; an overview of the manufacturing process; emission points; elements of and emission limits and monitoring under regulation 9-13; emissions control; new kiln and cooler stacks photograph and locations; control technologies utilized; kiln and clinker cooler stacks monitoring; compliance status; compliance and enforcement activities; health risk assessment update; and impacts of a new risk assessment by the OEHHA [Office of Environmental Health Hazard Assessment].

The Committee and staff discussed, at slide 8, *Elements of Rule 9-13*, the applicable U.S. Environmental Protection Administration standards and a comparison between them and those of the Air District.

Mr. McKay concluded the presentation.

Committee Comments:

The Committee and staff discussed the compliance status before the installation of the new stacks; the positive trend of emissions reductions; location of installed monitors; additional information relative to Notices of Violation issued; a video received from the public on April 9, 2015, what was captured in the video and the resulting actions by staff; clarification regarding one versus two stacks and emissions directly from the backhouse instead of through the dual stacks; additional information relative to the backhouse emissions and detached plume emission from the stack; the timeframe for incorporation of the OEHHA standards released on March 6, 2015, into Air District rule 2-5 and its modeling tools; the likely impact of the new risk factors for Lehigh; the inaccuracy of industry comments suggesting the Air District is imposing new



limits despite emissions not increasing instead of merely acting to implement the new State standards; the likely need to review Air District risk levels; an explanation of the meaning of a comment regarding baghouse emissions on April 9; that particulate matter (PM) is not being measured at all the emission points listed on slide 7, *Emission Points*; and a summary of the dust mitigation plan being utilized.

Public Comments:

Gary Latshaw submitted written material both on behalf of Rhoda Fry, in absentia, and of his own and addressed the Committee regarding the activation of the mercury abatement device and to ask why only ten filter bag leak detectors have monitors installed, for clarification on the total hydrocarbon or hazardous air pollutants numbers provided in the staff presentation, and that the new health risk assessment be reviewed for accuracy.

Bill Almon, Quarry No, addressed the Committee regarding the seemingly hurried pace of the Health Risk Assessment and to suggest the new OEHHA standards will impact the young for the remainder of their lives and the Air District has a similar opportunity by applying the more stringent standards for new facilities to Lehigh.

Committee Comments:

The Committee and staff discussed the manufacturing operations in close proximity to residential areas; the grandfather status of the cement plant, not the quarry; the approximate percentage of cement produced at Lehigh which is used in the Bay Area and the impact on the PM life-cycle contribution equation of producing the material locally; whether the cost of mitigation for the facility and health risk to the surrounding community are properly balanced; personal experience of a Committee member at Lehigh and Pacific Steel Casting in Berkeley and the positive and significant improvements made to the air quality related to each over the years; the likely delivery date of proposed revision of rule 2-5 to the Committee and plan to apply those new standards to large facilities first; the adequacy of the 70-year timeline for review of health risks, particularly in light of the expected decrease through the OEHHA standards; an explanation of the two-year timeline; Lehigh's lack of full compliance with the settlement agreement with the Air District and their payment of the resulting penalty; details regarding the capture of outputs by continuous emissions monitoring systems (CEMS); the viability of and staff discussions regarding making available real-time monitoring data or other similar assurances for the public; details regarding CEMS data processing; the value added of regularly posting emissions data even if there is a two-week delay; and the importance of continually working to improve emissions controls in order to protect Bay Area communities neighboring industrial processes.

Committee Action: None; receive and file.

**5. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS:**

Director Sinks reported that he and Director Pepper recently toured the Republic Services Newby Island facility and the outreach done to the Mayor and staff of the City of Milpitas and asked staff to send a letter to the City of San Jose Planning Commission to request a six-month delay on the related application while more data is collected.

The Committee expressed support for this request.

**6. TIME AND PLACE OF NEXT MEETING**

Wednesday, May 27, 2015, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 10:30 a.m.

