

Bay Area Air Quality Management District
939 Ellis Street
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APPROVED 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 Spering; 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 agendized 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 Lesher, 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 agendized 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 Spering.

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 agendizing 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.

ISI Sean Gallagher

Sean Gallagher
Clerk of the Boards