**7. ADJOURNMENT:** The meeting adjourned at 12:36 p.m.

Sean Gallagher  
Clerk of the Boards

## AGENDA: 3 – ATTACHMENT B

Draft Minutes – Stationary Source Committee Meeting of May 27, 2015

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

### **DRAFT MINUTES**

Summary of Board of Directors  
Stationary Source Committee Meeting  
Wednesday, May 27, 2015

#### **1. CALL TO ORDER – ROLL CALL**

Chairperson John Gioia called the meeting to order at 9:36 a.m.

Present: Committee Chairperson John Gioia; and Directors John Avalos, Liz Kniss, Eric Mar, Jan Pepper and Rod Sinks.

Absent: Vice-Chairperson James Spring; and Directors Scott Haggerty and David Hudson.

Also Present: None.

#### **2. PUBLIC COMMENT ON NON-AGENDA MATTERS**

Paul Kangas, Solar Justice Team, addressed the Stationary Source Committee (Committee) in support of a transition to solar panel use through a grassroots effort to install 100 solar panels on every residence.

NOTED PRESENT: Director Pepper was noted present at 9:40 a.m.

Guy Bjerke, Western States Petroleum Association (WSPA), addressed the Committee in support of updating the Clean Air Plan.

Greg Karras, Communities for a Better Environment (CBE), addressed the Committee to report his receipt of whistleblower calls from Air District staff and to suggest a lack of operational transparency.

#### **3. APPROVAL OF THE MINUTES OF APRIL 20, 2015**

Chairperson Gioia postponed this item for lack of a quorum.

#### **4. RESOLUTION REGARDING A COMPREHENSIVE REGULATORY PROGRAM TO REDUCE GREENHOUSE GASES (GHGs) FROM STATIONARY SOURCES**

Jack Broadbent, Executive Officer/Air Pollution Control Officer, delivered the staff report and the proposed resolution attached thereto.

##### Committee Comments:

The Committee and staff discussed the timing of the future delivery of details about the bullets listed in the proposed resolution; the absence of a provision capping GHGs; language regarding “decreasing” GHGs instead of “avoiding increases” and the need for a carbon-free future; which portion of the resolution applies to existing facilities; clarification of the difference between this agenda item and the next, *Five Point Action Plan to Address Refinery Emissions*; support for the use of best available control technology whenever and wherever possible; a suggestion to incorporate reference to Governor Brown’s recent executive order related to GHGs; how many cities will be affected; and a request from Director Avalos that an amended, proposed resolution be shared with his office before it is agendaized and the meeting notice is posted.

NOTED PRESENT: Director Kniss was noted present at 9:56 a.m. and Director Mar was noted present at 10:05 a.m.

##### Public Comments:

Janet Whittick, California Council for Environmental and Economic Balance (CCEEB), addressed the Committee in opposition to the proposed resolution and in support of an updated Clean Air Plan.

Mr. Bjerke submitted written material, *WSPA Response & Comments on Proposed CBE Resolution – May 27, 2015*, and addressed the Committee in opposition to the proposed resolution.

Nick Despota, Sunflower Alliance, addressed the Committee by quoting Richard Corey, Executive Officer of the California Air Resources Board (ARB), and requesting GHG limits and decreases over time in opposition to the proposed resolution.

David Farabee, WSPA, addressed the Committee in opposition to the proposed resolution for the reasons stated by Ms. Whittick and to urge a review of the regulations governing Air District rulemaking.

Roger Lin, CBE, submitted written material, *A Resolution Recommending District Board [Board of Directors] Action to Prevent Increased Air and Climate Pollution Emissions from Bay Area Petroleum Refineries*, and addressed the Committee in support of an alternative proposed resolution.

Shoshana Wechsler, Sunflower Alliance, addressed the Committee in support of a slower regulatory pace to provide adequate opportunity for thorough review and comment and in opposition to the proposed resolution as it is currently written.

Jackie Zaneri, CBE, addressed the Committee in support of the alternative proposed resolution submitted by Mr. Lin and to summarize the Air District's legal authority to adopt the same.

Steve Leshner, Shell, addressed the Committee to report recent emissions decreases at his facility that are at odds with the comments made today about industry increases.

Mr. Karras addressed the Committee in opposition to the proposed resolution as it is currently written and in support of the alternative proposed resolution submitted by Mr. Lin.

Matt Buell, Tesoro, addressed the Committee in opposition to the proposed resolution and any regulations which are duplicative of or conflict with ARB rules and programs.

Marilyn Bardet, Benicians for a Safe and Healthy Community (BSHC), addressed the Committee in opposition to the proposed resolution as it is currently written and in support of the alternative proposed resolution submitted by Mr. Lin.

Jed Holtzman, 350 Bay Area, addressed the Committee to request that this agenda item instead be agendize before the Climate Protection Committee (CPC) and in support of the alternative proposed resolution submitted by Mr. Lin.

Mike Miller, United Steelworkers (USW), addressed the Committee in opposition to the proposed resolution as a potential conflict with ARB rules and programs that may result in a loss of jobs.

David McCoard, Sierra Club, addressed the Committee in opposition to the proposed resolution as it is currently written and in support of agendizing the item before the CPC and the alternative proposed resolution submitted by Mr. Lin.

Paul Adler, Phillips 66, addressed the Committee to summarize the emissions reductions at his facility over the last ten years, the current regulatory scheme, and the permitting process.

Annemarie Donjacour, 350 San Francisco / Bay Area Buddhist Climate Action Network, addressed the Committee in opposition to the proposed resolution as it is currently written and in support of agendizing the item before the CPC after allowing stakeholders additional time for review and discussion.

Vivian Huang, Asian Pacific Environmental Network, addressed the Committee to summarize the air quality-related health issues of various community members; in opposition to the proposed resolution as it is currently written; and in support of enforceable numeric emission limits with decreases required over time.

Nancy Rieser, Crockett-Rodeo United to Defend the Environment / Bay Area Refinery Corridor Coalition (BARCC), addressed the Committee in support of a resolution with enforceable numeric emissions limits with decreases required over time.

Andrés Soto, CBE / BSHC / Sunflower Alliance / BARCC, addressed the Committee in support of the alternative proposed resolution submitted by Mr. Lin.

Richard Black, USW, addressed the Committee in opposition to excessive government and waste and any regulations which are duplicative of or conflict with ARB rules and programs.

Committee Comments (continued):

The Committee and staff discussed public comments received regarding the process for preparing and agendizing the proposed resolution; Air District progress relative to the climate change program; the intentions of stakeholders; possible revisions to the proposed resolution; a suggestion to agendize this item for the Board on June 17, 2015, and to include the proposed resolution, the various proposed revisions, and proposed timelines and plans for implementation of specific items; a staff commitment to make available on the Air District website by June 5, 2015, the material agendized on this topic for the Board meeting on June 17, 2015; a suggestion to include a provision establishing a community council in the proposed resolution; and a desire to remain aware of the economic leakage concern.

Committee Action:

Director Kniss made a motion, seconded by Director Pepper, to direct staff to agendize this item before the Board on June 17, 2015, and to include the revised proposed resolution and documents in support of the details; and the motion carried by the following vote of the Committee:

AYES: Avalos, Gioia, Kniss, Mar, Pepper and Sinks.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Haggerty, Hudson, and Spring.

Committee Comments (continued):

The Committee and staff discussed Shell's plan to remove the coker and lower emissions as an example of the variety of projects currently in process; the importance of the Air District taking credit for its accomplishments; the need for additional details in order to advance this item; and clarification that the Air District is not trying to shut down any operations.

**5. FIVE POINT ACTION PLAN TO ADDRESS REFINERY EMISSIONS**

Mr. Broadbent introduced the topic and Eric Stevenson, Director of the Meteorology, Measurement and Rules Division, who gave the staff presentation *Five Point Action Plan to Address Refinery Emissions*, including progress to date; goals and elements of the five point action plan; established and new elements of proposed Regulation 12, Rule 15; new elements of proposed Regulation 12, Rule 16; permit review for crude oil changes; refinery emissions reduction rulemakings; the regulatory program to reduce GHG from stationary sources; comments and responses; precedent setting actions; and next steps.

The Committee and staff discussed, at slide 8, *Regulation 12, Rule 16 New Elements*, how staff converted the new risk limit set by the Office of Environmental Health Hazard Assessment (OEHHA) into numeric emissions limits.

Mr. Stevenson continued the presentation.

The Committee and staff discussed, at slide 9, *Permit Review for Crude Oil Changes*, clarification of the operational changes that will result from implementing a crude slate modification trigger; what will be considered significant enough to be considered a crude slate modification; what is meant by “during the last five years” relative to the analysis of crude slate modifications; how often slates will be reported and what details will be reported; and concern about the use of five-year averages of crude slate composition not adequately reflecting recent or gradual changes.

Mr. Stevenson continued the presentation.

The Committee and staff discussed, at slide 11, *Refinery Strategy Rules*, whether the timelines provided are realistic.

Mr. Stevenson concluded the presentation.

#### Committee Comments:

The Committee and staff discussed the agendaizing of this item for the Board meeting on June 3, 2015.

#### Public Comments:

Mr. Bjerke addressed the Committee to suggest that community air monitoring is an Air District function; in opposition to emissions limits generally and likely as a provision of proposed rule 12-16 when the language is made available; to express concern about the crude slate modification provision; and to report that staff are currently working on eight rulemakings as well as its day-to-day work, such as the updated Clean Air Plan.

Bill Quinn, CCEEB, addressed the Committee in opposition to the proposed plan by reporting that air pollutants and the related health risk are both in decline in California; in opposition to establishing additional regulatory frameworks; and in support of the Air District focusing on the Clean Air Plan and Community Air Risk Evaluation (CARE) communities.

Mr. Despota addressed the Committee to note with gratitude the striking of the former provision exempting GHGs and in support of provisions which impose numeric emission limits with decreases required over time, provide a list of opportunities for alternative energy, and the early imposition of comprehensive emissions limits.

Mr. McCoard addressed the Committee in support of imposing numeric emission limits with decreases required over time.

Mr. Karras addressed the Committee in opposition to proposals to further delay the adoption of these rules and an exemption of GHGs; to express concern about the use of “caps” instead of “emissions limits;” and in support of agendizing the alternative proposed resolution submitted by Mr. Lin before the Board on June 3, 2015.

Mr. Buell addressed the Committee to report that Shell has voluntarily reduced emissions and in opposition to proposed rule 12-16, portions of proposed rule 12-15 and regulations which are duplicative of or conflict with existing rules and programs.

Kathy Wheeler, Shell, addressed the Committee in support of the concepts of this rulemaking; in opposition to proposed rule 12-16 and the imposition of emissions limits without first getting the data called for under proposed rule 12-15; and in support of a regulatory framework built on the Clean Air Plan.

Mr. Holtzman addressed the Committee in support of refinery workers, unionized labor and the establishment of a comprehensive transition to renewable fuels and in opposition to the proposed plan as it is currently written.

Chairperson Gioia noted that the Air District has not made reversals on the commitment to achieve 20% reductions in GHGs.

Juan Li, Chevron, addressed the Committee to suggest the refineries are well regulated; to note the positive trend in air quality in the Bay Area; and in support of careful and considered decision-making by the Air District.

Ms. Bardet addressed the Committee in opposition to the proposed plan as it is currently written and in support of the alternative proposed resolution submitted by Mr. Lin.

Steve Nadel, Sunflower Alliance, addressed the Committee in opposition to the proposed plan as it is currently written; to request that all meeting materials, including staff presentations, be posted on the Air District website one week in advance; in support of an accelerated regulatory pace; to express disagreement with claims regarding economic leakage concerns; and to suggest that massive change will be required in order to achieve mandated 80% reductions.

Jeff Kilbreth, City of Richmond Planning Commission, addressed the Committee in support of the crude slate modification provision and the inclusion of provisions in the Clean Air Plan that seek to reduce demand and to suggest that the Chevron refinery modernization project was not done to reduce, but instead to cloak, emissions.

Charles Davidson, Sunflower Alliance, addressed the Committee in support of the alternative proposed resolution submitted by Mr. Lin.

Mr. Lin addressed the Committee to suggest that staff discretion hinges both on interpretation of the regulatory definitions and individual circumstances and in support of imposing numeric emission limits with decreases required over time and the alternative proposed resolution submitted earlier.



Patty Deutsche, Tesoro, addressed the Committee to echo the comments of Mr. Black and to suggest that refinery emissions contributions are not equal to the amount of time and work being expended to reduce them.

Mike Avila, Phillips 66, addressed the Committee in opposition to regulations which are duplicative of or conflict with existing rules and programs and to express concern that the proposed plan will result in a loss of work.

Mike Miller, USW, addressed the Committee in support of utilizing the Clean Air Plan process and an industry that creates jobs that build the community.

Mr. Black addressed the Committee to suggest that emissions and ambient air quality levels have vastly improved over the years; increased regulations will result in higher prices for consumers; to not impose additional regulations before allowing for the impact of the State cap-and-trade program; and the Board of the Air District is not made up of elected representatives.

Annemarie Donjacour addressed the Committee to express support for refinery workers and a just transition to renewable energy; in opposition to the taking of sides by stakeholders; and to suggest an adequately voluminous record of harmful pollution levels exists to advance regulatory solutions without additional measurement.

Committee Comments (continued):

The Committee and staff discussed a desire for more details about permitting related to crude stock modifications; the importance of the plan details that are currently being developed; the need to reduce GHGs over time through engagement of both inputs and outputs regardless of emissions limits; further explanation of the provisions of proposed rule 12-15 relative to transportation of fuels and their inclusion in the emissions inventory and health risk assessments; what the current risk limit is before the proposed 25-in-1 million and whether it can be slated to automatically decrease by set amounts over time; a desire to see all meeting materials on the website at least 24 hours prior to meetings; the need for a staff presentation at the Board meeting on June 3, 2015; the desire for more information on how Air District staff converted the new risk limit set by OEHHA into numeric emissions limits; whether the proposed resolution with enforceable numeric limits will be agendized for the Board meeting on June 3, 2015, and the need for a discussion of this provision regardless; the lack of staff support for proposed resolutions that would normally go through the rulemaking process but have not; whether direction to staff or a formal resolution is advisable; what material should be included in support of the agenda item for the Board meeting on June 3, 2015; and the importance of all stakeholders, staff and the Board to focus on the substance of the issues instead of the process.

Committee Action: None; receive and file.

## **6. CANDLESTICK PARK DEMOLITION UPDATE**

Mr. Broadbent introduced the topic and Wayne Kino, Director of the Compliance and Enforcement Division, who gave the staff presentation *Candlestick Park Demolition Update*, including an overview of the Candlestick Point Redevelopment Project; project site update and

timeline; multi-agency involvement and Air District role; dust control examples; Air District activity; enhanced dust control measures; and next steps.

Committee Comments:

The Committee and staff discussed what technology is being utilized to measure dust and if any notices of violation have been issued relative to the dust mitigation plan specifically.

Public Comments:

Shirley Moore, Clean Air Health Alliance, addressed the Committee to report continued emissions despite meetings with stakeholders about dust mitigation plans and to request clarification and definition of CARE communities to assist all those involved.

Dr. Raymond Tompkins addressed the Committee to suggest the setting of today's discussion is not ideal for achieving solutions; to request a definition of CARE communities be established; to suggest that the current standards are inadequate to protect homes near the project and an air monitor is incorrectly installed; to request the inspection report; and to opine that bigotry continues to exist in San Francisco.

Mr. Holtzman, 350 San Francisco, addressed the Committee in support of the comments made before him and in support of imposing stricter standards to protect the neighboring community.

Committee Comments (continued):

The Committee and staff discussed monitor siting and a summary of their movement.

Public Comments (continued):

Alvin Norm addressed the Committee to report that the residents requested the current development in an effort to provide jobs for a community in need and to suggest that there exists an abundance of triggers for issues related to air quality and the development is not the sole suspect.

Committee Comments (continued):

The Committee and staff discussed the need for a discussion between Mr. Tompkins and Mr. Kino and a possible site visit by staff.

Committee Action: None; receive and file.

**7. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS:** None.

**8. TIME AND PLACE OF NEXT MEETING**

Monday, June 15, 2015, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 10:30 a.m.

9. **ADJOURNMENT:** The meeting adjourned at 1:07 p.m.

Sean Gallagher  
Clerk of the Boards

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson John Gioia and Members  
of the Stationary Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: September 8, 2015

Re: Refinery Strategy Update

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On October 17, 2012, the Board of Directors approved staff's *Work Plan for Action Items Related to Accidental Releases from Industrial Facilities* that included, among the key actions, the development of a new rule that would apply to Bay Area petroleum refineries. Initially, staff developed Regulation 12, Rule 15 to collect information regarding refinery operations and put in place limits to increases in refinery emissions. During rule development, it was determined that two regulations were needed to better address data collection and limitation of refinery emissions increases. As a result, staff focused Regulation 12, Rule 15 on data collection and developed a new rule, Regulation 12, Rule 16, to limit increases in refinery emissions that focused on both criteria and toxic pollutants.

In order to address concerns heard during public comment regarding Regulation 12, Rules 15 and 16, the Board of Directors adopted Resolution Number 2014-07, directing staff to develop a strategy for specific rulemaking to meet the goal of reducing refinery emissions by 20% by 2020, or as much as feasible. Staff developed the Refinery Emissions Reduction Strategy to outline rule making actions that would reduce refinery emissions by 20% by 2020, or as much as feasible, and is now in the first phase of that process, proposing four rules that are expected to reduce refinery emissions by approximately 15%. A second phase of rulemaking is already in development to achieve the desired goal of reducing emissions by 20% by 2020, or as much as feasible.

One of the directions of Resolution Number 2014-7 was for staff to identify additional feasible measures to achieve best practices at refineries to ensure continuous improvement towards minimizing emissions. Staff is developing amendments to the Air District permitting rules to address this goal. The changes to permitting rules will require that New Source Review (NSR) requirements be applied in two new ways: 1) when crude oil characteristics change outside of current operating parameters and 2) to include GHG emissions evaluation in permitting actions.

These actions will ensure that best emissions reduction techniques are used to reduce overall emissions, including GHG at additional Bay Area facilities, over time.

The rulemaking actions described above can be considered an overall Refinery Strategy that addresses concerns regarding emissions of criteria pollutants, toxic air contaminants and GHG from refineries.

## DISCUSSION

At the September 21, 2015, Stationary Source Committee meeting, staff will provide a report on proposed regulations, including how the proposals respond to comments received. The proposed regulations are scheduled for a public hearing by the Board of Directors in December of 2015. These regulations are:

- Regulation 12, Rule 15 - designed to gather data about refinery emissions and track them over time.
- Regulation 12, Rule 16 - designed to limit refinery emissions and the associated health risk caused by those emissions.
- The first phase of the Refinery Emission Reduction Strategy - four proposed rules that are expected to achieve a 15% reduction in emissions from refineries. The four rules are:
  - Regulation 6, Rule 5: Fluid Catalytic Cracking Units
  - Regulation 9, Rule 14: Petroleum Coke Calcining
  - Regulation 8, Rule 18: Equipment Leaks
  - Regulation 11, Rule 10: Cooling Towers

Staff will also briefly discuss future actions currently in development to ensure refinery emission reduction goals are met and continuous improvement towards minimizing refinery emissions is achieved. These future actions are expected to be heard by the Board of Directors in 2016. They include:

- The second phase of the Refinery Emission Reduction Strategy - expected to achieve or exceed the stated goal of reducing overall refinery emissions by 20% by 2020, or as much as feasible. These rules include:
  - Regulation 6, Rule 5: Fluid Catalytic Cracking Unit (additional requirements)
  - Regulation 9, Rule 1: Sulfur Dioxide
  - Regulation 9, Rule 9: Stationary Gas Turbines
  - Investigation of further study measures that include wastewater, marine vessel operations and refinery boilers, steam generators and process heaters, as time and resources allow

- Proposed amendments to permitting requirements applying NSR protocols – expected to address potential crude oil characteristic changes and the potential for increased emissions as well as incorporation of GHG emissions into permitting actions.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None. Staff intends to propose a new fee schedule in order to recover the Air District’s costs of implementing new and amended rules developed in the overall Refinery Strategy.

Respectfully,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Eric Stevenson  
Reviewed by: Jean Roggenkamp